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SOCIAL EQUILIBRIUM IN NKRUMAH'S GHANA

by

John Weinstein

THESIS

Submitted in partial fulfillment
of the requirements for the degree
of Master of Arts in Political Science

Carleton University
Ottawa, Ontario

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The undersigned recommend to the Faculty of
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Abstract

Ghana is a small country and has not been in the limelight of world affairs for over a decade. Yet until the 1966 Military Coup, Ghana and her leader, Dr. Kwame Nkrumah, loomed large in the consciousness of all those sharing an interest in Africa and the Third World. Events in Nkrumah's Ghana have continued to draw the attention of observers of the African political scene, the author included, and will continue to do so. Out of the barrage of criticism which has been directed at Nkrumah from the Right and from the Left is emerging a realization of the achievements of Nkrumah which is based only partially on what he did and mainly on what he tried to do. This piece is a view of the constraints on Nkrumah's efforts to bring about fundamental changes in Africa. It is the opinion of the author that only by accounting for these constraints can Nkrumah's achievements be measured and Nkrumah's legacy be seen as highly relevant to present conditions in Africa.

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INTRODUCTION

The Gold Coast of the early 1950's has been described as a "relatively advanced colony". In terms of social and physical infrastructure the Gold Coast was far ahead of other tropical countries. The subsistence economy was much less important than elsewhere. A relatively widespread elementary school network and cocoa prosperity had contributed to the formation of very high material expectations so that the denizens could be called "...a poor people with middle-class orientations."¹

Yet at the same time the economy of the colony was seen as "extremely fragile". The Gold Coast was still an underdeveloped country with the economy based on the extraction and export of primary commodities and the import of finished goods. Despite the fact that hundreds of thousands of people engaged in retail trade, there were relatively few African capitalists. Almost all of the few larger manufacturing firms were owned by foreigners. There were few linkages between the sectors of the economy and the concentration of investment and infrastructure in the cocoa and mining belts caused acute regional imbalances. It is within the context of this contradiction between high material expectations and the actual capability of the colonial economy that one must look at the strategy of Nkrumah.

In December 1947, Nkrumah returned to the Gold Coast to assume the secretary-generalship of the United Gold Coast Convention (UGCC).

¹Maxwell Owusu, The Uses and Abuses of Political Power (Chicago: University of Chicago Press, 1970), p. 196.

Though he admitted to having only a vague idea of the social and economic conditions prevailing at the time in the British colony, Nkrumah did have fixed opinions on the course of action that African nationalists should pursue. The liberation of Africa was to be achieved by economic development through industrialization and continental unity. The greatest obstacles to these ends was colonialism and later, neo-colonialism.

The purpose of this paper will be to examine Nkrumah's strategy for industrialization and the constraints on it. Ghanaian underdevelopment will be seen as a process by which Ghana's possibilities for economic growth were suppressed and distorted by her contact with a more developed economic power. The social structure which rose on top of the underdeveloped colonial economy would include different groups whose contradictory demands would in themselves impose further constraints on Nkrumah's strategies for industrialization.

When Nkrumah stepped into the political scene at the end of 1947, he had no intention of subscribing to the mild constitutional nationalism which was espoused by the "intelligentsia" elite he was to work for in the UGCC. Indeed, his original impulse was to refuse their offer of the political post:

"The assessment of the situation forced me to the conclusion that it was quite useless to associate myself with a movement backed almost entirely by reactionary; middle-class lawyers and merchants, for my revolutionary background and ideas would make it impossible for me to work with them."²

² Kwame Nkrumah, The Autobiography of Kwame Nkrumah (Edinburgh: Thomas Nelson and Sons Ltd., 1957), p. 62.

Until 1948 politics in the Gold Coast had been characterized by what appeared to be a simple rivalry between the traditional chiefs and the coastal intelligentsia. Ever since the Guggisberg Constitution of 1925 had applied Lugard's Dual Mandate and Indirect Rule to the Gold Coast Colony, the intelligentsia, outnumbered 2 to 1 on the Legislative Council by the chiefs, had fought to become the heirs to any colonial devolution of power. In order to aid them in the ouster of the chiefs from the Legislative Council, the professional merchant stratum of the UGCC had decided to expand their popular base and therefore summoned Nkrumah. Unfortunately, events were to move too fast for their liking. The February riots in 1948, caused by the economic grievances of farmers, consumers, and ex-servicemen, and the subsequent incarceration of Nkrumah, J. B. Danquah, and other UGCC leaders would give way to the reformist Watson Commission in 1948 which recommended the establishment of a committee for constitutional reform. The co-optation of all leading UGCC members except for Nkrumah onto the Coussey Committee of Constitutional Reform in 1949 would lead to Nkrumah's defection from the UGCC. Taking with him the vast majority of the members of the youth organizations that had been affiliated with the UGCC, Nkrumah established the Convention People's Party (CPP) on June 12, 1949. Two years later, the CPP would form the government under the tutelage of the British authorities.

What were these social forces that Nkrumah had so deftly mobilized through the organization of the UGCC? Much of the literature on the rise of the CPP focuses on its social base, the "malcontents" or the "youngmen", that is, the partially-educated commoners

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("Standard VII boys"); the clerks, primary school teachers, petty traders, etc. who were marginal men, having rejected traditional rural society yet being denied entry into the modern sector of the economy. The followers of these "youngmen":

"...struggled through adolescence in a series of unskilled jobs...But although they were hardly able to follow even the simply-written pages of the CPP Evening News or Morning Telegraph they were nonetheless eager to absorb the simple precepts that the party wove into its nationalist appeal: 'We have the right to live as men: and 'Seek Ye First the Political Kingdom, and All Things will be added unto it'. To these future party members, 'Self-Government Now' had not only an immediate but a practical end, and they gave the CPP their whole-hearted support."³

The "youngmen", bourgeois in aspiration yet limited in opportunity by the capability of the colonial economy, would come into conflict with the chiefs, the representatives of the traditional society they rejected; the British colonialists, whose overall control was perceived to be an obstacle to their advancement; and the wealthy educated commoners of the UGCC who had been the beneficiaries of the limited Africanization that had been undertaken and who snobbishly viewed the "youngmen" as "verandah boys".

Why then did Nkrumah, a radical who never entertained any idea of a permanent alliance with the UGCC "reactionaries", rally the "youngmen", the "sans culottes", as the spearhead of his mass party?

In their highly acclaimed Ghana: End of an Illusion, Bob Fitch and Mary Oppenheimer claim that Nkrumah was a perfect representative of

³Dennis Austin, Politics in Ghana: 1946-1960. (London: Oxford University Press, 1964), pp. 16-17.

the petty bourgeoisie, as much by his contradictory principles as by his assessment of the situation in 1949:

"With an open political field, whom did Nkrumah seek to organize?...His terms of reference were not those of Marxist revolutionaries: he did not debate whether to go first to the peasantry or to the organized working class, or puzzle over the relationship his party should have to the national bourgeoisie. In this period, he made no specific political approach to either the trade unionists, the unorganized agricultural workers, or the independent smallholders....Instead he sought the support of the Gold Coast's 'youngmen'...."⁴

Nkrumah's class alignment must be seen as a response to the social structure that emerged out of the colonial economy. He would have to contend with economic constraints on industrialization as well as the constraints of his followers on the specific strategy for industrialization. The failure of the Lewis strategy in the 1950's will be viewed in this context. The shift to central planning in the 1960's and what I will call "social equilibrium" as a political strategy must also be seen as a response to the social, political, and economic constraints on industrialization. It is the intent of the author to show how this strategy was a culmination of political pressures which made it a historical necessity.

To sum up, the intent of the paper is to show how constraints on industrialization and on Nkrumah's strategies for industrialization arose; how Nkrumah attempted to deal with them; how they eventually defeated him; and why they defeated him.

⁴Bob Fitch and Mary Oppenheimer, Ghana: End of an Illusion (New York: Monthly Review Press, 1966), pp. 20-21.

CHAPTER ONE

ECONOMIC CONSTRAINTS: BUILDING THE COLONIAL ECONOMY

"The Ghanaian example is evidence that even without the wholesale expropriation of their lands and resources from a colonised people, and even without the radical reorganization of society in the interests of the imperialist power, the introduction of the capitalist system into an undeveloped economy will distort future development in the direction of the interests of the more developed capitalist economies. Underdevelopment is concomitant with development."¹

The structuring of the Gold Coast political economy by colonialism in such a way as to generate underdevelopment must be seen as the dominant economic constraint on the future plans for industrialization. This political economy was moulded by a combination of African initiative and the harnessing of this initiative by British merchant capitalism. Unlike a white settler colony like Kenya where the settlers enjoyed a monopoly of the cultivation of the most profitable cash crops and an Asian commercial stratum controlled the wholesaling and retailing trades, the European merchant oligopoly in the Gold Coast was content to allow the African complete control over the production of cocoa and the distribution of imports outside regional centres as long as the "firms" could maintain their monopoly of the activity that tied the colony to the world capitalist system, i.e., the export of cheap raw materials and foodstuffs and

¹ Rhoda Howard, "Development and Underdevelopment in the Gold Coast: Foreign Business and African Response 1886-1939", paper presented to the annual meeting of the Canadian African Studies Association in 1975, p. 1.

the import of consumer goods. Increased demand in Europe for palm oil, cocoa, and other tropical products at the end of the 19th century had added fuel to the arguments of the European trading companies based in the Gold Coast Colony (1874) that the hinterland had to be brought under British rule if a railroad was to be built into the interior to bring in consumer goods and carry out produce. Partially as a result of this pressure, British forces had annexed Ashanti and the Northern Territories by 1901.

The Arrival of "King Cocoa"

The greatest myth underlying the development of the cash-crop economy in the Gold Coast was that it was a colonial introduction. From the time of the introduction of cocoa to the Gold Coast by an African blacksmith-farmer, Tetteh Quarshie, in 1879, the cultivation, internal marketing, and transportation of the crop had always been an African affair. Indeed, the innovation and adaptability of African farmers in their response to the increased European demand for cocoa at the end of the 19th Century, was amply demonstrated by the rapid shift from rubber production to cocoa. In less than twenty years (1892-1911) cocoa exports went from nothing to about 40,000 tons, making the Gold Coast the largest exporter in the world.²

Small-scale peasant production would prevail over large-scale expatriate plantation production because it was more efficient. More Eurocentric interpretations could attribute the absence of

²A. G. Hopkins, An Economic History of West Africa (London: Longman Group Ltd., 1973), p. 216.

European settlers in the Gold Coast to geographical reasons such as inhospitability of climate and terrain while those more favorable to the African cause could cite the advantages of "traditional man" (stable supply of family labor and resistance to fluctuations in world market prices) but Hopkins comes closer to the point when he imputes the absence of European farmers to their ignorance of tropical conditions and the lack of capital of European expatriates who did attempt agricultural development in West Africa.³ The shortage of labor that forced wages up and the susceptibility of the highly specialized plantations to shifts in world supply reinforced the high failure rate of European plantations. The United Africa Company's (UAC) unsuccessful attempts to compete with the African cocoa farmers in agricultural production for fifteen years and the dismal record of French expatriates in neighboring Ivory Coast between 1920 and 1950 confirm the relative efficiency of the African producer.

"Cocoa farming was a thoroughly capitalist enterprise from the outset; it involved taking risks with an unfamiliar product; substantial investments of time and money; the ability to plan ahead; and a willingness to defer present consumption for the sake of future returns....

Although the government played some part in making seeds and plants available, it is now clear that neither colonial officials nor expatriate firms had much idea of what was happening in the interior until after the cocoa industry was firmly established."⁴

Another major reason for the absence of European rural settlers was the opposition of the European trading firms to expatriate

³Ibid., pp. 213-219.

⁴Ibid., pp. 216-217.

plantations. It was within the interests of merchant capitalism to allow indigenous farmers to substitute for foreign planters in order to protect their trading interest. The trading companies that lacked the capital to enter agricultural production themselves feared that concessions to European planters would allow their rivals such as Lever (who was already engaged in buying, shipping and selling produce) to enter cultivation and undercut them in price, thereby securing a monopoly over the supply of export crops. Thus, Manchester and Liverpool traders launched a campaign in opposition to Lever's demands for agricultural concessions between 1906-1920.⁵ The same motive (securing their share of the market) that made many of the "firms" favorable to African control of the production process in a colonial economy would later make them unfavorable to Nkrumah's plans for the establishment of import-substitution industries in the neo-colonial economy.

Willing to take risks (it took cocoa trees up to seven years to bear fruit) and often undertaking long migrations to suitable lands in the forest belt, the enterprising cocoa farmers would play an active, often militant role in challenging the colonial system which would deprive them of the fruits of their labours. According to Geoffrey Bing, the British Labour M.P. who served as Attorney-General in Nkrumah's Government, the radical outlook of the Ghanaian peasant was shaped by the history of agriculture which was one of adaptation and innovation; by the communal efforts that had been required to bring new lands into production; by the

⁵Ibid., p. 213.

formation of communal organizations to exert pressure on authorities to build roads, schools, and other services; and by the belief that government was an organ that had to be influenced if the farmer was to progress.⁶ Better prepared for collective action than the industrial, mining, and transportation workers before World War Two, these farmers would protest low cocoa prices with intermittent cocoa hold-ups, the most notable boycotts being held in 1930-31 and 1937-38. For these farmers, Indirect Rule had perverted the role of the chief who had become a paid agent of British colonial administration as well as a drain on the farmer's income.⁷ The colonial government had not provided them with technical and scientific assistance. Thus, the cocoa farmers were ripe pickings for the nationalist movement.

"These farmers had thus come to challenge all the old values. They believed themselves, on the basis of the experience of what they had achieved, capable of Self-Government. It was they, not the British, who had created the cocoa industry. Yet it was the British who now tried to take the profits."⁸

To see how these profits were appropriated, we must look at the dynamics of the merchant capitalism that was responsible for the "development of underdevelopment" in Ghana.

⁶Geoffrey Bing, Reap the Whirlwind: An Account of Kwame Nkrumah's Ghana from 1950-1966 (London: MacGibbon & Kee, 1968), pp. 122-124.

⁷Before WWII chiefs collected levies on the loads of the farmers' cocoa.

⁸Bing, op. cit., p. 124.

Gold Coast and the World Capitalist System

"When the first Europeans, the famous 'merchant adventurers', came it was not primarily in the social, the political, or the cultural spheres, at least for a long time but in the economic that the tribes of the Gold Coast felt the impact of Europe. The Portuguese, the Dutch, the Danes, the British—all came initially to trade in a variety of commodities, bringing to our shores and hinterlands the goods of a technologically advanced society. It is significant that nearly four centuries of commercial dealings preceded British colonial political control."⁹

Right up until the 1880's, African and European capitalists had competed on relatively equal terms in the Gold Coast.¹⁰ Increased European demand for the Gold Coast's raw materials and foodstuffs necessitated a reorganization of the small and inefficient African and European trading companies that were incapable of handling large volumes of products on a regular basis or maintaining a reliable supply of credit and capital. Through a process of sales and mergers that were characteristic of the centralization of capital of the age, the smaller African and European traders were either eliminated or absorbed by giant trading firms such as the UAC which by 1938 had engulfed 145 firms to stabilize the supply of export produce.¹¹ The Gold Coast trade was to be well organized to the benefit of the "firms": price-fixing became the norm for cocoa, palm oil, rubber, timber, and imported merchandise.¹² One of the "firms" practices which particularly

⁹ Maxwell Owusu, op. cit., p. 91.

¹⁰ Howard, op. cit., p. 2.

¹¹ Ibid.

¹² Ibid., p. 5.

irritated the African consumers and which was to play a major part in causing the 1947 boycott of European stores was tying the price of imported merchandise to the rise or fall in the prices paid for cocoa.¹³

Through an intricate pattern of interlocking ownership and directorships, the trading companies would strengthen their monopoly by an alliance with the shipping lines and banks. Smaller shipping companies, European and African-owned, were wiped out before World War One by the monopoly created when the British company, Elder, Dempster & Co. Ltd. entered a shipping "conference" with the German firm Woermann Lines and offered 10% deferred rebates to any customer who shipped his goods exclusively on their steamships.¹⁴ Elder Dempster established the first bank in West Africa, The Bank of British West Africa, in 1894. The banks loaned millions of pounds to European cocoa buyers during the harvest season but refused credit to African competitors.¹⁵

The political clout of the oligopolists was enhanced by their close ties with the Colonial Office in London. Many British traders

¹³Ibid., pp. 5-6. The leader of the 1947 boycott, Nii Kwabena Bonne II, was a merchant chief who resented the price-fixing of the hated Association of West African Merchants, an organization of the European firms. Following a big jump in the cocoa price in 1947-48 and the dramatic increase in the purchasing power of the cocoa farmers, there was a sharp increase in prices for consumer goods which particularly hurt daily-rated and salaried groups. The boycott would serve as a prelude to the 1948 riots in which Syrian and European stores were burned.

¹⁴Howard, op. cit., p. 6. The term "conference" meant an arrangement by which the two separate companies limited competition between them and established a joint policy towards newcomers.

¹⁵Ibid., p. 8.

who operated in West Africa had seats in the House of Commons. In 1905, The Joint West Africa Committee was created to allow members from the Liverpool, Manchester, and London Chambers of Commerce to meet with and advise the Colonial Office. The three Chambers were also allowed to deal directly with the Governor of the Gold Coast.¹⁶

By about 1910 the Gold Coast had found its place in the world capitalist system. The merchant capitalists had successfully pressed the colonial power into subduing the natives of the hinterland, into constructing a railway line—the Sekondi-Kumasi line which was completed in 1903 into the new cocoa and gold belt—and providing other infrastructural supports for the extractive export-oriented economy; but once this peripheral economy was built, they demanded laissez-faire:

"Thus once the economy of the Gold Coast had evolved into the classic peripheral pattern providing agricultural, arboricultural and mineral products to its mother country in return for largely unproductive consumer goods, the European firms exerted their influence to frustrate government plans for diversification and development of the economy since such plans were in their eyes unnecessary and likely to upset the balance of economic forces."¹⁷

By 1910, not only had the Gold Coast become dependent on Britain and the vicissitudes of the world market system for imports and exports; she was also becoming heavily monocultural.

¹⁶Ibid., pp. 12-13.

¹⁷Ibid., p. 21.

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Major Exports—Per Cent of the Total by Value

Year	Cocoa	Palm Oil	Palm Kernels	Rubber	Timber	Gold	Diamonds	Manganese
1886	—	38.37	11.77	17.20	—	18.41	—	—
1890	—	24.08	13.04	38.46	.08	15.24	—	—
1895	0.05	26.36	10.64	36.69	3.22	10.42	—	—
1900	3.38	29.99	12.17	41.15	8.53	4.77	—	—
1905	13.77	6.48	5.67	23.86	6.19	43.89	—	—
1910	34.52	6.42	7.37	14.31	5.90	31.49	—	—
1915	63.68	0.45	0.87	0.44	1.58	30.56	—	—
1920	82.63	0.94	1.82	0.22	2.81	7.30	—	0.56
1925	79.69	0.43	1.11	0.33	—	8.14	0.96	6.60
1930	70.78	0.11	0.70	0.22	1.02	10.72	6.69	8.36
1935	56.25	0.08	0.46	0.15	1.19	28.48	5.90	6.61
1939	40.00	0.04	0.21	0.26	0.43	48.44	3.64	6.19

Source: Howard, op. cit., p. 15.

As the table shows, the export of palm oil, palm kernels, rubber, and timber declined in importance with the increased dependence on cocoa and gold exports. This dependence would remain constant right up into the Nkrumah years when cocoa would account for between 60% and 75% of total export earnings. With cocoa and mining output accounting for 74% of Ghana's total export trade in 1911 and 77% in 1960,¹⁸ the dependence on international market trends had evidently not been altered.

However, the dependence on the export of extractive raw products was only one aspect of the structured under-development.

¹⁸ Robert Szereszewski, Structural Changes in the Economy Of Ghana 1891-1911 (London: Weidenfeld and Nicolson, 1965), p. 95.

Howard's investigations reveal that as late as 1935 about two-thirds of imports were destined for the consumer market and less than one-third could be considered investment goods which could promote economic expansion.¹⁹ In 1911, 91% of imports fed directly the final uses of the economy and by 1960 the low degree of mediation between imports and final demand would be reduced to 71% of imports serving final demand, but the change wasn't drastic and the 1960 import bill was still dominated by finished consumer goods.²⁰ Though the economy of 1911 had displayed weak linkages, it had experienced rapid growth. Comparing this initial growth period (1891-1911) to the period of stagnation after 1911, Szereszewski concludes:

"Given a situation which enables the economy to activate its physically available resources, we can expect in an underdeveloped country rates of growth and of capitalisation which are usually considered a privilege of the developed economies. Spurts of growth of this type can result in basic structural transformations. In this case, the process of structural change lost its momentum after 1911, and after 50 years Ghana's economy retained a close affinity with 1911 Gold Coast, albeit at a level of roughly double per capita income. The pattern evolved between 1891 and 1911 almost froze for half a century."²¹

The main factor in the development of the Gold Coast at the turn of the century was ~~an~~ increase in the use of available resources rather than ~~an~~ inflow of new resources. The cocoa farmer had responded

¹⁹ Howard, op. cit., p. 17.

²⁰ Szereszewski, op. cit., pp. 96-97. The decrease was exaggerated by the fuel sector in 1960 output figures since of the £14.6 million fuel output; £11.1 million was used in other sectors.

²¹ Ibid., pp. 111-112.

to colonial incentives but, once he was established as a producer of foodstuffs and a consumer of European consumer goods, his potential for expansion into other sectors of capitalist activity was blocked. Through its monopoly of external trade and credit, merchant capitalism had created a staples economy that exchanged (at very unfair terms) its unprocessed primary commodities for finished goods. Lacking horizontal linkages between sectors within the Gold Coast, the economy of the Colony was linked vertically to Britain and the hinterland.

The history of the Gold Coast in the inter-war era witnessed the successful attempts of merchant capitalism to obstruct the development of inter-sectoral linkages within the peripheral economy. African capitalism would be confined to agriculture through the oligopolistic practices of the European "firms" and their allies, the banks and colonial state. At the same time, the surplus that was to be extracted from agriculture by the "firms" could best be maximized by minimizing their productive investments. Only in mining did direct European control of the production process occur as Africans could not afford the capital equipment that was necessary for exploitation of the gold, manganese, and diamonds.²²

"But aside from mining, it was not necessary for Europeans to take over direct control to obtain the products they desired. The enterprise of the inhabitants of the Gold Coast was sufficient to produce as much as the expatriates could buy of agricultural...goods. The companies were content to leave the land and its exploitation in African hands."²³

²²Howard, op. cit., p. 18.

²³Ibid.

The companies were also content to leave productive investments in the hands of the Africans. The operations of the "firms" were usually restricted to the ports and were not linked to the economy in an integrated manner. "The sole investments made by the trading firms...were in buying and selling stations, 'mucky little stores', a few sheds for storage of cocoa along the docks, and bungalows for their European staff."²⁴

The detachment of the "firms" from the productive process itself was used to justify their refusal to invest in production. Without sufficient income nor incentive the African farmer could make few improvements such as the construction of cocoa storage sheds.²⁵ Likewise, the trading companies disclaimed responsibility for payment of taxes, asserting that the payment of import/export dues would impair their competitiveness with other European traders

"but in fact it was recognised by government, businessmen, and farmers alike that it was the African producer or consumer who actually bore the brunt of the import and export dues, and hence the burden of financing the government. Between 1886 and 1939 between 56% and 86% of the government's revenues came from import and export dues paid indirectly by African consumers and producers."²⁶

It was the fear of sacrificing budgetary surpluses and the obvious objections of the import firms to any plans for import substitution industries, that drove successive colonial administrations into adopting such weak alternative programs to reliance on cocoa, and

²⁴Ibid.

²⁵Ibid., p. 19.

²⁶Ibid., p. 20.

"industry was not considered at all in the many discussions of how to reduce the Gold Coast's monocultural dependence."²⁷

Increasing monocultural dependence produced chronic economic instability in the inter-war period. Fluctuations in the prices on the world market, exacerbated by the creation of the New York and London Cocoa Exchanges in the 1920's that led to much speculation, obstructed the colonial governments' infrastructural development schemes since their revenues were derived mainly from import/export duties.²⁸ Only the oligopolistic firms could survive the collapse of world market price levels during the Depression years. By the mid-1930's, the UAC accounted for one-third of the external trade of all of West Africa while some five or six firms accounted for three-fifths of the total trade.²⁹

During the Second World War the colonial state started to play a more active role in appropriating surplus from the colony. Before the War, the state tried to regulate the conflicts that arose between African producers and European firms. The source of this conflict usually lay in the price-fixing agreements reached by the different trading companies to eliminate cut-throat competition between them in their dealings with the farmers. Cocoa-buying agreements were concluded by the expatriate firms in 1903, 1904, 1905, 1906-1910, were continued intermittently between 1910 and 1917, and

²⁷Ibid., p. 16.

²⁸Ibid.

²⁹P. T. Bauer, West African Trade (N.Y.: Augustus Kelley, 1963), p. 120.

were resumed during 1925-1927.³⁰ The reaction of the African producers to such market-sharing arrangements as the Staples Lines Agreement of 1934-37, the Merchandise Agreement from 1937 until shortly after the War, and the infamous arrangement on the export side, the 1937 Cocoa Buying Agreement, was a series of protests and boycotts, the most notable being the 1937-38 "hold-up" of cocoa and boycott of the retail outlets of firms participating in the agreements... This confrontation prompted the British into establishing the Nowell Commission in 1938 to investigate the marketing of cocoa. The Commission called for the termination of the merchants' agreements and for the involvement of the colonial government in setting up producers' cooperatives for the marketing of cocoa. With the outbreak of war, the colonial government itself took over the marketing of cocoa. This was a step that was hardly displeasing to the "firms" whose Association of West African Merchants (AWAM) had proposed such a marketing program in November 1939:

"...The draft scheme for cocoa control submitted by the AWAM to the colonial office..., and approved by the authorities, provided both for the purchase of the entire crop by a statutory export monopoly at seasonally fixed prices, and for a quota system based on past performance."³¹

With the "firms" licensed as buying agents for the state-run West African Cocoa Control Board and with quotas based on pre-war performance, there was no doubt as to who the state intervention would

³⁰ David Kimble, A Political History of Ghana (Oxford: At the Clarendon Press, 1963), pp. 34, 48.

³¹ Bauer, op. cit., p. 257.

benefit. As the Depression had eliminated most of the smaller African competitors of the "firms", the criterion of "past performance" in issuing licenses resulted in Africans being able to buy only 11.8% of the cocoa crop and expatriate firms buying the remaining 88.2%.³²

In 1947 the Cocoa Marketing Board (CMB) was formed as an extension of the state-run marketing scheme. The CMB's functions were ostensibly to create a reserve fund that would stabilize the price of cocoa in times of sharp declines in the world market; to skim off excessive purchasing power to prevent inflation; and to provide the colonial government with funds for infrastructural development. As the sole buyer, seller, grader, and exporter of cocoa, the CMB amassed the difference between the low prices it paid domestic producers and the higher prices it received on the world market. A sizable portion of the difference went into the CMB's sterling reserves which were sent to Britain to be invested in long-term, low-interest British government securities.³³ By draining off much of the colony's surplus, the CMB did its part in keeping the British pound buoyant by correcting the huge balance-of-payments deficits that plagued Britain in the post-war years. The cocoa farmers, through the export of cocoa to the United States, also provided Britain with a sizable proportion of her dollar earnings. The following table demonstrates the extent to which the Gold Coast farmers helped pay for the capital

³² F. M. Bourret, Ghana: The Road to Independence (Stanford: Stanford University Press, 1960), p. 150.

³³ Fitch and Oppenheimer, op. cit., p. 44. The low rates of interest were 0.5% before 1950 and 2-4% after 1952.

goods that were imported into Britain after World War Two to rebuild Britain's shattered industry.

<u>Value of Ghanaian exports to dollar area (£)</u>		<u>% of dollar earnings allocated to Ghana</u>
1951	30,047,000	17%
1952	25,539,000	18
1953	25,407,000	21
1954	20,009,000	16

Source: Fitch and Oppenheimer, op. cit., p. 46.

Instead of correcting the monopolistic practices of the "firms", the CMB deliberately deflated the economy and obstructed economic development.

Another institution which the colonial state used to appropriate surplus was the Post Office Savings Bank (P.O.S.B.). The P.O.S.B. had an extensive network of branches which mobilized African savings deposits. Between 1939 and 1951 its balances increased as follows:

1939:	£ 276,000	1944:	£ 1,131,000	1948:	£ 3,057,000
1940:	295,000	1945:	1,542,000	1949:	3,872,000
1941:	318,000	1946:	2,188,000	1950:	4,045,000
1942:	455,000	1947:	2,514,000	1951:	4,683,000
1943:	725,000				

Source: W. T. Newlyn & D. C. Rowan, Money and Banking in British Colonial Africa (Oxford: At the Clarendon Press, 1954), p. 130.

However this accumulation of capital could not contribute to the expansion of economic opportunities for indigenous businessmen.

because of the colonial laws which stipulated that:

"...money in the Savings Bank shall not be applied in any way to the purposes of the colony, but, ... shall be deposited in the Treasury and shall as far as practicable, be invested on behalf of the Savings Bank...in such securities, or employed at interest in such manner as shall be approved from time to time by the Governor-in-Council, or in the case of moneys remitted to London for investment, by the Secretary of State...Provided that not more than one third of such moneys shall, at any time, be, or remain invested in securities of the Government of the Colony."³⁴

What this meant was that the P.O.S.B. had "...the effect of mobilizing domestic savings for overseas lending,"³⁵ with usually less than 19% of the P.O.S.B. balances being held in colonial government securities and the rest invested "...almost exclusively through the London market."³⁶ Thus, like the CMB, the P.O.S.B. drained capital back to London.

The colonial state had joined the "firms" in blocking the development of inter-sectoral linkages by preventing the embryonic African bourgeoisie from gaining access to the country's surplus. African capitalism was to be confined to agriculture and was to be regulated by the CMB so that much of its surplus could be appropriated and exported to Britain. A combination of foreign monopoly of exchange, credit, and marketing kept the African entrepreneur out of large-scale business. However, the greatest constraint on economic development which emerged out of the construction of the "open"

³⁴Newlyn and Rowan, op. cit., p. 131.

³⁵Ibid.

³⁶Ibid., p. 214.

economy was the country's overwhelming dependence on the export of cocoa. The structuring of the political economy by colonialism so as to generate underdevelopment through the strengthening of vertical linkages between colony and "mother country" had successfully prevented economic diversification. The consequent reliance on cocoa exports, in the long run, would only serve to impede those attempts to correct Ghana's economic imbalances. The following table illustrates the drawbacks to Ghana's monocultural dependence, one which was to condition developments during the Nkrumah era.

Prices and Volumes of Cocoa Exports, 1950-1962

Year	World price £ per ton	World production in thousands of tons	Ghanaian exports in thousands of tons	Ghanaian cocoa earnings £ million
1950	208	752	267	54.6
1951	285	801	230	60.3
1952	301	642	212	52.5
1953	237	796	237	56.1
1954	467	774	214	84.6
1955	302	798	206	65.6
1956	221	840	234	51.1
1957	247	893	260	50.9
1958	352	767	197	62.3
1959	285	905	250	68.8
1960	226	1041	303	66.4
1961	180	1157	405	69.3
1962	170	1216	421	67.0

Source: Fitch and Oppenheimer, op. cit., p. 85.

After enjoying a boom in cocoa prices in the mid-1950's, Nkrumah's Government would feel the pinch of the economics of cocoa in the early 1960's, just when it launched its most ambitious productive investments. Though her production and exports increased rapidly after 1958, with exports more than doubling between 1958 and 1962, Ghana's export earnings remained fairly static. With the international cocoa market characterized by an inelasticity in demand and an ever increasing supply, Ghana is in the unenviable position of producing more and more cocoa at lower and lower prices. Cocoa is not oil. The prospects of cocoa-producing countries forming a powerful cartel such as OPEC are nil.

"Consequently, neither increasing cocoa production nor decreasing it, neither storing cocoa nor burning it, can solve the dilemma of cocoa monoculture...."³⁷

The Underdeveloped Bourgeoisie

If one word could sum up the attitude of the Gold Coast professional-merchant stratum towards foreign political control and foreign economic domination, it would be "ambivalent." This attitude would manifest itself in the often contradictory behavior of this stratum throughout the twentieth century. Sharing many of the attributes of the educated but economically bankrupt class which Fanon called the "bureaucratic bourgeoisie",³⁸ the "intelligentsia" was torn between two desires. On the one hand, it wished

³⁷Fitch and Oppenheimer, op. cit., p. 86.

³⁸Frantz Fanon, The Wretched of the Earth, with a Preface by Jean-Paul Sartre and Translated by Constance Farrington (New York: Grove Press, 1968).

to liberate itself from the fetters of colonialism which obstructed its economic advancement yet, on the other, it saw collaboration with foreign capital as the surest way of achieving this advancement within the context of colonial society. This contradiction had governed the behavior of the "intelligentsia" since it was subordinated to monopoly capitalism at the end of the nineteenth century.

The Gold Coast intelligentsia that was to constitute the most articulate opposition to Indirect Rule can be traced in origin to the African merchant families which appeared at the time of the European establishment of forts on the Gold Coast. Throughout the nineteenth century, African merchants and chiefs had sent sons to European mission schools and to European universities. The scholarly stratum that emerged would occupy itself in trade and academic endeavors and from the start would preach the type of nationalism that would be inherited by UGCC intellectuals like Danquah and Busia.

In the middle of the nineteenth century, an African trading class had flourished with the formation of the African Steamship Company which shipped cargo faster and in smaller units than the shipping lines controlled by the European trading companies.³⁹ By the end of the century these African merchants were either eliminated or subordinated to the expatriate firms which had gained monopolistic control over exports and imports. The African commercial stratum tried to adapt to the changing circumstances by seeking accommodation with

³⁹Kimble, op. cit., p. 5.

-the foreign powers. It was the close interaction of the African lawyers and merchants with the foreign trading interests that had resulted in the unusual situation of the Gold Coast Colony being "...neither settled, ceded, conquered, nor purchased."⁴⁰ Ousted as equal trading partners by a combination of economies of scale, foreign political control, and oligopolistic trading practices, the Cape Coast and Accra intelligentsia pressed for political equality through the Aborigines Rights Protection Society (ARPS) which was founded in 1897. It was with this desire for accommodation that a leading Cape Coast intellectual could defend his stratum's criticism of British policies at the beginning of the century:

"There is widespread dissatisfaction amongst our white community on the Gold Coast with everything and anything Cape Coast. Such a feeling exists because our white friends believe that Cape Coast is against British rule....

If Cape Coast indulges in too much carping criticism of official actions...it is not because its people are against the Government, but because they realize that the administration is foreign, and that it is necessary to watch over and guard their interest, in as much as various attempts have been made at different times by our White friends to overwhelm the awakening consciousness of racial pride. If they...were given the assurance that the existing established authority was not 'foreign' in its intentions, that it existed to care for, and help the Aborigines to reach out unto a higher level of usefulness so as to take their proper place and position in our common household of this great Commonwealth, there would be no need for the continued activities...of such organizations as the...Aborigines Society."⁴¹

⁴⁰ J. W. de Graft Johnson, Towards Nationhood in West Africa (London: Frank Cass & Co. Ltd., 1971), p. 76.

⁴¹ Ibid., pp. 68-69.

Having their potential for growth thwarted by the Gold Coast's integration into the world capitalist system, the coastal intelligentsia would ally themselves with the chiefs to at least salvage control over farmlands and forests. Successfully opposing the Lands Bill of 1897—which decreed all unoccupied land to be Crown Land—and the Forestry Bill of 1911—which decreed the expropriation without compensation of forest reserves—the lawyer—chief alliance, the ARPS, fought to preserve sectors of economic activity for themselves such as farming and timber trade.

From the beginning, the indigenous elites sought to reach a mutually beneficial agreement with the British through such early nationalist organizations as the Fante Confederation (1868-71) and the ARPS, both of which were alliances of the chiefs and intelligentsia. These organizations

"...were designed as a move to improve the economic position of the chief and lawyer collaborators vis-a-vis the administration and foreign business or commercial interests. They were never conceived as political organizations advocating a complete break from British imperial connection, but they were to cooperate with the colonial authorities in securing reforms...At this stage, it was perhaps obvious to the members, both the chiefs and lawyers, that the colonial system, if pushed a little, would serve their interests better than any."⁴²

However, the monopolistic character of foreign capital dictated that the formerly independent African traders should be reduced to intermediaries between the European import and export firms on the one hand, and the African consumers and producers on the other. Many

⁴²Owusu, op. cit., p. 141.

would become cocoa brokers, buying up cocoa from the African farmers for the "firms" on a commission basis, and import distributors, retailing the merchandise imported into the colony by the European companies. The factor contributing more than any other to the relegation of African traders to middlemen between European firms and Africans was their inaccessibility to credit.

"The banks argued that Africans were a poor credit risk, and it would indeed seem that if there were one single factor which eliminated the Gold Coast African as a significant competitor in the trading world, that factor would be credit."⁴³

As the absence of an institution of private property in land prevented the African from offering his land as collateral for a debt, the indigenous businessmen were denied credit by the European banks. The bankers could argue that the Africans couldn't comprehend the complexities of the banking system,

"...but willing as they were to accept such African deposits as were offered, it seems the banks charged higher rates for services to Africans than to Europeans. It could perhaps therefore be argued that African traders understood the banking system only too well."⁴⁴

Another reason why the Africans couldn't get credit from the banks was that the banks were not in the Gold Coast to lend money. Their main source of income was through banking services such as transferring money and drafts and it was asserted by Bauer that the charges

⁴³Howard, op. cit., p. 9.

⁴⁴Ibid., p. 8.

by British banks in West Africa in the 1960's were the highest in the Commonwealth.⁴⁵ The surplus funds accumulated by the banks were remitted to London for "this was another instance of how the British operating in Ghana were able to institutionalize capital export back to the 'mother' country."⁴⁶

Thus, the African trader was forced to turn to the "firms" for credit. But the UAC and the twelve other trading firms had no desire to finance potential African competitors. Therefore money was advanced to buyers during crop seasons and goods were advanced to retailers by the "firms" on the basis of these African middlemen's subordination to and dependence on foreign capital. This dependence obviated the emergence of a stratum of important cocoa brokers, agents for the CMB, or wholesale importers.⁴⁷

Along with the foreign firms and banks, the colonial state played a major role in suppressing indigenous capitalists. This was especially so in the timber industry which was almost entirely in African hands before World War Two. Timber merchants like George "Pa" Grant, who had remained independent of the foreign firms during the inter-war period had to contend with government restrictions which favored the "firms" during the post-World War Two boom. Grant and other African merchants bitterly complained to the Watson Commission in 1948 that the criterion of "past performance" which

⁴⁵Bauer, op. cit., p. 181.

⁴⁶Fitch and Oppenheimer, op. cit., p. 71.

⁴⁷Newlyn & Rowan, op. cit., p. 139.

was used in granting import licenses and the allocation of supplies among importers was based on the 1937-41 period when African traders were displaced by the expatriate firms that could survive the Depression slump, and thus ignored the earlier golden age of African entrepreneurship.⁴⁸

The establishment of the state-owned CMB represented the African entrepreneur's last chance for gaining access to the surplus that had been usurped by the "firms". But as we have seen, the function of the CMB was no different from that of the banks or "firms" and the hopes of Gold Coast businessmen for credit from this new institution went down the drain as quickly as the country's surplus.

"In a country as productive as Ghana, with Africans growing hundreds of millions of dollars worth of cocoa annually on African-owned soil, one would naturally expect the emergence of a powerful class of African capitalists. We can now see that owing to the channeling of the profits of African cocoa production via the CMB to the 'mother' country, growth of the Ghanaian capitalist class was stunted....

Instead what did develop in Ghana was a stratum of small businessmen, small contractors, wholesalers, capitalist farmers, cocoa brokers, etc., who wanted to become full-fledged African capitalists."⁴⁹

The Early Nationalist Movement

The introduction of capitalism into many African countries resulted in the adaptation of non-capitalist forms of production to the needs of international capital. In the Gold Coast merchant capitalism also adapted non-capitalist forms of production to its

⁴⁸Austin, op. cit., p. 69.

⁴⁹Fitch and Oppenheimer, op. cit., p. 47.

needs but here it also bent indigenous capitalism to its needs. The capitalist cocoa farmer, merchant chief, and trader opposed the oligopolistic stranglehold of the foreigners but in order to stabilize their source of credit (which in many cases allowed them to become important creditors in their own right) and their trading outlets, they had to submit to foreign capital. Thus, "contradictory economic pressures...reinforced the division already present in the national consciousness between anti-colonialism and accommodation, neo-traditionalism and all-out assimilation."⁵⁰ These dichotomies dominated and crippled the UGCC.

The demand for "Africanization" that was implicit in the pleas of ARPS spokesmen since 1897 was eloquently articulated by its successor, the British West Africa National Congress, founded by African intellectuals in 1920 to press for the creation of occupational opportunities for the rising educated urban middle class. The call for the substitution of African bureaucrats and businessmen for the foreigners would dominate this stratum's thinking right through the founding of the UGCC in 1947.

"The relegation in the twentieth century of Africans to the junior ranks of industry and Government Service was a result, not of the lack of ability or the availability of trained men in any of the coastal towns but of a deliberate Colonial Office policy which began officially in the last quarter of the nineteenth century and which, at the beginning of the twentieth, was elevated into an official doctrine by Joseph Chamberlain...."

The existence for over a century of these great families who had provided an African ruling

⁵⁰ Ibid., p. 67.

class in the past explained why some of them still considered they had the right to govern."⁵¹

The seemingly superficial conflict between this coastal professional-merchant stratum and the chiefs which began with Governor Guggisberg's application of Indirect Rule to the Gold Coast Colony in 1925 was in fact an attempt by the two indigenous elites to establish niches for themselves in the merchant capitalist system. The chiefs would use their greatly increased powers to appropriate communal lands for themselves; to accumulate enough capital through the granting of concessions (often for gold mining) to the foreign capitalists to become major economic powers in themselves; and to become important traders, brokers, and creditors in the new underdeveloped capitalist system. The members of the coastal commercial stratum interpreted Indirect Rule as an attempt by the chiefs and British to oust them as, what was hoped to be, equal partners in forming a ruling class. The close political and economic collaboration of the chiefs with the foreigners undermined the old alliances of the African elites. An African capitalist like "Pa" Grant viewed this collusion as the gravest single threat to indigenous capitalism:

"Wholesale and retail trade was now in the hands of an expatriate oligopoly and there was no longer a place for African merchants of the class from which he came. He realized that this situation could never have come about but for the political ineptitude of the chiefs and the fact that their views were in practice dictated by the colonial authorities."⁵²

⁵¹Bing, op. cit., p. 62.

⁵²Ibid., p. 93.

As a founding member of the UGCC, Grant represented the majority in the party who believed that the chiefs had to be ousted from the Legislative Council if the intelligentsia was to be an heir to any colonial devolution of power. The moderate and polite nationalism preached by the UGCC lawyers reflected the emasculated condition of their class and their earnest desire to reach a political accommodation with foreign capital. The monetization of the coastal and hinterland areas had produced a commercial stratum which realistically directed its investment into enterprises that complemented rather than competed with foreign capital. This stratum

"...controls significant sums of money, but whose main objective has been to operate in the interstices of the Ghanaian economy, under the domination of foreign capital. In rural areas, the rich farmer-traders want a strong place within the import-export trade, while city traders want opportunities in the small and intermediate trade which complements the foreign commercial ...houses."⁵³

Thus, economic collaboration led to political collaboration. The UGCC sincerely wanted to cooperate with the British and their demands for gradual self-government did not imply African control over such vital spheres as defence and foreign affairs which would be left to the British. In order to add some muscle to their verbal diatribes against the chiefs and to boost their call for "Self-Government within the shortest possible time", the UGCC mobilized the "youngmen", the result being the emergence of a new radical nationalism within the womb of the UGCC.

⁵³Judith Marshall, "The State of Ambivalence: Right and Left Options in Ghana", Review of African Political Economy, No. 5, p. 50.

Immediately after the 1948 riots, the UGCC lawyers and merchants rushed towards detente with the British and the chiefs. The type of militant anti-colonialism which they had helped unleash through their alliance with Nkrumah was obviously too unpalatable for the tastes of the elitist UGCC lawyers like Francis Awoonor-Williams who believed that "true aristocracy is the greatest blessing a nation can enjoy". After nearly a quarter of a century of feuding with the chiefs, the intelligentsia would easily be co-opted onto the Coussey Committee on Constitutional Reform in 1948 to assist the chiefs in resolving the conflict between nationalism and colonialism.

"This was clearly a step of great importance and one that the intelligentsia understood very well. They were at home with committees and schemes of political reform, and they had no hesitation in responding to the government's invitation....

In all there were 40 members of this all-African Committee—31 commoners and 9 chiefs, the right kind of proportion for the UGCC leaders, and from this point forward, the chiefs and the intelligentsia began to work amicably together."⁵⁴

The limited extent of the semi-responsible government proposed by the Coussey Committee⁵⁵ reflected the elitist character of the UGCC intellectuals who "...wanted a Legislative Assembly of the British type but the House of Commons before 1867 was their model."⁵⁶

⁵⁴Austin, op. cit., pp. 80-81.

⁵⁵In the 1951 elections, only 38 of the 75 seats in the Assembly would be popularly contested: The Territorial Councils of Chiefs (18) and a Northern Territories Electoral College (19) would elect the other 37 members.

⁵⁶Bing, op. cit., p. 63.

However, it was erroneous for the intelligentsia to believe that their political detente with the British from 1948 to 1951 could resolve the more deep-seated conflict between the two. The interests of the merchant capitalists and colonial state which were to maximize capital outflow would remain in contradiction with those of any indigenous class seeking national development. For reasons which will be discussed in later chapters, Nkrumah and the CPP were willing to continue operating mechanisms such as the CMB during the Dyarchy, thereby earning the approval of the British and the contempt of the underdeveloped bourgeoisie. Hence the ironical scenes in the Dyarchy years of Opposition Parliamentarians denouncing the CPP "sell-outs" to the British. Clamoring for the nationalization of the banks; for the elimination of the confiscatory export taxes on cocoa by the CMB; and for other measures to limit capital outflow and increase "feedback", through loans, to African businessmen; the underdeveloped capitalist class would be aghast at the joint efforts, though for different reasons, of the British and Nkrumah to seal the coffin of Ghanaian capitalism.

The very same contradictory attitudes of the underdeveloped capitalist strata towards foreign political and economic rule—its desire to break the foreign monopoly of control over Ghanaian economic and political institutions and its desire to occupy key positions in these institutions under foreign tutelage—would inevitably set them against Nkrumah's plans for industrialization. For if Nkrumah's strategy was to challenge foreign control of the economy, it would necessarily also impinge against those who prospered in the interstices

of that economy.

Very much aware of their substantial contributions to Nkrumah's Government through the payment of export taxes and special contributions to the Development Plans, the cocoa farmers would organize the most serious opposition to Nkrumah and his economic programs during the Dyarchy. As Owusu has noted in his study of the people of Swedru in the Agona district of southern Ghana:

"People saw long-term political achievement primarily in terms of the cost of living index. Whenever real income was generally considered high, for example, when the producer price of cocoa was high relative to the cost-of-living index, people were hardly receptive to political activities."⁵⁷

This orientation of the cocoa farmers would inevitably clash with the intervention of the state to accumulate capital for industrialization.

As for the intelligentsia, its ambition to become a national bourgeoisie would remain unfulfilled in the Nkrumah years, partially as a result of his own policies. Its hopes to inherit colonial power shattered by the CPP victory in 1951, the intelligentsia withered from the political scene but remained well-entrenched in the post-colonial state institutions such as the bureaucracy, military, judiciary, etc. With the advent of Independence, this state apparatus would regulate the competing interests of the CPP Government, foreign capital, and the indigenous capitalist strata. As Nkrumah shifted to the Left in the 1960's, the former antagonisms between the metropolitan and

⁵⁷Owusu, op. cit., p. 143..

indigenous bourgeoisies receded as quickly as the advance of radical policies. Lodged in the organs of the State, the underdeveloped bourgeoisie could hardly approve of Nkrumah's "revolution from above."

An anecdote by Geoffrey Bing illustrates the desire of this highly influential class to regain lost mastery even during the Nkrumah era. Bing recalls how the crushing defeat of the UGCC in 1951 drove most of the members of the Ga aristocracy

"...out of politics and back into the race tracks. When the National Liberation Council was formed in 1966 there was a joke that its members had first met each other in the Stewards Enclosure of the Accra Turf Club...."

While the bulk of this aristocratic class was...inactive politically its object remained to put back the old ruling families into the position they had occupied in Government before they had been dispossessed by Joseph Chamberlain and his Colonial Office successors."⁵⁸

To sum up, the economic constraints on industrialization in Ghana stemmed from the structuring of the political economy by merchant capitalism and the colonial state in such a way as to generate underdevelopment.⁵⁹ The appropriation of the bulk of the colony's surplus was done by a foreign bourgeoisie which repatriated profits back to Britain via the "firms", the banks, the CMB, the ROSB, and other institutions of the colonial economy. As a result of the consumption and investment of profits from the Gold Coast in the metropolis, the economy which was to benefit from the increased demand and further

⁵⁸ Bing, op. cit., pp. 62-63.

⁵⁹ Part of the theoretical outline used in this summary is borrowed from Colin Leys, Underdevelopment in Kenya, (Berkeley: University of California Press, 1974), pp. 1-28.

investment generated by this consumption of profits would be the metropolis. What little local demand which existed in the colony was satisfied by the import of largely unproductive consumer goods. The only sector of the economy which received substantial capital inflow was the extractive, export-oriented sector and in the most important component of this sector, the cocoa industry, the capital infusion was to be made by the African farmer himself. With profits, raw materials, and foodstuffs flowing in one direction and finished goods in the other, it was evident that the Gold Coast to which Nkrumah returned in 1947 was locked into the pattern of underdevelopment characteristic of many Third World economies. Instead of developing an integrated economy with strong horizontal linkages between different sectors, merchant capitalism forged strong vertical linkages between periphery and metropolis and between periphery and the subsistence sector or hinterland. Cocoa monoculture tied the Gold Coast to the world capitalist system in such a way that any attempt to undo the country's dependence on it could be easily snuffed out by the wild fluctuations in prices on the world market.

What distinguished the process of underdevelopment in the Gold Coast from that in many other colonies was the extent to which periphery capitalism rested on the initiative of indigenous capitalist cocoa farmers and traders. Much of the surplus which remained in the colony was consumed by this group which prevented the growth of an internal market by skewing income distribution through their replication of the monopoly relationship between periphery and metropolis within the colony itself. To amass the local surplus, these capitalist

strata were forced to increase the exploitation of the peasants and workers through usury and high retail prices. Thus, Nkrumah's strategy for dismantling the colonial economy after independence would have to contend not only with the external aspects of neo-colonialism (rich countries exploiting poor countries) but also with its internal aspects (the indigenous bourgeoisie which shared many of the interests of foreign capital).

CHAPTER TWO

SOCIAL CONSTRAINTS: A REVOLUTION OF RAISED EXPECTATIONS

"Money is sharper than the Sword" Ashanti Proverb

But what of the rural and urban working class, the petty traders, the clerks, the market women—the electoral backbone of the CPP? How could they place constraints on Nkrumah's economic revolution when they had everything to gain from industrialization? For an answer to these questions, we must look at the changing nature of the social structure as it was shaped by a relatively advanced physical and social infrastructure on which the "open" economy was completed. We must challenge the assumption that the introduction of colonial rule and capitalist relations destroyed the traditional social structure. Instead we should examine the adaptability of the traditional structures to new relations of production. The development of dependence in the Gold Coast is an example of how capitalism, rather than eliminating non-capitalist forms of production, will adjust these forms to the requirements of capitalism. The resulting underdeveloped capitalism, a product of the interaction between traditional social structure and co-existing modes of production, generated aspirations for upward social mobility which could only be contained by keeping the channels of social mobility open. The range of these channels would obviously be extremely limited in an underdeveloped country, yet in the Gold Coast and Ghana aspirations for entry into prestigious positions flourished.

Having utilized the resentment and frustration of the commoners to sweep him into power, Nkrumah was constrained by the necessity to keep these mobility channels open. Though Nkrumah cannot be held responsible for the external forces that undermined his regime in the 1960's (the international capitalist market system), his downfall could be linked to his inability to shift quickly enough away from his heavy infrastructural investments—on which much of mobility aspirations were pinned—to directly productive investments which demanded greater sacrifices and thus tended to limit hopes for mobility.

The object of this chapter is to show how the overlapping and co-existing modes of production, capitalist and pre-capitalist, in the Gold Coast changed the traditional social structure. Out of this interplay came different forms of political opinion hardly conducive to the socialism which Fitch and Oppenheimer believed to be lacking in Nkrumah's "revolution from above". It was the recognition of the multiplicity of inchoate classes and strata (and the weakness of the bourgeoisie and proletariat) and their overall subordination to foreign capital that forced Nkrumah to adopt "social equilibrium" to facilitate the economic development process. This plan generated further social contradictions such as the antagonisms of the pre-capitalist trading stratum towards rationalization of the distribution system by the state or of the urban proletariat towards the bureaucrats. These antagonisms in turn contributed to the February Coup. It remains to be seen from the experiences of other African countries whether the alternative to equilibrium—violent class struggle—

would have proven better strategy.

Rural Social differentiation

An analysis of the social differentiation of rural society in the Gold Coast that was caused by the shift from subsistence to cash-crop production at the turn of the century will reveal few clear-cut distinctions between the modern and traditional sectors. Through the development of the cash-crop economy by local farmers at a very early stage, Gold Coast society escaped many of the colonial contradictions that beset those colonies with European settlers and large agricultural estates.

"This is also the reason why today Ghana is not characterized ...by the economic, social and psychological dualism which corresponds to the continued existence, side by side, of a more or less closed traditional sector and a modern foreign colonial sector."¹

As it was developed through the initiative of African peasants, cocoa farming in the Gold Coast as a capitalist venture was influenced by "...the so-called 'traditional' social structure [that] proved to be an asset rather than a liability."² Not only did it provide collective support to finance migrations and land purchases; it also offered cultural incentives:

"Even Akan religion makes economic pursuits by the chief a primary point of departure. Central to the religious function of the chief is praying to his ancestors for life and prosperity of the

¹Roger Genoud, Nationalism and Economic Development in Ghana (New York: Frederick A. Praeger Publishers, 1969), p. 21.

²A. G. Hopkins, op. cit., p. 217.

community in an utilitarian, matter-of-fact way."³

Adjustments to the new capitalist mode of production were varied but almost all retained pre-capitalist social relations, even if in the most modified form. Creeping individualism eroded the equilibrium of traditional communalism. Inclined to pass his property on to his sons, the matriarchial Akan farmer, who through individual effort had developed his family land, felt it to be unfair that his wealth should be inherited by other family members who were heirs by traditional law.⁴ Likewise, those farmers engaged in cash-crop production reacted against the confines of communal ownership by making distinctions between family land (food crops) and individual land tenure (cash crops):

"This compromise preserves the ancient mechanism of social security with the inducements necessary for increased agricultural production in a capitalist framework."⁵

Owusu states that the introduction of cocoa and monetization in Swedru directly affected the status, power, and authority of the chiefs who were forced to become capitalist farmers, rentiers, and merchants in order to maintain their status and power which were threatened by the new wealthy commoners.⁶ For one to contend that

³Maxwell Owusu, op. cit., p. 90.

⁴Immanuel Wallerstein, The Road to Independence: Ghana and the Ivory Coast (Paris: Mouton and Co., 1964), p. 11.

⁵Ibid., pp. 13-14.

⁶Owusu, op. cit., p. 326.

traditional chieftanship was undermined by the inordinate functions and powers delegated by the British to the chiefs—new powers such as tax collection and administrative duties which relegated the chiefs to paid agents of the District Commissioners—requires the recognition that the alleged restoration of the chiefs to their old positions was merely a superstructural facade behind which the chiefs consolidated their new economic positions. Backed up by materialistic cultural norms, the chiefs could use their occupation of stools to control and then alienate vast acreages of land. The status quo could be upheld but it was not of traditional communalism. In the 1930's the new dominant mode of production, though clouded by the mist lingering over "traditional" Africa, had created new social and political relations.

"Already money, or whatever it commands had entered the field ~~as a~~ major and powerful competitor to traditional status as a primary source of prestige, even power and influence. The man who possessed more money and education ... was becoming the dominant type in the social and political arena."⁷

In 1935 the Asantehene—the Paramount Chief of the Ashanti Confederacy and the leader of resistance to the British invasion which culminated in the conquest of Ashanti in 1902—was repatriated by the British from his exile in the Seychelles Islands to Kumasi. In addition to his traditional roles, the Asantehene, like other chiefs, busied himself over the years in cocoa farming and trading so that in the mid-1950's he could be described as a leader of the new order.⁸

⁷ Ibid., pp. 74-75.

"The Asantehene himself demonstrates this tendency to acquire non-traditional sources of power through a combination of feudal and capitalistic devices. On one hand, he was the biggest land owner in Ashanti; on the other, he was a major stockholder in the Kumasi Race Track Club. Through the Asantehene's Land Department, he invested in housing development and carried out town-and-country planning and investment....

The Asantehene's great wealth and the scope of his business interests reflect the changing class position of the Ashanti capitalist farmer-chiefs as a whole. More Anglican than Akan, they were no longer leaders of a religio-military hierarchy, but leading citizens and employers in rural capitalist communities."⁸

It is no wonder that Owusu observes that the richer a chief, the greater the tendency for him to be a nucleus of traditional political conservatism.⁹ Rather than destroying non-capitalist forms of production, the underdeveloped capitalism within the "merchants' colony" co-opted the old modes of productions to serve new purposes. The chief as entrepreneur became the kingpin of an incipient rural capitalism. The evolution of the social structure from 1910 to the Nkrumah era attested to the lack of major socio-economic changes in the rural areas and the preservation of relations of production that reflected the maintenance of the co-existing and overlapping modes of production.

Subsistence production was to survive but in a transmuted form. Szerepewski reports that subsistence consumption (own produce consumed) in 1961-62 accounted for only 20.2% of national consumption,

⁸ Fitch and Oppenheimer, op. cit., pp. 64-65.

⁹ Owusu; op. cit., p. 87.

or about 40% of total consumption of local food.¹⁰ He concludes that the subsistence sector:

"...takes account of the subsistence activities carried out primarily by the rural population but it does not represent an identifiable sector, in the sense of households detached from the market or from the money economy and supplying their own needs. Such a sector does not occur in Ghana."¹¹

Much less important than elsewhere in Africa, the subsistence economy in Ghana performed the same function that the peasant mode of production performed in countries like Kenya;¹² it subsidized the capitalists in the capitalist mode of production by providing cheap labor and cheap foodstuffs. The supremacy of merchant capitalism in the Gold Coast militated against advanced development by draining surplus out of the country. Thus, much of the rural population continued to produce under non-capitalist modes of production as they were dragged into the world capitalist system.

"The Rural Proletariat"

Unlike the cash-crop farmers and merchant chiefs who adapted themselves to changes in productive relations in a way that made them the beneficiaries of underdeveloped capitalism and inevitably opponents to Nkrumah's economic plans, the smaller debtor-farmers and agricultural laborers certainly did not prosper from the system. Much of the

¹⁰R. Szereszewski, "Patterns of Consumption" in Walter Birmingham, I. Neustadt, and E. N. Omaboe, (eds.), A Study of Contemporary Ghana. Volume I; The Economy of Ghana (London: Allen & Unwin Ltd., 1966), p. 108.

¹¹Ibid., p. 47.

¹²This feature of underdevelopment is treated more fully in Colin Leys, Underdevelopment in Kenya.

criticism against the CPP was levelled for its refusal to agitate for the class struggle in rural areas. Accused of perpetuating the myth of the undifferentiated rural mass, the CPP politicians allegedly couldn't see the difference between a poorly-paid laborer and a capitalist farmer:

"The CPP politicians also liked to speak in terms of 'the farmers'....As for the agricultural working class, it figures in the plans and programs of the party as did the helots in the Aristotelian polis. They were the obscene basis (about which polite discourse forbids discussion) on whose labor the whole superstructure of the state was built."¹³

The social relations of production in the countryside would constrain Nkrumah so that even when his most radical Seven-Year Plan was drafted in 1963, it deleted any measures to reorganize the rural social structure. How did this happen? Why didn't the CPP mobilize the peasants and rural proletarians to eradicate the semi-feudal relations that obstructed growth of the productive forces? To answer these crucial questions, we must look at the effects that underdeveloped capitalism in the Gold Coast had on the rural poor. Out of the perpetuation of non-capitalist forms of production such as the co-existing peasant mode arose patterns of labor distribution and migration that prevented the emergence of a discrete agricultural proletariat.

The absence of European settlers and plantations had obviated the development of a large rural proletariat in a formal sense. Another factor working against the growth of a definable rural

¹³Fitch and Oppenheimer, op. cit., p. 40.

proletariat was the migratory and seasonal nature of agricultural labor. Of the 6.7 million people enumerated in the 1960 Census, 827,000 were of foreign origin, mostly from Nigeria, Upper Volta, and Togoland.¹⁴ The Census also revealed that 57% of the males and 47% of the females in the employed labor force were migrants.¹⁵ While it is true that migrants were not as likely as non-migrants to engage in agriculture, forestry and fishing¹⁶ and more likely to be employed in the secondary and tertiary sectors of the economy, they still constituted a significant proportion of the rural labor force.

The large influx of migrant labor into the relatively advanced central and southern sections of Ghana resulted in a considerable degree of cultural conflict between the migrant workers coming from

¹⁴Birmingham et. al (eds.), A Study of Contemporary Ghana, p. 21.

¹⁵Tony Killick, "Labour: A General Survey", A Study of Contemporary Ghana, p. 132.

¹⁶Ibid., p. 134, adapted from.
% of Migrants in Agriculture Labor Force

Short-Distance Migrants			
Male	205,204	24%	63% in Agriculture
Female	179,950		
Long-Distance Migrants			
Male	136,039	11%	44% in Agriculture
Female	42,499		
International Migrants			
Male	132,317	10%	45% in Agriculture
Female	20,841		
Non-Migrants			
Male	531,244	55%	72% in Agriculture
Female	332,321		

the savannah of the Northern Territories and neighboring countries on the one hand and the indigenous population of the cocoa belt on the other.

"The Sudanic Moslem Empires were the work of the savannah peoples and their pride as conquerors has not waned in this era of temporary defeat. White men they may respect, but to many of them the African of the forest is a true barbarian. Equally the forest African, Christian or Christianized, lettered in Western ways, often regards these 'Hausamen' with not a little contempt."¹⁷

Many of the foreign migrants such as the Mossis from Upper Volta were relegated to the lowest rungs of the social hierarchy and served as laborers for even the poor farmers of Ghana. However, what separated these migrants from the ranks of a definable agricultural proletariat more than traditional tribal animosities towards each other was their continued reliance on subsistence farming to hold them over for parts of the year. Leaving their families behind on small plots of land in the Northern Territories, Togoland, Upper Volta and Ivory Coast, the migrant workers largely remained detached from Ghanaian politics since they expected to return home after fixed periods of time.

Another factor militating against the growth of a conscious rural proletariat was the possibility of horizontal mobility which allowed daily-rated or annually paid laborers to become abusive laborers who, as sharecroppers, would grow and market the produce of cocoa farms before retaining one third of the produce for themselves. The extent to which capitalist farmers relied on this semi-feudal

¹⁷Wallerstein, op. cit., pp. 16-17.

arrangement can be seen in Genoud's chart based on the investigations of Polly Hill:

Size of Farmers and Labor Employed in Cocoa Farming

Size of farmers	Number of farmers	%	Share of Production (%)	Examples of Labor Employed by Individual Farmers
very small	130	27	7	
small	136	28	16	
middle	100	20	19	2 abusa (farmers own sons); 3 annual; 4 annual; etc.
large	83	17	33	6 abusa; 3 abusa; etc.
very large	34	7	24	10 abusa; 15 abusa; 11 annual 9 abusa 10 abusa; 6 abusa; 9 abusa 15 abusa 9 abusa; 5 abusa; 8 abusa 9 abusa 4 abusa; 7 annual; 5 annual; 7 annual etc.

Source: This table is based on the findings reported by Polly Hill in The Gold Coast Farmer-A Preliminary Survey (London: Oxford University Press, 1956). The survey made in 1954-55 covered ten villages and 483 farmers. The above table is culled from Roger Genoud, Nationalism and Economic Development in Ghana, p. 30.

The abusa system permitted the larger capitalist farmer who possessed a number of farms scattered in different areas to become a general overseer of his holdings, travelling around the country supervising his abusa men and wage laborers. At the same time it allowed some middle-sized farmers to have a steady income in rent payments from the abusa men while they took jobs in cities and towns. Unlike the impoverished time-rate laborers who had to leave their families behind, the abusa farmer moved his family with him and hence became

more tied to the social relations arising out of the overlapping modes of production. Austin's account of the 1956 General Election campaign revealed how the CPP's bid to make inroads among the non-Ashanti voters in the otherwise generally pro-National Liberation Movement rural vote in Ashanti gained little headway among the migrant abusa men:

"...The interest of the abusa, share-cropping labourer...were so closely bound up with the Ashanti owner-farmer, even when the relationship was one of debtor and creditor, that these two principal groups within the farming community were likely to be in agreement on any issue affecting the locality: if a particular district opted for the NLM (or the CPP) both were likely to be NLM (or CPP)."¹⁸

The contention put forward by Fitch and Oppenheimer that the CPP should have based itself among the so-called "rural proletariat" is a fanciful suggestion arising out of a rigid equation of relative impoverishment with revolutionary potential.

"This migrant labor cannot thus be assimilated to a rural working class on which, as Fitch and Oppenheimer seemed to believe, a truly revolutionary CPP could and should have based its strategy. While part of the 'proletariat' was migrant—thus, to say the least, unstable—many in other groups also appeared to migrate constantly from one type of activity to another."¹⁹

From the previous table we can see that the stratification patterns in rural Gold Coast—Ghana were not nearly as rigid as those in countries with more pronounced colonial contradictions. Cocoa

¹⁸ Austin, op. cit., p. 288.

¹⁹ Genoud, op. cit., p. 179.

farmers generally were employers of labor.²⁰ Though the figures in a sample this small (483 out of more than 200,000 farmers) cannot possibly capture the complexity of regional (village to village) variations and labor arrangements springing from the diverse combination of abusa, paid, or family labor, it is clear that with just under 25% of farmers qualified as large to very large, there was widespread ability to operate capitalist enterprises and invest in new farms through the employment of paid annual laborers.

Income Table of Ghanaian Farmers

Income Class N.C. per annum	% Farmers	Total Income %
1-60	18	1.7
60-120	20	4.2
120-240	22	9.1
240-600	25	22.2
600-1200	10	19.1
1200 & above	5	25.7

2.4 New Cedis equals 1 £ Sterling. N.B. Not including imputed income from consumption of own food.

Source: Kodwo Ewusi, The Distribution of Monetary Income in Ghana (Legon: Institute of Statistical, Social and Economic Research, 1971), p. 75.

As the tables would indicate "there are many...one-man or one-family ventures in cocoa farming in Ghana, but there are also many fairly large farming businesses relying on the employment of five, ten, forty-five, and even more abusa and paid laborers."²¹

²⁰ Polly Hill, Migrant Cocoa Farmers of Southern Ghana (Cambridge: Cambridge University Press, 1963). Hill's investigations showed that the proportion of independent smallholders (performing all their own labor) throughout Ghana was probably less than 20%.

²¹ Genoud, op. cit., p. 34.

Of course, one must wonder how there could be such relatively widespread affluence when the surplus was being sucked out of the country by merchant capitalism. The truth is that the sharpest contradictions in the rural areas—the foundation for the underdeveloped capitalism that obstructed growth of the productive forces—existed not so much between agricultural capitalists and proletarians as between capitalist creditor-farmers and small-scale debtor-farmers. With capital draining out of the country through the very same banks that denied African farmers and businessmen needed credit, the farmer-brokers and merchant chiefs who had consolidated their symbiotic relationship with the "firms" accumulated enough capital to become major creditors.

Nkrumah has been accused of allowing semi-feudal landownership to persist.²² As will be shown in a later chapter, Nkrumah recognized the social relations of production in agriculture as a major constraint on economic development and moved to deal with it at an early stage. To break the stranglehold that merchant capitalism pressed on the Gold Coast through monopoly at the ports and its agents in the interior, Nkrumah turned not to the dispersed and ethnically divided (and often non-Ghanaian) agricultural workers but to the debtor-farmers. In order to liberate the small farmer from the pledging of his land and chronic indebtedness, the Nkrumah Government in the early 1950's used an organ of the state as an instrument for shattering the solidarity of the cocoa farmers that had existed during the boycotts and protests against colonialism. Through a number of mechanisms,

²² Fitch and Oppenheimer, op. cit., p. 86.

Nkrumah usurped the profitable credit business of the capitalist farmers and chiefs in an attempt to lay the groundwork for an improved rural economy that could spur national development. But if "politics in the Gold Coast and in Ghana after Independence was a struggle for the allegiance of the peasant",²³ it was also and more so a struggle for the allegiance of those who felt the deprivation by the colonial system the most—the wide range of "commoner" groups that constitute any mass nationalist movement. What is most significant about the "youngmen" is that they formed the CPP, shaped it in character, served as its cadres, yet through the very nature of their goals and outlook, imposed the most severe constraints on Nkrumah's choices for economic development. To account for how these constraints arose, we must again look at the interaction of the underdeveloped capitalism with the Gold Coast social structure.

The Rise of the Commoners

Less "...the pioneer of the economic revolution in the country"²⁴ than an innovator who completed the "open" economy, Governor David Guggisberg in his term of office (1919-1927) authorized many infrastructural projects which accelerated the pace of social differentiation. His Ten-Year Development Plan (1919-1929) envisaged the opening up of new areas to the world market.

²³Bing, op. cit., p. 124.

²⁴J. W. de Graft Johnson, op. cit., p. 86.

Ten Year Development Plan, 1920-1930

<u>Construction</u>	<u>Total Expenditure for 1920-1930</u> <u>(in £ Sterling)</u>
Harbor	2,000,000
Railways	14,000,000
Roads	1,000,000
Water Supply	1,790,000
Drainage	1,350,000
Hydroelectric Works	2,000,000
Public Buildings	1,100,000
Town Improvements	500,000
Telegraph-Telephone	90,000
Maps, Political and Industrial	200,000
TOTAL	24,611,000

Source: Kodwo Ewusi, Economic Development Planning in Ghana
(New York: Exposition Press, 1973), p. 20.

Guggisberg's ambition of increasing government revenues to finance social services necessitated the improvement and extension of the transportation system which would lead to a reduction in the freight rates on imports and exports. As the figures indicate, Guggisberg's budget exaggerated the use of railways as motor transport would soon prove to be cheaper. However, between 1919-1927 not only were 233 miles of new railroads built and another 250 miles of prospective lines surveyed, but 388 miles of new roads were built and 1310 miles were reconditioned.²⁵ The railroad network that was to open up the interior for trade boosted the extraction of cocoa and mahogany. Most of the roads completed or reconditioned were in fact feeder roads connecting these new sources of wealth to the railroads.

²⁵ Bourett, op. cit., p. 30.

To facilitate the export of the raw products, Guggisberg planned to improve the loading methods and crowded conditions on the beaches at ports. The construction of Takoradi harbor which was opened for commerce in 1928 highlighted the development of the transportation infrastructure which accounted for 71% of total planned investment.

"The plan was drawn up at a time of growing prosperity—a prosperity that the commercial organizations and cocoa farmers had not witnessed to such an extent before...."²⁶

Of course the foreign merchant capitalists could hardly be expected to disapprove of this government intervention which basically subsidized their parasitic operation. In fact, the British merchants loaned Guggisberg £ 4 million or 17% of planned expenditure.²⁷

Guggisberg's predictions about the profitability of the transportation network were confirmed; the average annual volume of total trade for 1920-26 was over double that of 1913-1919 and the colony's revenue showed a 100% increase,²⁸ albeit mainly at the expense of the African producer and consumer. Though inadequate for the size of the population, Guggisberg's social services²⁹ reinforced the notion that the Gold Coast was a relatively advanced colony.

²⁶ The Economic Bulletin of Ghana, Volume 8, No. 1 (1964), p. 21.

²⁷ Ewusi, Economic Development Planning in Ghana, p. 19.

²⁸ Bourret, op. cit., p. 31.

²⁹ Before 1927 his administration had built a large modern hospital near Accra and 18 smaller hospitals and 120 medical dispensaries; a start had been made in infant welfare work; the Medical Research Institute was enlarged; and the apex of the educational system—Achimota College—was constructed.

Yet Guggisberg, the social and economic reformer, was to clash head-on with the intelligentsia over Indirect Rule which he himself would apply to the Gold Coast in 1926. For the Governor, self-rule was a long-term proposition and therefore he aligned himself with the chiefs against the educated Africans. Little did he realize that the implications of the extension of import-export trade and government—the rapidly expanding colonial administration, the mushrooming service industries in towns and cities, the development of the trucking industry, the construction of a major port, etc.—would conceive a new wave of clerks, skilled laborers, small businessmen, teachers, drivers, and petty traders who felt they had little stake in the old system and very much to win from "Self-Government Now".

"This was the period when economic forces, which Guggisberg's own development projects played no mean role in unleashing, were gradually but surely producing new social groups which found that the doors of opportunities for utilizing their talents within the traditional structure were being increasingly closed to them....In the Gold Coast..., the process of the evolution of the 'young men', who were to become militantly anti-chief and anti-colonialist in the post-World War Two Period, dates from the Guggisberg era. This was the paradox of Guggisberg's policy which he did not clearly see."³⁰

Guggisberg's extensive transportation system accelerated the spread of cocoa farms and freed hundreds of head carriers to boost the inadequate labor supply in agriculture and mining.³¹ The emergence of an urban proletariat can be traced to the demand for skilled and unskilled labor to man the port and railway facilities at Sekondi-Takoradi. However, just as the initial major social changes in the

³⁰ de Graft Johnson, op. cit., p. xvi.

³¹ Bourret, op. cit., p. 30.

1890's were a combination of African initiative and colonial policy, so the changes that gave rise to the "youngmen" would also result from the interaction of these two factors. Itself a foundation for the relatively advanced colonial economy which by its very nature limited opportunities for the dependent subjects, the physical and social infrastructure built by the Guggisberg Administration and the people of the Gold Coast³² would facilitate the emergence of a petty bourgeois stratum whose demands would lead to the rise and fall of Nkrumah.

We need only contrast the CPP with the Ivorean section of the Rassemblement Democratique Africain (RDA) to see the extent to which the new social forces arising out of the well-developed infrastructure in an underdeveloped country would shape Ghana's history.

"The RDA in the Ivory Coast is what the UGCC would have been, had there not been the CPP split-off. One of the obvious reasons why a similar split-off did not occur in the Ivory Coast is because the social forces which sustained the CPP in 1949... were much weaker in the Ivory Coast.... Also the Ivory Coast, having no university students before 1946, had no professional-intellectual class which by long tradition had dominated local politics.... Resentment of a professional-intellectual class which... played so considerable a part in the development of the CPP in Ghana, thus had no counterpart in the Ivory Coast."³³

How did this difference arise? Whereas British policy in the Gold Coast had sanctioned spontaneous production by Africans and had

³² E. N. Omaboe, "The Process of Planning" in Walter Birmingham et. al. (eds.), A Study of Contemporary Ghana, Vol. 1: The Economy of Ghana (London: Allen & Unwin, 1966), p. 440. During the infra-structural boom of 1920-1927, the chiefs and the people were motivated to perform voluntary communal labor on roads.

³³ Wallerstein, op. cit., pp. 61-62.

adopted a laissez-faire attitude towards African education, French policy in the Ivory Coast was far more regulative, not only controlling the mode of agricultural development³⁴ but also controlling access to education.

"The British education policy was haphazard and neglected placement, in part because it was largely in the hands of the missions, whereas the French education policy, conducted largely in state schools, was more systematic. The French trained only for those for whom they were willing to find a position in the colonial structure. But the British trained without regard for this, and they did not expand the positions available for African placement to meet the expanded supply."³⁵

Bonnie Campbell has shown how education for the families of chiefs and other large planters in the Ivory Coast was the ticket of admission into the modernity-capitalist circuit.³⁶ Education led to bureaucratic positions which provided the elite with money to become planters and amass wealth and political power. In the Gold Coast, on the other hand, education for the commoners would lead to demands and expectations that would oust the old elites and place constraints on the man who had so deftly exploited their grievances—Nkrumah.

³⁴Hopkins, op. cit., pp. 218-219. Hopkins divides the development of the Ivory Coast cash-crop economy into three periods: 1) from 1908-1920's when the French colonial administration encouraged peasant production; 2) from the 1920's to 1946 when expatriate cocoa and coffee planters were favored and subsidized with forced labor; 3) from 1946 on when Africans were allowed to enter export production.

³⁵Wallerstein, op. cit., pp. 39-40.

³⁶Bonnie Campbell, "Social Change and Class Formation in a French West-African State", Canadian Journal of African Studies. Vol. 8 No. 2 (1974), pp. 285-306.

Education and Social Change

"Ghanaians at all levels of society are committed to achieving economic mobility, a rising social status and the personal satisfaction of having the wherewithal to meet one's extended family obligations. Fathers achieve high status vicariously and even realistically through the economic mobility of their sons and daughters...."

But it is a 'conservative' modernity that hardly aspires to creative innovation. It is modernity that aspires to privilege through high-status seeking and is desirous of well-paid and materially comfortable, mostly white-collar occupations. In a poor or underdeveloped economy such as Ghana's, which hardly has the resources to expand rapidly, this modernist orientation has created institutionalized structural instability, making drastic political change inevitable."³⁷

It was the demands that were concomitant with this orientation that swept Nkrumah to power in 1951 and to which he was compelled to address himself throughout his sixteen years in power. It was an orientation that called for particular redress of personal grievances rather than total emancipation of all. It arose out of widespread belief in the possibility of social mobility even though the underdeveloped capitalism that was entrenched in Ghana limited personal opportunities. Why this belief in mobility persisted was largely a function of education and the supposed advantages it would bring. Along with politics, education and the bureaucratic jobs it was supposed to yield were outlets for ambitions that would otherwise be blocked by the limited modern sector of the economy. Foster attributes the great faith in education as a mobility mechanism to the lack of alternative opportunities in private industry or entrepreneurial

³⁷Owusu, op. cit., p. 250.

activity which "has impelled sections of the population to place all their mobility eggs in the educational basket."³⁸ Almost totally academic in content, education in the Gold Coast was not misdirected in the sense of ignoring technical skills, for it reflected the demands of the colonial economy for white collar workers. To allege that education has historically been too academic or that massive investments in education by Mfumah produced urban unemployment begs the issue which is the structural limitations of the economy that restricts demand for technically-trained personnel and prevents balanced economic growth.

Education does not exist in a vacuum. It does not lead to changes in society by itself. In the Gold Coast there was no demand for education until major changes occurred in the traditional socio-economic structures. The pre-requisites for educational growth were economic—the growth of trade, commerce, and cash-crop farming which led to prosperous African traders and farmers seeing the advantages of Western education; political—the spread of British rule; and religious—the impact of missionaries.³⁹ It would appear in the Gold Coast case that the economic factor was of paramount importance "but since these economic pressures have impinged differently upon the various regions, the associated educational demand and subsequent

³⁸ Philip J. Foster, "Secondary Schooling and Social Mobility in a West African Nation", Sociology of Education Vol. 37, 1963-64, p. 153.

³⁹ Walter Birmingham, I. Neustadt, and E. N. Omaboe (eds.), A Study of Contemporary Ghana Vol. 2 Some Aspects of Social Structure (London: Allen & Unwin Ltd., 1967), pp. 217-222.

provision of educational services had been unequal.⁴⁰ Where the three forces converged for the longest period of time (south), the demand for education was greatest and where the three converged much later (if at all) such as in the north, there would be a very slow start to schooling. As a contributor to the massive inequalities between north and south, differentials in educational opportunity added fuel to the regionalism which flared up in the 1954 and 1956 General Elections in the Northern Territories.

However, the most serious threat posed by educational imbalances to Nkrumah's government was in the curriculum itself. Since the 1850's British administrators had criticized the curriculum as being excessively if not exclusively academic. Birmingham et. al. state that the academic element in the curricula had always been governed by the limited occupational opportunities available to the school leavers for since the most and best-paying jobs for educated Africans were clerical, academic education had proven to be the most vocational education that could have been offered.⁴¹ Those who argued that schools alienated pupils from communities through academic curriculum and consequently called for more technical courses were refuted by the inability of the few graduates from trade schools in the 1920's to find employment.⁴²

⁴⁰G. E. Hurd and T. J. Johnson, "Education and Social Mobility in Ghana", Sociology of Education Vol. 40, No. 1, Winter 1967, pp. 65-66.

⁴¹W. Birmingham et. al., A Study of Contemporary Ghana Vol. 2, p. 222.

⁴²Ibid.

Despite (or because of) the exclusion of the African from the higher ranks of trade and bureaucracy, education remained the most rapid route to large income. From the beginning, the Gold Coast student took a utilitarian approach to education—often to the chagrin of British educators who saw English education being valued not for the sake of knowledge but out of a pecuniary interest:

"European education appeared initially to enjoy little prestige for its own sake and the relative success of academic education lay not in its power as an 'educational tradition' but rather in its overwhelming vocational nature."⁴³

The response of a social structure to the new dominant mode of production in the twentieth century entailed a change in values which served to enhance the utility of education.

"Control of property is increasingly replacing family status as defining wealth and power, and education is the most rapid route to money and hence the control of property."⁴⁴

With the starting pay in the civil service in 1957 running three times higher for a university graduate than a non-graduate and with liberal professions and even clerical jobs in the bureaucracy commanding well-remunerated salaries, modern education held the keys to the few available rooms at the top. This was so whether the beneficiary of education used his money to acquire high social status through its distribution and consumption—as was the case in Owusu's

⁴³ Philip J. Foster, Education and Social Change in Ghana (London: Routledge & Kegan Paul, 1965), p. 65.

⁴⁴ Wallerstein, op. cit., p. 17.

Swedru study—or if he asked to be transferred by the civil service to a distant town where he could evade sharing his income with his extended family. Education was an outlet for the initiative and entrepreneurship that otherwise would be smothered by monopoly of credit and enterprise by foreign capital.

It is not surprising then that much of the social conflict between the CPP and the UGCC should take on the appearance of a struggle between different levels of educational attainment:

"It was among the elementary-school-leavers that the nationalist movement gathered force with such astonishing speed. By the end of the Second World War they had begun to cohere as a distinct social group, marked out by the limited system of elementary education through which they struggled to reach a minimum of qualifications and thereby very different in outlook from the better-educated, older-established, intelligentsia class."⁴⁵

The UGCC intelligentsia had, generally, been educated in the elitist secondary schools in Cape Coast and Accra while the "youngmen" attended village or small-town primary schools which were staffed by untrained teachers.⁴⁶ Because of the strong correlation between education, occupation, income, and status, the social conflict between the UGCC and CPP would often be reduced to debates over the extension of educational services. With the election of the CPP to power in 1951, Nkrumah moved to add education onto the "Political Kingdom". The Old Guard UGCC intelligentsia denounced mass education as a sacrifice of quality to quantity but it was apparent that what they

⁴⁵Austin, op. cit., pp. 13-14.

⁴⁶Ibid., p. 14.

feared most was a sacrifice of their privileged position to the dictates of Nkrumah's mass movement. If the UGCC intelligentsia was to make a last-ditch stand against mass education, it would be in the universities:

"In organization, the universities followed those of Britain—they were autonomous and deliberately detached from the government; in standards and curriculum they stressed a thin excellence and narrow specialization; and in social function they regarded themselves as a privileged class."⁴⁷

Clinging to British tradition and fundamentally opposed to many of the changes envisaged in Nkrumah's later policies, the university intellectuals—most of them coming from the subordinate professional-merchant class of the coastal cities—would inevitably come into open conflict with the CPP. Yet Nkrumah would have to rely on the often foreign-trained university graduates to fill key administrative posts and help draw up development plans. Excluded from political office, the intelligentsia would lodge itself in the organs of state power. Nkrumah would devise "social equilibrium" partially as an attempt to balance off the less-educated radicals against this well-educated intelligentsia whose skills were needed for economic planning but whose personal orientation was, like their predecessors of the colonial period, to seek accommodation with foreign interests. The demand of the masses for rapid educational advances pushed Nkrumah into heavy infrastructural spending in the 1950's, and when Nkrumah would be forced to shift the emphasis of his economic

⁴⁷ Francis A. Botchway, Political Development and Social Change in Ghana: Ghana Under Nkrumah (Buffalo: Black Academy Press, Inc., 1972), p. 115.

plans into directly productive investments in the 1960's, the intelligentsia would fill the anomalous role of bulwark for his regime.

Voluntary Associations and the Rise of the CPP

The often unrealistic mobility aspirations that were manipulated by Nkrumah could be satisfied by only two channels—education and politics itself. Just as the electoral victory of the CPP in 1951 opened the doors to mass education and its accompanying pressures, so the ascension of the mass nationalist movement in the later part of the 1940's and 1950's provided opportunities for many of the "malcontents" and "agitators"⁴⁸ whose educational attainment did not qualify them for desired employment. Wallerstein's observation of how political disputes during the period of Dyarchy revolved around the conflict between the two mobility channels⁴⁹ grasps the essence of the schism which "social equilibrium" was contrived to counteract. The intelligentsia could use its superior education to gain access to organs of the state but the less-educated "youngmen" would use success in politics to control the party and its infinite rewards. Neither of these two groups would be particularly receptive to the programs eventually launched by Nkrumah.

"Those whose roots with rural areas were not dissolved but whose urban affiliations made possible quick and effective

⁴⁸ A term commonly used by the chiefs to describe the activists in local youth associations who were constantly looking for excuses to destool them.

⁴⁹ Wallerstein, op. cit., p. 147.

organization",⁵⁰ the partially-educated "youngmen" saw politics as the quickest road to success and the numerous and diverse voluntary associations were often the essential intermediaries between rural backgrounds and urban jobs. Austin refers to the organization of scholars' unions, debating clubs and youth-improvement societies by the elementary school graduates which became forums for the grievances of the youths in lieu of the forbidden parties "and by 1948-49 each of these little societies was an active nucleus of an anti-chief, anti-colonial movement, quick to acquire new life as a radical commoners' party."⁵¹

In his study of Swedru—an urban migrant and commercial centre in an essentially illiterate rural society and thus a microcosm of the colonial society—Owusu describes three voluntary associations; the People's Education Association (PEA), the Kwahu Youth Association (KYA),⁵² and the Swedru branch of the Gold Coast Ex-servicemen's Union (GCEU), which were all committed to the economic transformation of the country.⁵³

Established by the Gold Coast University College Department of Extra-Mural Studies in 1949 to meet the demand for adult education, the PEA was to attract the same groups as the CPP, i.e., clerical

⁵⁰ David Apter, *Ghana in Transition* (Princeton: Princeton University Press, 1972) Second Revised Edition, p. 167.

⁵¹ Austin, *op. cit.*, p. 27.

⁵² The KYA merged with the CPP in 1950.

⁵³ Owusu, *op. cit.*, pp. 174-178.

workers, traders, skilled workers, and primary school teachers.

Almost all migrant in origin and ethnically heterogeneous, the PEA members overwhelmingly supported the CPP in the Dyarchy elections.

What linked the PEA with so many other voluntary associations in the towns and villages was the high degree of job dissatisfaction recorded by their members and the eagerness to improve status.

This job dissatisfaction resulted in astonishing horizontal mobility through the willingness to experiment in finding a livelihood. Austin's account of the occupational backgrounds of CPP Assembly members in 1951 illustrates this tendency for MP's like J. K. Donkor from Kumasi—(an ex-clerk, ex-public letter writer, ex-debt collector, ex-native authority policeman, realtor, and manager of a trading bar in Ashanti)—to jump from job to job.⁵⁴

"At the same time, the constant shifting of occupation of these future MP's also indicates the limitations of social mobility in the then Gold Coast. Young men escaped from the pattern of traditional society and successively, rather than successfully, try their hands at various jobs and careers. But the number of attempts points as much to the difficulty of successfully moving into a new group...as it does to the relative ease with which...one could move out of one group...."⁵⁵

Participation in voluntary associations was based on a "what one gets out of it" motivation.⁵⁶ They were not ideological arenas. Much of the future crisis within the CPP could be imputed to this utilitarian approach of the "youngmen" leaders who continued to believe

⁵⁴Austin, op. cit., p. 196.

⁵⁵Genoud, op. cit., pp. 35-36.

⁵⁶Owusu, op. cit., p. 116.

that the success of the revolution rested on patronage. In the long run, their approach to politics prevailed and in the process helped to defeat Nkrumah. The representative par excellence of this approach was the CPP's illuminary in Ashanti and future cabinet minister, Krobo Edusei.

A debt collector for a provincial newspaper and a migrant pedlar of anti-malarial drugs, Edusei was one of the founders of the Ashanti Youth Organization in 1947 and the leader of Nii Bonne's boycott campaign in Kumasi.

"Krobo Edusei believed in a golden age when the warrior bands and the young men in their Asafo companies had made and unmade the chiefs of Ashanti. His ambition was to destroy the feudal system of the Gold Coast and to substitute a regime in which careers were open to all talents But the equality he supported was an equality of opportunity and not of income. His wife's 'Golden Bed' was the retort of the former underprivileged Ashanti to the mystic cover for feudal exploitation which the 'Golden Stool' had come to symbolize."⁵⁷

Commercial Structure

An intrinsic feature of underdeveloped capitalism is the chaotic distribution system. European monopoly over the means of exchange in the Gold Coast was complemented by African control over much of the means of distribution, especially outside the larger urban centres in which the "firms" and Levantines operated retail outlets. The expansion of the cash-crop economy and the growth of towns and cities to service the rural areas resulted in an explosive growth

⁵⁷ Bing, op. cit., p. 122.

in the tertiary sector of the economy. The 1960 Population Census of Ghana showed 23% of the active population in this sector, including 18% of the active male population and 31% of the active female population.⁵⁸

"The share, as well as the type of activity of women in this sector, show that the tertiary sector in Ghana is not modern and perhaps partly parasitic: 275,000 'petty traders' (who more often than not do not even possess a selling stand) out of a total labour force of 526,000... for the whole sector...."⁵⁹

Many local traders and shopkeepers were dependent on the UAC and other European firms for credit in the form of advances of goods to keep going. Most of the petty market traders were occupied in the retail food trade. Of this group the "market mummies" would prove to be of utmost importance in the rise of the CPP.

"The group probably most influential in the sector of mass communications...and therefore most instrumental in Nkrumah's rise to power was the women engaged in trade, commerce, and marketing. Strategically situated in the retail trade, food distribution, transport...these women dominated the major communication arteries in the country, spreading their influence along the country's supply and distribution routes. Nkrumah assiduously cultivated that source of support throughout his political career."⁶⁰

These market women pursued individualistic trading practices to survive within the interstices of the colonial economy—indeed some even became rich mummies and even "super-mummies"—and they

⁵⁸ Genoud, op. cit., p. 17. The Census showed 63% of the active population in the primary sector and 13% in the secondary sector.

⁵⁹ Ibid., pp. 18-19.

⁶⁰ Henry L. Bretton, The Rise and Fall of Kwame Nkrumah: A Study of Personal Rule in Africa (London: Pall Mall Press, 1967, p. 72.

would be likely to resist any attempts to limit their right to individual trading.⁶¹ Having been propelled to power to a significant degree by these market women, Nkrumah would feel the constraints of trying to rationalize the distribution system through large-scale cooperative buying and selling over the vociferous opposition of the market women who were organized into the National Council of Ghana Women, an appendage of the CPP. In order to break the stranglehold of merchant capitalism over the economy, Nkrumah had to strive for the nationalization of trade but this implied a grave threat to those who had been allowed marginal middlemen roles in the colonial economy.

Likewise, Ghana's small independent African traders, many of them among the earliest supporters of the CPP, would resent Nkrumah's policy of restricting African private business to small-scale enterprises after the promulgation of the Seven-Year Plan in 1963. Their earlier sentiments were represented by W. M. Halm, successively a CPP Party Treasurer, Ghanaian Ambassador to the United States, and finally Governor of the Bank of Ghana. Starting out as a storekeeper for a European firm in the 1920's, he managed to become a transport owner and general merchant by 1930 but as an independent trader "felt that his business was being strangled by the ring of expatriate trading monopolies and he had no confidence in the lawyers and intellectuals of the United Gold Coast Convention to put this right."⁶²

⁶¹Colin Legum, "Socialism in Ghana: A Political Interpretation," in W. H. Friedland and Carl S. Rosenberg, Jr. (eds.), African Socialism (Stanford: Stanford University Press, 1965), p. 133.

⁶²Bing, op. cit., p. 121.

Ironically, the one group which really didn't impose constraints on Nkrumah was the Levantine minority. Filling the vital intermediary role in the commercial structure between the European import/export firms on the top and the vast network of African petty traders on the bottom, the Syrian, Lebanese Christian and (to a less extent) East Indian immigrant retailers and service traders were used by the British as a "safety-valve" for African resentment against racial discrimination.⁶³

"The Syrians...filled the gap in a mercantile society from which the African social system largely excluded the native-born...and from which the immigrant British capitalist was debarred by his inability to acquire land. In the same way as the Jews in Europe in the Middle Ages provided a small expert class of traders, bankers, and moneylenders for which the social system of the time provided no native substitute, so the Syrians of West Africa performed an essential service and were, like the Jews, a convenient scapegoat on which to blame the social evils of the later day."⁶⁴

The Levantine and Asian commercial stratum was therefore neutral and sought the protection of whomever happened to be holding the cards. During the 1948 disturbances these shopkeepers had hurried to become special constables in the British force used to crush the rioters yet by 1952 the Levantine businessmen were heaping offers of

⁶³Wallerstein, op. cit., p. 16.

⁶⁴Bing, op. cit., pp. 60-61. Bing asserts that the norm of family sharing inhibited Africans from entering shopkeeping as it implied a drain on the trader's stock by family members. Wallerstein notes that Africans tended to remove themselves from the conflict by investing their money in other enterprises where their capital was less conspicuous, i.e. manufacturing.

- good will (kickbacks, contributions to the CPP) on the CPP.⁶⁵ In 1962 the CPP Government was asked to take over the largest Levantine trading firm, A. G. Leventis, by its Greek-Cypriot owner.

Thus, the greatest opposition to state intervention in the anarchic distribution system would come not from the Levantine-Asian commercial stratum but from the CPP's earliest and most faithful followers—the mummies, petty traders, and small contractors whose commercial ambitions were thwarted not as much by Nkrumah as by the structural limitations of the colonial and neo-colonial economy they operated in.

The Urban Proletariat

To complete the analysis of changes in the social structure requires a brief look at the urban proletariat which Fitch and Oppenheimer identified as the real vanguard of the nationalist movement during the Positive Action of 1950.⁶⁶ If it is accepted that the Trade Union Congress propelled the CPP into action or as Governor Charles Arden-Clarke put it, "the tail wagged the dog",⁶⁷ one must wonder why Nkrumah, as an avowed socialist, did not attempt to socially base his party mainly among the workers rather than among the "youngmen".

⁶⁵Austin, op. cit., p. 172.

⁶⁶Fitch and Oppenheimer, op. cit., p. 99. The authors correctly point out that in 1950 Nkrumah was pushed somewhat reluctantly into declaring Positive Action—which consisted of civil disobedience in the form of a general strike and a boycott of European stores—only after the militant TUC had launched its general strike on January 6, 1950.

⁶⁷Charles Arden-Clarke, "Eight Years in the Gold Coast," African Affairs, January 1958.

In fact, the trade union movement had strongly supported the CPP since the Party's birth in 1949. Many of the leading trade unionists such as the Marxists Anthony Woode and Pobeé Biney held important positions in the TUC and CPP. Following the release of Biney, Woode, and other militants from jail (where they were held for their leadership of the general strike the year before) in 1951, the working class radicals set up a pro-CPP Ghana Trade Union Congress to challenge the old Gold Coast Trade Union Congress which had been effectively de-politicized by the British authorities. Despite the purges of the more radical TUC leaders from the CPP in the early fifties, the industrial workers would continue to support the CPP in the elections before Independence. As a national force however, the industrial workers were not nearly as potent or as well-defined as the "youngmen".

Proletariat—1960 Population Census

350,000 active people	108,000 agricultural laborers
	25,000 miners
	35,000 transportation/communication workers
	140,000 industrial workers
	30,000 service sector

Source: Genoud, op. cit., p. 27.

Aside from the agricultural workers whom we have seen to be largely tied to the non-capitalist forms of production that were preserved by merchant capitalism in the countryside, we can discern numerous other discrepancies which bring into doubt the existence of a national industrial proletariat. Like the agricultural proletariat,

the urban workers were often semi-proletarianized peasants and therefore migratory and often seasonal in character. There was a disproportionate number of non-Ghanaians among the concentration of workers in the mining towns of West Ghana and Ashanti and many of the Ghanaian miners were considered seasonal workers.⁶⁸

This non-Ghanaian element extended into the transportation and service sectors bringing with it the seeds for the growth of a Ghanaian "labour aristocracy":

"No Akan tribesman will debase himself to do personal service for a white man or wealthy African. In Accra, these tasks are reserved for the Nigerians and Togolese... Night-soil men [sewage-disposers] and dock-laborers in Accra are largely Kroomen from Liberia. Thus does the caste-like pattern go, as ancient systems of stratification are sometimes woven into the fabric of the modern commercial society."⁶⁹

Owusu summed up the position of this migrant, often foreign, work force when he said that labelling the CPP youngmen as "verandah boys" was a misnomer for the real "verandah boys" in Swedru were the Hausa and Pepe porters and night watchmen who were to remain largely apolitical.⁷⁰

The concentration of labor in manufacturing was minimal. If growth of a proletarian class consciousness was to take place, it would not occur in the average factory. In fact, 92% of all

⁶⁸ Tony Killick, "Labour: A General Survey", in Birmingham et. al., A Study of Contemporary Ghana, Vol. 1, p. 135.

⁶⁹ Wallerstein, op. cit., p. 17.

⁷⁰ Owusu, op. cit., pp. 188-189.

manufacturing enterprises had no paid employees at all.⁷¹

Features of Manufacturing, 1962

1) Number of Establishments	92,095
2) Number of Paid Employees	61,529
3) Other Persons Engaged	189,646
4) Total Number Engaged	251,175
5) Average Number Engaged per Establishment	2.7

Source: Tony Killick, "Manufacturing and Construction" in Walter Birmingham et. al. (eds.), A Study of Contemporary Ghana, Vol. 1, The Economy of Ghana, p. 275.

Killick concluded that

"the manufacturing sector is completely dominated by a multiplicity of technologically simple, very small concerns; the great majority of which do not have any paid employees at all. Really large establishments are few and they account for only a small proportion of total employment in manufacturing."⁷²

In fact, over half the people employed in manufacturing were artisans, not industrial workers. The table implies that many enterprises were one-man operations or small family enterprises. By 1962 there were only 14 firms employing more than 500 people and most of these larger units were set up after Nkrumah's rise to power in 1951.⁷³

The only centres with dense concentrations of a working class were Sekondi-Takoradi, the industrial and transportation hub and, less

⁷¹Tony Killick, "Manufacturing and Construction" in Walter Birmingham et. al. (eds.), A Study of Contemporary Ghana, Vol. 1, The Economy of Ghana, p. 275.

⁷²Ibid., p. 277.

⁷³Ibid.

significantly, Accra, the administrative centre.

1955 Household Budget

Sekondi-Takoradi-90% of earnings from wage employment

Accra	-67%	"	"
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Kumasi	-22%	"	"
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Source: Richard Jeffries, "The Labour Aristocracy? Ghana Case Study," Review of African Political Economy, No. 3 (May-October 1975), p. 66.

The concentration of a relatively poor, mostly unskilled, but permanently based labor force in Sekondi-Takoradi explains why that city became the most militant in working-class politics. The nexus of the entire infrastructure of the export-oriented economy since the days of Guggisberg, the docks and railroad yards of Sekondi-Takoradi had witnessed the rapid opening of the colonial economy earlier in the century and, through the General Strike of September, 1961 that was launched by their workers, would witness the events that would force Nkrumah to try and close it.

The militant trade unionists of Sekondi-Takoradi would pose one of the most serious challenges to Nkrumah's regime yet it was the trade unions that had played a vital role in perpetuating the old order. In the Gold Coast the unions took on the same function as education and politics, i.e., to satisfy the mobility aspirations of youngmen and workers. Owusu states that in the early 1950's the FEA-CPP members (even non-TUC members) were particularly concerned with trade unionism: "The CPP in Sweden thus represented at this stage...largely urban interests; hence the emphasis on trade

unionism."⁷⁴

The possibility of fulfilling these mobility aspirations was upheld by the traditional social norms of the extended family.

"It is the family which hopes to solve its problems by financing its most gifted son's university studies to Great Britain. On his return, the 'been-to' will become a lawyer or a high-ranking civil servant, and this will help the whole family. It may be a family affair, as distinct from a strictly individual one as would often happen in European and American circumstances, but it is not the struggle of a social group."⁷⁵

Thus, social mobility tended to obstruct the development of class consciousness. It was made possible by the obligations of the extended family which blurred class distinction. Commenting on his case study, Owusu says:

"In Swedru...people are not separated from each other because they have higher incomes, or better education....Rich people in all occupations are expected to, and on the whole do, assist the less fortunate members of their families and lineages by letting them live in their houses, by educating their children, and by caring for them generally. Rich and poor still mix and must do so freely with each other."⁷⁶

There is no doubt that capitalist values had eroded the communal nature of mobility patterns. Wallerstein referred to "...the civil servant begging to be transferred far from home and extended family obligations."⁷⁷ Jeffries pointed out that Sekondi-Takoradi workers

⁷⁴Owusu, op. cit., pp. 176-177.

⁷⁵Genoud, op. cit., p. 36.

⁷⁶Owusu, op. cit., p. 103.

⁷⁷Wallerstein, op. cit., p. 143.

were restricted by the principle of reciprocity in seeking favors from rich relatives who "...display unmistakable snobbery and annoyance with the theoretical obligations of the extended family when visited by lower strata relatives."⁷⁸

However, rather than being swept away by the tides of change, the extended family and its concomitant obligations did serve as a major mechanism of mobility for the poor. Adapting to the capitalist norms of an underdeveloped capitalist system, the extended family provided the poor with an extremely limited but existent prospect for success in the bureaucratic hierarchy so that Ghana could be called a country with a

"...very low rate of occupational and social mobility combined with marked fluidity of access into the few higher level occupational roles that are available. Few are chosen—but those that are chosen frequently provide dramatic instances of personal mobility."⁷⁹

Thus the typical member of a trade union was not a radical socialist like locomotive driver Pobee Biney but an opportunistic clerk like John Tettegah who would become General Secretary of the TUC in 1954 following the purging of radical Turkson Ocran from the post. Commenting on the "petty bourgeois" nature of the leadership of trade unions in Africa, Wallerstein has stated:

"Trade unions...represented skilled workers, school-teachers, junior civil servants, in other words, those who had an relation to the overwhelming majority of the population who were peasants, a high and regular income. But they were still relatively deprived in comparison with top

⁷⁸ Jeffries, op. cit., p. 65.

⁷⁹ Foster, "Secondary Schooling and Social Mobility in a West African Nation", Sociology of Education, p. 166.

politicians, senior civil servants, professional men, businessmen, and the larger cash-crop farmers. They were... a large enough group in the urban centres to make their weight felt. Furthermore, the members of the trade unions had, by and large, sufficient education and sophistication to appreciate the true nature of the distribution of goods in the society.⁸⁰

⁸⁰ Immanuel Wallerstein, Africa: The Politics of Unity (New York: Random House, 1967), pp. 177-178.

CHAPTER THREE

POLITICAL CONSTRAINTS: THE PITFALLS OF THE POLITICAL KINGDOM 1951-1961

If we return now to 1951 and the electoral contest between the CPP and UGCC, we will have a better view of the nature of the contradictions in Gold Coast society that arose out of the economic and social constraints on development. The dominant indigenous strata—merchant chiefs, capitalist cocoa farmers, the coastal professional—merchant "intelligentsia"—were tied to and sometimes flourished in the colonial economy. This "embryonic" bourgeoisie expected to become heirs to any colonial devolution of power and therefore expounded a mild constitutional nationalism while simultaneously (especially after the 1948 riots) trying to cement their relationship with the British.

The commoners—rural and urban workers, small debtor-farmers, and partially-educated "youngmen"—had been excluded from political office until the CPP emerged to widen the social base of participation in politics. Hence, the CPP victory in 1951 over the elitist UGCC.

The marginal proletariat could not provide the CPP with a social base. It was dispersed, migratory, often non-Ghanaian and therefore unable to vote, and was often tied to non-capitalist forms of production such as subsistence agriculture in the Northern Territories. The small-scale debtor-farmers were under the control of the capitalist creditor-farmers. Thus, the cadres of the CPP would come from the ranks of the "youngmen", the only nationally-oriented social

force in the Gold Coast. Locally rooted in villages throughout the country, the "youngmen" had received an education, however minimal, which provided them with a common language—English—and an awareness of common interest which cut across ethnic or tribal lines.¹

Although it is evident that the CPP resorted to instigation of tribal and regional conflicts in specific cases in the elections before Independence, it is equally true that the Party was the only nationally-based actor in these British-staged productions. While the elitist UGCC intelligentsia refused to wander astray from its coastal enclaves during the 1951 campaign, the CPP built up a mass organization throughout the country. By the end of 1952 there were about 500 CPP branches² while Apter enumerated 2,885 local offices in 1953.³ Critics tend to construe the rapid expansion of the CPP after the 1951 Election victory as the growth of a patronage machine, an African rendition of Tammany Hall,⁴ which in fact it probably was to a certain extent. However, the CPP was also the instrument with which Nkrumah tried to weld the scattered groups into a united nation which could contend with the enemy of neo-colonialism.

The "youngmen" not only represented the only possible social base for a nationalist movement but also bridged the gap between

¹Austin, op. cit., p. 17.

²Ibid., p. 171.

³Apter, op. cit., p. 217.

⁴Ibid., pp. 384-385.

urban and rural areas "...because each of these groups was linked to heavily indebted cocoa farming families...[and] there was a 'trickle-down' of favors and a reserved commitment upward to the party hierarchs."⁵ These debtor-farmers, like the "youngmen", extended loyalty to the CPP in exchange for economic rewards. If the CPP was to counteract the federalist or separatist parties that promised higher cocoa prices and increased prosperity, it had to resort to what Owusu calls "economization":

"In a commercial society where people were already economically conscious and highly mobilized economically, perhaps the only meaningful way of getting people to act politically was through further economic mobilization—'economization'—instead of politicization."⁶

This was to be Nkrumah's instrument in combating the regionalism, tribalism, and separatism that found expression in the Ghana Congress Party (GCP), the National Liberation Movement (NLM), the Northern People's Party (NPP), the Togoland Congress Party (TCP), and the Moslem Association Party (MAP).

But before looking at these disintegrative constraints, we must assess Nkrumah's initial decision to play the electoral game, the results of which provided some on the Left with ammunition for attacking Nkrumah as a collaborator with the British authorities. Little attention has been focused on this vitally important decision yet it in itself goes a long way in explaining Nkrumah's strategy in the period

⁵ Ibid., p. 384.

⁶ Owusu, op. cit., p. 196.

of Dyarchy.

Fitch and Oppenheimer suggest that the eventual failure of Nkrumah's plans for economic independence had its roots in the shared-power agreement reached between the British and the CPP:

"After the 1951 election the CPP turned to what it felt was the way to win independence for the Gold Coast—full cooperation with the colonial government in order to prove that the country was 'ready' for self-government. The accommodation reached was so thorough-going that during the next six years the CPP never felt it necessary to leave the government."⁷

At the same time the authors stress the political constraints imposed on Nkrumah right from the moment he assumed the office of "Leader of Government Business".

"The 'mother' country still controlled the police and army; the Colonial Governor retained his 'reserve powers'; British bureaucrats held most of the senior positions in the civil service; British stockholders owned the gold mines; over 90% of the import-export trade was controlled by 13 foreign trading companies...; the yearly budgets were prepared back in London by the Colonial Office."⁸

Why then did Nkrumah agree to form the government in 1951?

He obviously believed he had more to gain by accepting the Governor's invitation to form the government than he had to lose. By declining the opportunity to form a government, Nkrumah would have enabled the intelligentsia and chiefs to fulfill their long-standing ambition of inheriting colonial power, the outcome of which could have been the

⁷Fitch and Oppenheimer, op. cit., p. 35.

⁸Ibid., p. 38.

type of neo-colonialist arrangement struck in many other African countries between the indigenous elites and the colonial authorities.

By accepting the invitation, Nkrumah could attempt to manipulate

- organs of the state to assist in building a modern state and national economy despite the limitations imposed by the Coussey Constitution. This strategy would be dubbed "Tactical Action". It implied that Nkrumah could best keep check on the British authorities and press for independence while heading a colonial government. Many of Nkrumah's policies and plans in this period—the controversial decision to seek foreign capital to finance construction of the Volta River hydro-electricity complex which would provide power for smelting Ghana's bauxite deposits into alumina or the slow rate of Africanization of the public service—would be attacked by CPP radicals and members of the Opposition as "sell-outs" to the British. However, the suspension of British Guiana's Constitution and the ouster of Dr. Jagan's People's Progressive Party from office in 1953 by the colonial authorities was seen as a justification for Nkrumah's emphasis on "Tactical Action".⁹

The First Development Plan

Another fundamental question that has to be raised is why Nkrumah adopted in full the "Ten-Year Plan for Economic and Social Development of the Gold Coast" that had been drawn up by colonial planners two months before the 1951 Election. The colonial planners had used "shopping-list" techniques in drawing up the budget for the plan. This method consisted of gathering information from

⁹Austin, op. cit., p. 170.

all government departments concerning the projects they would want implemented during the Plan, and then comparing the total proposed expenditures with available resources.

"Some projects were dropped or modified to achieve equality between the resources and the development projects. This technique does not take into account the close inter-relationship between the various sectors of the economy and it is likely to end up with a series of uncoordinated projects."¹⁰

The 1951 "Ten-Year Plan for Economic and Social
Development of the Gold Coast"

	£	%
Economic and Productive Services	12,444,000	16.9
Communications	26,110,000	35.3
Social Services	24,542,000	33.1
Common Services and General Administration	10,896,000	14.8
Total Planned Investment	73,992,000	

Source: The Development Plan, 1951 (Accra: The Government Printer, 1951), p. 1.

The colonial planners had given "...pride of place in the plan...to economic and productive services with particular attention to agriculture in its widest sense."¹¹ However the table shows that a mere 16.9% of funds were allocated to this sector of the economy. While singling out agriculture for investment, the planners allotted only £3,650,000 or 5% of planned expenditure to it.¹² The emphasis

¹⁰ E. N. Omaboe, "The Process of Planning" in Birmingham et. al. A Study of Contemporary Ghana, Vol. 1, p. 441.

¹¹ The Development Plan, 1951, p. 3.

¹² Swusi, Economic Development Planning in Ghana, p. 25.

in the Plan was clearly on transportation and social services which accounted for 68.4% of total planned expenditure. This was in keeping with the colonial policy of building up a strong social and physical infrastructure

"...but no one knows whether the colonial planners had intended to provide the social and economic overheads as a basis for future industrializationThere was no effort to match these overheads to the industrial potential of the country... Projects implemented under the plan were not coordinated with each other and also failed to reflect the priorities the planners had set out."¹³

It seems evident that the Plan concentrated government funds on physical, economic, and social "support services" while encouraging private capital to flow into directly productive fields of agriculture and industry.¹⁴

Why Nkrumah's Government adopted the Plan and implemented it so enthusiastically when in fact it did not challenge foreign control of the distorted economy must be seen as a response of Nkrumah to the political, social, and economic constraints on his choice of strategy for industrialization. From 1951-61 Nkrumah was compelled by these constraints to walk down the path of infrastructural development (and heavy reliance on foreign capital to carry out productive investments); to allow his followers to reap the fruits of the "Political Kingdom"; and to suppress the agro-mercantile-professional elites who promised sweeter fruits through federalism.

¹³ Ibid.

¹⁴ E. N. Omaboe, "Process of Planning", A Study of Contemporary Ghana, Vol. 1, p. 442.

Krassowski suggests that Nkrumah's hazy understanding of what industrialization entailed caused him to assume that building a strong infrastructure would lead to industrial development:

"In supporting a greater effort in infrastructure and education, Nkrumah and others therefore felt that they were laying the foundations on which industry would rise in the future; and the greater the effort made in laying these foundations, the shorter the time in which industrial ambitions would be realised."¹⁵

Nkrumah's invitation to W. Arthur Lewis, the eminent West Indian economist, to come to the Gold Coast in 1952 to prepare a report on the potential for industrialization would tend to corroborate Krassowski's view. Lewis's Report on Industrialization and the Gold Coast¹⁶ stressed the importance of relying on foreign capital to establish import substitution industries in the Gold Coast. The policy of "industrialization by invitation" called on the Gold Coast Government to make some funds available for investment in joint enterprises and industrial estates but otherwise government investment was to be concentrated in infrastructure and public services. This would reduce the cost of manufacturing and "...automatically attract new industries, without the government having to offer special favours."¹⁷

¹⁵ Andrzej Krassowski, Development and the Debt Trap: Economic Planning and External Borrowing in Ghana (London: Croom Helm, 1974), p. 21.

¹⁶ W. Arthur Lewis, Report on Industrialization and the Gold Coast (Accra: Government Printer, 1953).

¹⁷ Ibid. .

However, many of the social developments cited in Chapter Two would suggest that there were many political pressures exerted on Nkrumah which forced him onto the Lewis dead-end street. These pressures would not only compel Nkrumah to adopt the Ten-Year Plan's strategy but also to implement it in half the time, as the First Five-Year Plan! The CPP had risen out of the desires of the urban workers, the debtor-farmers, the market mammals, and especially the "youngmen" to reap the material rewards of the "Political Kingdom". With the Kingdom almost reached in 1951, Nkrumah had to satisfy the expectations of his followers for bureaucratic jobs, education, better housing, better urban conditions, debt relief, and numerous other "rewards", all of them requiring massive infrastructural public spending. It was not surprising then that Nkrumah would turn to the source of much of the country's surplus—"King Cocoa"—and the parastatal organ which controlled its marketing and export, the CMB. By taking a very active role in the mechanism that had been used since 1948 to appropriate a large portion of the country's surplus, Nkrumah redirected much of the surplus to his followers but in the process alienated those strata which had prospered from underdeveloped capitalism—the capitalist cocoa farmers and merchant chiefs who would eventually ally themselves with the CPP's older enemies, the professional-merchant stratum, in the federalist parties which threatened to dismember the country between 1951 and 1957.

Sources of Finance for Ten-Year Plan

Source of Finance	Original Plan Estimates		Revised estimates as at 31.12.1955	
	(£m)	(%)	(£m)	(%)
Current budget surpluses	13.1	(17)	19.7	(16)
Additional cocoa revenue	26.5	(35)	73.8	(61)
Cocoa Marketing Board Loans	7.5	(10)	6.9	(6)
Official aid	3.0	(4)	3.7	(3)
Miscellaneous overseas	0.8	(1)	2.5	(2)
Local loans	23.0	(33)	2.5	(2)
Foreign loans	"	"	12.4	(10)
Total	74.0	(100)	121.5	(100)

Source: Krassowski, op. cit., p. 24.

From the table one can conclude who was to bear the burden of financing the Plan. Levies on cocoa production whether directly from export taxes or indirectly through CMB loans-accounted for £80.7 million out of £121.5 million total planned investment. The cause for the revision of estimates in 1955 was the cocoa boom which the country experienced during the years of the Dyarchy.

Cocoa Producer Prices + Export Prices

Crop Year	Producer price	Average export price	Producer price as % of export price
1950-51	131	269	48.7
1951-52	149	245	60.8
1952-53	131	231	56.7
1953-54	134	358	37.4
1954-55	134	353	38.0
1955-56	149	222	67.1
1956-57	149	189	78.8
1957-58	134	304	44.1

Source: Tony Killick, "Economics of Cocoa", A Study of Contemporary Ghana, Vol. 1, p. 369.

2 2
OF/DE

MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS-1963-A

From the table we can see that the average producer price during the Dyarchy was just under 54% of the export price. Fitch and Oppenheimer used this figure to justify their contention that Nkrumah continued to allow the CMB to drain off much of the country's surplus to Britain during the Dyarchy. However, an analysis of the CMB's financial records shows that though much "income was withheld from the cocoa farmers,... it is worth stressing that much of this was taken by the cocoa export duty rather than by the Board, whose net surplus from 1951-52 was fairly modest."¹⁸

Financial Record of Cocoa Marketing Board, 1947-8 to 1960-1

Year	Total proceeds	£G million of which:				Surplus or deficit
		Paid to Producers	Export duty	Other expenses		
1947-48	41.5	15.4	0.4	1.9	23.8	
1948-49	37.5	21.2	1.7	2.1	12.5	
1949-50	45.1	21.2	3.5	3.0	17.4	
1950-51	70.3	34.2	13.4	3.7	19.0	
1951-52	51.6	31.4	14.7	3.5	2.0	
1952-53	57.1	32.5	16.0	4.0	4.6	
1953-54	74.7	28.0	34.0	3.6	9.1	
1954-55	77.5	29.5	38.4	3.7	5.9	
1955-56	52.3	35.0	14.6	4.5	-1.8	
1956-57	50.7	39.9	12.0	6.3	-7.5	
1957-58	62.9	27.7	26.3	4.5	4.4	
1958-59	70.9	33.4	25.6	5.9	6.0	
1959-60	69.9	41.7	19.4	6.8	2.0	
1960-61	71.6	55.1	15.5	11.0	-10.0	
Totals	833.6	446.2	235.5	64.5	87.4	

Source: Tony Killick, "Economics of Cocoa", A Study of Contemporary Ghana, Vol. 1, p. 367.

¹⁸ Tony Killick, "The Economics of Cocoa", A Study of Contemporary Ghana, Vol. 1, p. 369.

The table illustrates the benefits of the "...close, friendly, and, if I may say so, not unfruitful partnership"¹⁹ of Nkrumah with Arden-Clarke. The principal beneficiary of higher cocoa prices was the CPP Government which amassed massive export duties while CMB surpluses were drastically reduced from their pre-Dyarchy levels and, in the last two years of the Dyarchy were actually wiped out by deficits. (23)

A heavy blow to the embryonic bourgeoisie in the countryside, the export taxes represented forced savings to stimulate growth of a national economy.

"In Ghanaian conditions a strong case could be made out for the view that the Cocoa Marketing Board must be operated in what the Government regarded as the interests of the whole nation, and not solely as the promoter of a sectional interest....It is difficult to believe that more than a proportion of the funds withheld from the farmers would have been saved voluntarily and also that the social returns on investments by cocoa farmers would have been as high. Apart from the expansion of their own farms, probably the most popular form of investment with the cocoa farmers is in middle and upper-class housing."²⁰

The agro-mercantile stratum of the rural areas, like their intelligentsia counterparts in the coastal cities, imposed political constraints on economic development. Semi-feudal, semi-capitalist in nature, the rural social order epitomized a socio-economic structure harnessed by the same forces that had helped form it, i.e., parasitic merchant capitalism. If improved chances for mobility were to be the

¹⁹ Arden-Clarke, op. cit., p. 34.

²⁰ Tony Killick, "Economics of Cocoa", op. cit., p. 368.

rewards for the CPP's urban following, then a cure to the chronic indebtedness of the small farmer was the obvious reward for the rural following. Nkrumah's regime's most pressing priority after coming to power in 1951 was carrying out a major cocoa rehabilitation program to control the swollen-shoot disease that had been ravaging cocoa trees for some years.²¹ For his successful efforts, he could only be applauded by creditor-farmer and debtor-farmer alike. Thus, it was with some astonishment that many responded to the dropping of Nkrumah's "atomic bomb"²² on the rural areas.

The "Atomic Bomb" of Nkrumah—the Cocoa Purchasing Company

The cornerstone of Nkrumah's Tactical Action strategy was CPP participation on the Cocoa Marketing Board, the very institution which had been responsible for the "...subordination of the cocoa-producing peasantry to international capitalism...."²³ This participation had its greatest impact on the Cocoa Purchasing Company (CPC) which was launched by the end of 1952.

As a subsidiary of the CMB, the CPC was created to eventually displace the "firms" as buyers for the CMB but by August 1953, the CPC had moved into large-scale loan activity to relieve the indebtedness of cocoa farmers.²⁴ From its birth, the CPC was controlled by the CPP.

²¹Krassowski, op. cit., p. 18.

²²An exaggerated term used by the flamboyant Krobo Edusei in the Gold Coast Legislative Assembly, Debates, March 3, 1954.

²³Marshall, op. cit., p. 50.

²⁴Austin, op. cit., pp. 172-173.

A. Y. K. Djin, the acting managing director of the CPC was also chairman of the finance committee of the CPP while Martin Appiah Danquah, the director of the CPC, was also general secretary of the CPP's ancillary organization, the United Ghana Farmer's Council (UGFC). The Party did, as many critics have alleged, use the CPC as a patronage machine, granting low-interest or (in politically expedient cases) interest-free loans to only those debtor-farmers who were politically certified, i.e., members of the CPP-sponsored UGFC. At first the CPC's Loans Agency was allowed to issue no more than a £150 loan per farmer but as the 1954 election campaign heated up, the limit upon loans was hiked to £1,500 until by September, 1954, the government had approved the release of funds to the CPC via the CMB to the extent of £1,900,000.²⁵ No doubt control over the CPC allowed CPP stalwarts to indulge in self-aggrandizement, the most infamous case being that of the aforementioned Mr. Djin. Retaining control over his own private business, Djin capitalized on his position as Managing Director of the CPC to reduce charges made by the CPC for transporting goods of his personal firm, and even used CPC employees to sell his firm's wares.²⁶ Rather than echoing the widespread condemnation of the CPC for its vote-buying and corrupt administration, Geoffrey Bing saw it as a major advance

²⁵ Ibid., and Fitch and Oppenheimer, op. cit., p. 50. The latter authors state that within a six-week period before the 1954 election, CPC advances rose 450% above normal.

²⁶ Gold Coast, Commission of Enquiry into the Affairs of the Cocoa Purchasing Company, Ltd. (Jibowu Commission), Report, 1956, par. 209.

over the Agricultural Loans Board that had been established by the British on the recommendation of the Watson Commission in 1948 to deal with rural indebtedness:

"Yet in reality, who did the more harm to Ghana's economy—the officials of the Agricultural Loans Board who scrupulously refrained from outside business activities and yet never examined the problem which confronted them and in consequence could never make up their minds to grant any loans, or Mr. Djin who was responsible...for setting up an organization which tackled the problem."²⁷

The British colonial authorities may have believed that the "not unfruitful partnership" between them and the CPP nationalists worked to their advantage but the £6,000,000 in assets of the CPC and Loans Agency at September 30, 1955²⁸ proved that Nkrumah was not at the losing end of the agreement.

The CPC became a weapon in the hands of the CPP for attacking the cocoa brokers and creditor-farmers who had been allowed to appropriate what little surplus that remained in the rural areas. As the country's "super cocoa broker", the CPC displaced African middlemen, many of whom had been early supporters of the Party, and drove them into the ranks of the Opposition. It also displaced the capitalist creditor-farmers as a main source of credit for the small-scale debtor-farmers. Nkrumah's determination to accumulate capital from the cocoa producers, while at the same time bolstering the debtor-farmers by allowing them to escape from the debt syndrome, would help to precipitate the revolt of the capitalist strata in

²⁷ Bing, op. cit., p. 179.

²⁸ Jibowu Commission, Report, para. 209.

the countryside. The rapid pace of development would also spur the traditional elites in the isolated north into attempting to preserve their position with a rearguard action. Thus, the nationalist program of Nkrumah would ignite an explosive sub-nationalism throughout the country. A brief analysis of the rise of the three most formidable regional parties will reveal the extent to which uneven economic development gave rise to the sub-nationalisms which threatened to destroy the independent state of Ghana even before it was born. "Tactical Action" was used as a means of dealing with the political constraints imposed by the limited mandate conferred upon the CPP Government during the Dyarchy. As components of this strategy, the CPP's participation in organs of the colonial state (CMB, CPC) impinged on the interests of those lodged in lucrative positions in the peripheral economy. The consequent constraints of regionalism in Gold Coast politics furthermore limited the CPP's ability to pursue economic development schemes by forcing it to concentrate its activities in electoral politics from 1951 to 1957.

The Pitfalls of Sub-Nationalism

Though it was largely excluded from the economic activity associated with the underdeveloped capitalism to the south, the North provided the peripheral economy with necessary inputs such as cheap labour and foodstuffs. Out of the peasant mode of production would flow the stream of migrant laborers to the southern cocoa belt and gold mines or employment as servants and night watchmen in the towns. Frequently mistreated in Ashanti and the Colony and contemptuously eyed by southern clerks and teachers who were posted to the North,

these migrants would remain alienated from the more modern society to the south as much by discrimination as by their continued seasonal agricultural activity at home.²⁹ When the illiterate chiefs of the Northern Territorial Council were warned by the British chief commissioner in 1948 of the "subversive" activities being committed in the South their "...belief that the north was not only different from the south but in danger of being subjected to its over-hasty, over-radical politicians"³⁰ was shared by even the most exploited, migrant laborer.

When the Northern People's Party was founded in April, 1954, there was no doubt as to who controlled it. "The emergence of a small, closely-linked group of educated northerners from the Tamale Middle Boarding School and the Teacher Training College..."³¹ had changed the character of the Northern Territorial Council by 1949 with a group of educated chiefs and advisers emerging to articulate the protest of "North for the Northerners" in retort to the CPP's "Self-Government Now". By 1954, the NPP's executive committee was dominated by these educated chiefs, sub-chiefs, state secretaries, and advisers.³² Combining tribal authority and educated leadership, the chiefly leaders of the NPP exploited the conditions of the sub-satellite economy in order to retain their dominant position as

²⁹ Austin, op. cit., p. 185.

³⁰ Ibid.

³¹ Ibid.

³² Ibid., p. 186.

political and economic (chiefs were often large livestock-owners) leaders.

The NPP Election Manifesto of 1954 reflected the ambition of these leaders. Their platform rested on a demand to eliminate regional disparities by continuing the isolation of the North while simultaneously building up the power of the chiefs. In order "...to keep the south at arm's length while the relationship between the two halves of the country could be put on an equal footing", the NPP called for a special £8,000,000 development plan for the North to be spent over six years of internal self-government.³³ It also called for "substantial grants" for salaries of chiefs and tried to justify the necessity of the chiefs' participation in politics.³⁴ Thus, only by allowing the traditional leaders control over an equalization grant and regional self-government could the basic inequalities—the social and economic neglect of the region which subsidized the revenue of the southern mineowners, cocoa farmers, and manufacturers by providing them with cheap labor—be corrected. So went the reasoning of the NPP and it didn't fall on deaf ears.

If the sub-nationalism of the Northern Territories was a response to being on the periphery of the peripheral colonial economy, that of Ashanti was based on its privileged position in the extractive, export-oriented economic system. Ashanti produced

³³Ibid., p. 230.

³⁴Ibid.

over half of the country's cocoa, a large part of its gold and timber, and the large bauxite deposits which would be used by the proposed smelting plant of the Volta Project. Before the British conquest the Ashantis had been the dominant tribal group in the Gold Coast and this past historical greatness fanned the flames of sub-nationalism that were lit by the social strata most antagonistic towards the CPP—the merchant chiefs, cocoa creditor-farmers and brokers, and the professional-merchant group. The potency of this threat to the CPP was demonstrated not only by the strength of the Opposition but also by the weakness of the CPP's social base—the "youngmen".

When the CPP's Finance Minister K. A. Gbedemah introduced into the Assembly on August 10, 1954 the Cocoa Duty and Development Funds Bill which, in effect, froze the cocoa price paid to farmers by the CMB for four years, the National Liberation Movement arose to champion the cause of federalism which would allow Ashanti farmers to evade the heavy export tax on cocoa imposed by the CPP Government. Ashanti resentment against the central government had been mounting ever since the Van Lare Commission of Enquiry into Representational and Electoral Reform in November, 1953 had allocated only 21 out of 104 seats in the new legislature to Ashanti. On the basis of the wealth of Ashanti, its members in the Assembly had pressed for 30 seats. This "...dark shadow falling across the nationalist scene"³⁵ lifted with the crystallization of Ashanti sub-nationalism into the NLM.

³⁵ Ibid., p. 180.

Starting from the premise that unitary government threatened individual liberties, the NLM came up with proposals for a Federal Constitution in 1955³⁶ which was redolent of the MPP's Manifesto of a year earlier. Again, there was an insistence that the power of the chiefs must be recognized and respected. The territorial councils of chiefs were to become Upper Houses in the four bicameral regional Parliaments and the Upper House of the Federal Parliament that were proposed by the NLM. Instead of an integration approach to regional disparities, the emphasis was on separation with revenues to be divided between central and regional governments on the basis of derivation and need. There was no doubt as to which of the two the NLM favored. Like Tshombe's supporters in Katanga, the Ashanti propertied strata were fed up with the "milk-cow role".

The NLM spokesmen liked to speak of their "federalism" as a natural offshoot of African traditions and tribal law but "...the NLM 'tribalism' owed more to Margery Perham and to Radcliffe-Brown than to the Mau-Mau rebellion."³⁷ Allied with the NLM capitalist cocoa farmers and merchant chiefs were the UGCC (after 1952 called the Ghana Congress Party) intellectuals like Busia and Danquah who were eager to make any anti-Nkrumah cause their own. Thus, it was within the ranks of the NLM that the components of Ghana's underdeveloped capitalist class-intelligentsia, brokers, large farmers, merchant

³⁶"Preamble of Proposals for a Federal Constitution for an Independent Gold Coast and Togoland by Movements and Parties Other than the Convention People's Party," Kumasi, Cited in Austin, op. cit., p. 278.

³⁷Fitch and Oppenheimer, op. cit., p. 63.

chiefs, big contractors—managed to congeal. In this sense the emphasis on tradition in the NLM programs masked the real orientation and intentions of its leaders.

"It was precisely their [the chiefs] lack of traditional orientation that made it possible for an Oxford-trained sociologist like Busia to form a political alliance with them. Had the chiefs maintained their traditional roles, Busia might have studied them, but he would never have served as head of their parliamentary party."³⁸

But why, one must ask, didn't the NLM limit its campaign to the cocoa issue which would have aroused support throughout the Gold Coast Colony and South Togoland? Why did the NLM become "a Kumasi-centred, Ashanti movement, which appealed for support in the name of the Asantehene, the Golden Stool, Ashanti interests, Ashanti history, and Ashanti rights?"³⁹ Why did the NLM revive old pre-colonial antagonisms which virtually drove even the disgruntled cocoa farmers outside of Ashanti into the waiting arms of the CPP? Perhaps Fanon offers the explanation:

"For in fact, everywhere that the national bourgeoisie has failed to break through to the people as a whole, to enlighten them...—a failure due to the bourgeoisie's attitude of mistrust and to the haziness of its political tenets—everywhere that national bourgeoisie has shown itself incapable of extending its vision of the world sufficiently, we observe a falling back toward old tribal attitudes...."

The national bourgeoisie, since it is strung up to defend its immediate interests, and sees no further than the end of its nose reveals itself incapable of simply bringing national unity into being, or of building up the nation on a stable and productive basis."⁴⁰

³⁸ Ibid., p. 65.

³⁹ Austin, op. cit., p. 265.

⁴⁰ Fanon, op. cit., pp. 158-159.

Emasculated by merchant capitalism and the CMB, the Ashanti agro-mercantile strata and its intellectual spokesmen had to resort to traditional Ashanti symbols and appeals to tribal loyalty to woo the peasants and workers to their reactionary cause. If they were to be prevented from evolving into an authentic national bourgeoisie, then at least they could fight for control of the resources of Ashanti through a federalist arrangement.

It was no wonder that Busia and the professional-merchant stratum found themselves attacking the close collaboration of the CPP with the British authorities during the Dyarchy. Not only did Nkrumah use the CPP to oust the creditors and brokers from business; he also acquiesced to the British extracting surplus from the cocoa farmers through the CMB, much of which went through export tax revenue into Nkrumah's infrastructural projects and agricultural loans.

The sub-nationalism that reared its head in Ashanti undermined the CPP's social foundations in the region and demonstrated the tenuous support of its supposed vanguard—the "youngmen". It was only expected that the chiefs, the Asantehene, capitalist farmers, and UGCC-CPP intelligentsia would rally to the NLM but the defection of the Asante Youth Association (AYA) from the CPP caused tremors in the Party. Austin's chart of NLM membership indicates to what extent the NLM was merely a breakaway movement of disenchanted Ashanti "youngmen" from the CPP.

NLM Constituency Executive, Kumasi South, 1957

<u>Occupation</u>	<u>Whether former member of CPP</u>
Timber Merchant	No
Trader	Yes
Trader	Yes
Cocoa Factor/Councillor	Yes
Teacher	Yes
Bailiff	Yes
Farmer	Yes
Trader	Yes
Plantain Seller	Yes
Farmer	Yes
Trader	No
Farmer	No
Goldsmith	No
Driver	Yes
Druggist	No
Letter-Writer	No
Fitter	Yes
Storekeeper	Yes
Carpenter	Yes
Farmer	No
Trader	Yes

Source: Austin, op. cit., p. 313.

Patterned on the ancillary organizations of the CPP, the NLM's appendages—the AYA, the Congress of Free Trade Unions, a fanatical Women's Sections led by Ashanti market mammies, and an Ashanti Farmers Union—proved that the fruits of the "political kingdom" could be just as easily plucked from a regional devolution than from a colonial devolution of power.

Similar in class character to the NLM's leadership, the Togoland Congress Party was formed in 1951 to represent the separatist demands of the Ewe capitalist cocoa farmers and merchants in British Togoland. The grievances that were articulated by the TC combined those of the NPP and NLM. On the one hand, TC spokesmen argued that British Togoland had been neglected; that after forty years of

British administration as part of the Gold Coast not a single mile of road had been tarred while 4,000 miles of road had been tarred in the other parts of the Gold Coast.⁴¹ On the other hand, the TC reflected the NLM's resentment against being the Katanga of Gold Coast; comprising 5% of the total population of the Gold Coast, Togoland contributed nearly 30% of all the cocoa revenue.⁴² With cocoa being subsidized at above the world market price by the French in neighboring French Togoland, it was only natural that the Ewe cocoa farmer in British Togoland would want to "...reunify the entire Ewe nation, and triple his income at the same time."⁴³

In order to contend with the political constraints of regionalism and tribalism on his strategy for national development, themselves, a product of the uneven socio-economic development of the peripheral economy, Nkrumah could capitalize on high cocoa prices and access to some organs of the colonial state to distribute the benefits of infra-structural growth without undertaking a radical overhaul of existing socio-economic structures. With Independence in 1957, Nkrumah continued to follow the logic of economist Lewis. The so-called Consolidation Plan (1958-59) was merely an extension of the First Five-Year Plan.. It was "...drawn up with the view to providing additional funds for the completion of uncompleted First Development

⁴¹Fitch and Oppenheimer, op. cit., p. 57.

⁴²Ibid.

⁴³Ibid., p. 54. The price of cocoa was set at 72s. per load in British Togoland and 200s. per load in French Togoland.

Plan projects."⁴⁴ This meant continued heavy spending on social overheads with the Departments of Communications and Works together consuming £10,728,906 or 49% of planned expenditure.⁴⁵

Nkrumah had used organs of the colonial state to wage a "...political struggle against the opposition and at the same time embark, so to speak, on the sly, on its huge program of building a modern infrastructure for the economy".⁴⁶ Even the most partisan federalist had to concede the achievements of the CPP in implementing the First Development Plan for "even if the targets of the plan as drafted by the colonial government were sober, the decision to implement it in five years makes the plan a bold one indeed."⁴⁷ The demands of the NPP chiefs for equalization through isolation could be made irrelevant by a nationalist government that added £901,000 for Northern schools onto the planned expenditure of the First Development Plan. Likewise, the tribalist appeals of the NLM or TC could only fall on deaf ears when lucrative government contracts to build components of the infrastructure were at stake.

When Nkrumah assumed office in 1951, the general administrative staff of the Civil Service was 80% British. By 1960 it was almost entirely Africanized. Increased government activity during the Dyarchy had started a mushrooming growth in public employment which

⁴⁴The Consolidation Plan (Accra: Government Printer, 1957), p. 7.

⁴⁵Ewusi, Economic Development Planning in Ghana, p. 28.

⁴⁶Genoud, op. cit., p. 99. —

⁴⁷Ewusi, Economic Development Planning in Ghana, p. 26.

would eventually lead from 98,000 employed in 1950-53 to 252,000 in 1962-65.⁴⁸ In the years before Independence these public jobs, awarded on a basis of political loyalty rather than ethnic loyalty would be used to combat the disintegrative tendencies of the regionalist parties.

In effect, by appealing to the instrumental values of Ghanaians, by "...providing, as a government party, economic opportunities, jobs; and a sense of power to all classes of people, particularly the disadvantaged, on the almost sole basis of membership in the CPP," the CPP had curbed the sub-nationalist movements of the elites:

"This and other policies of the CPP government—the setting up of the CPC to grant substantial loans and advances to cocoa farmers and the Africanization of the public service—contributed tremendously toward the creation of a sense of national identity...."⁴⁹

Thus, public employment and infrastructural development had served the ends of uniting the country and appeasing the CPP constituency. But what were the costs of this approach to economic development?

The Rewards of the "Political Kingdom"

By tapping the mobility aspirations of the masses, Nkrumah fell prey to an educational spiral. This spiral fed on two major factors: the first being the emphasis on formal educational qualifications which were required for employment in the public sector of the modern

⁴⁸Krassowski, op. cit., p. 94.

⁴⁹Owusu, op. cit., p. 249.

economy; the second being the willingness of Ghanaians to bear immense financial burdens⁵⁰ to educate their children. The end result was a depreciation in the value of education as a qualification for employment in the bureaucratic positions which formed the modern sector of the stunted economy.

"In due course, expansion at lower educational levels has created immense pressures for access to the more highly selective academic secondary schools which are superimposed upon the middle school system. Growth at one level of the structure today generates immediate demand for facilities at a higher level and the 'educational front' moves upward with surprising mobility. A secondary school education has become increasingly the prerequisite for many forms of employment. This consequence could hardly have been foreseen in 1951."⁵¹

Results of the Accelerated Development Program

Number of Public Primary, Middle and Secondary Schools, 1950-64.

Year	Primary	Middle	Secondary
1950	1,081	511	12
1951	1,083	539	13
1952	3,069	667	26
1953	3,131	704	30
1954	3,136	717	31
1955	3,210	786	31
1956	3,312	862	35
1957	3,372	931	38
1958	3,402	1,030	39
1959	3,428	1,118	39
1960	3,452	1,177	39
1960-1	3,552	1,252	59
1961-2	5,451	1,575	68
1962-3	6,873	1,809	75
1963-4	7,490	2,224	85

⁵⁰Foster, "Secondary Schooling and Social Mobility in a West African Nation", Sociology of Education, p. 169. In a study conducted in the early 1960's, Foster discovered that boarding costs and tuition fees ranged from \$124.00 to \$336.00 per annum in sampled schools.

⁵¹Ibid., p. 154. Another aspect of the unrealistic mobility aspirations that were generated by Nkrumah's education drive was the

Enrolments in Public Primary, Middle and Secondary Schools, 1950-64

Year	Primary	Middle	Secondary
1950	144,300	60,000	2,800
1951	154,400	66,200	2,900
1952	335,100	80,000	5,000
1953	372,400	88,600	5,100
1954	396,900	97,400	6,900
1955	419,400	105,000	7,700
1956	436,900	108,500	8,900
1957	455,700	115,800	9,900
1958	455,100	125,300	10,400
1959	465,300	140,000	11,100
1960	478,100	147,500	—
1960-1	520,000	157,700	—
1961-2	701,000	176,000	—
1962-3	801,100	204,900	22,800
1963-4	927,500	222,800	28,100

Source: Walter Birmingham, I. Neustadt, and E. N. Omaboe (eds.), A Study of Contemporary Ghana Vol. 2 Some Aspects of Social Structure, p. 225.

The tables reveal the dramatic increase in the number of schools and students in the Gold Coast and Ghana following the promulgation of the Accelerated Development Plan of 1951. The unanticipated consequences of the educational spiral required massive budgetary outlays in the 1950's and 1960's and led to much bureaucracy "padding" but "education was the panacea and it had been promised to the followers."⁵² In 1954, 20,000 youths left middle school to take jobs while in 1964 this figure had doubled. The modern sector of the economy expanded

⁵¹ (cont'd)
extent to which those students making it into secondary school hoped to continue with full-time studies after completing secondary school. In Foster's case studies, 96% of all secondary school students hoped to continue with their studies at the post-secondary school level.

⁵² Wallerstein, The Road to Independence: Ghana and the Ivory Coast, p. 143.

more slowly from 224,329 jobs in 1953 to 350,000 in 1962.⁵³ By 1963-64 social services, especially educational services that provided free tuition and free text books to all primary and middle school students, was still consuming 31% of government expenditure as opposed to 29% for economic services.⁵⁴ With cocoa prices plummeting after 1959, it was evident that the pace of social development was far more than the extractive export-oriented economy could handle. Nkrumah was forced to contend with this disjunction between educational and economic growth that was an intrinsic part of the legacy of Guggisberg, his successors, and the relatively well-developed infrastructure they had built under a stagnant economy. The achievements of the Nkrumah government in the field of social services, though hardly matched by economic breakthroughs, can still be seen as laying some of the foundations for industrialization:

"Ghana now enjoys levels of social and welfare services which are in advance of those of most underdeveloped countries and in some urban centres are not far behind those of some developed countries. The cost to the economy has been great. Unfortunately, it is not possible to draw up a balance sheet for them even though it is known that investments in education, health, and other welfare schemes yield large dividends in the long run."⁵⁵

If the provision of mass education as a mobility mechanism was to eventually backfire on Nkrumah, then the same could be said

⁵³Birmingham et. al., A Study of Contemporary Ghana, Vol. 2, p. 232.

⁵⁴Idem, A Study of Contemporary Ghana, Vol. 1, p. 28.

⁵⁵Ibid.

for the other channel of mobility-politics. At the local level, the spirit of a Krobo Edusei prevailed over that of Kwame Nkrumah. Mobility upwards through the ranks of the Party (which was always open to all) was to be rewarded with money and the power to distribute jobs. With the backing of the Party, "it became possible at elections for a blacksmith to defeat a barrister"⁵⁶ and "many teachers were made middle class people, something they had long dreamed about",⁵⁷ through election to the National Assembly.

These ambitions were best illustrated during the 1954 election campaign which essentially turned into a scramble between CPP candidates and CPP "rebels" (those who lost in CPP nomination races and consequently entered the campaign as Independents) for lucrative political positions.⁵⁸

General Election, 1954: Results and Statistics

<u>Party</u>	<u>Seats</u>	<u>Votes Received</u>	<u>% of Total Votes</u>
MAP	1	21,172	3
CPP	71	391,817	55
NPP	12	53,705	7
TCP	2	21,026	3
GCP	1	32,168	5
Anglo Youth Org.	1	7,375	1
Independents	16	175,593	25
Others	-	3,864	1
	104	706,720	100

Source: Owusu, op. cit., p. 236.

⁵⁶Wallerstein, The Road to Independence, p. 45.

⁵⁷Owusu, op. cit., p. 193.

⁵⁸Ibid. In 1953 MLAs earned £960 per annum and ministers over £2,000.

From the results we can see the extent of this intra-party competition for posts with Independents (mostly CPP "rebels") receiving nearly half as many votes as the CPP.

What Nkrumah attempted to achieve at the national level in economic independence would not find a favorable response among the CPP stalwarts in the local constituencies who continued to view

"politics, or the power to decide how economic resources are to be distributed, who is to get what job, and the like... as perhaps the only effective means... to the real national 'good', economic power."⁵⁹

What this meant was that as Nkrumah worked to construct an integrated national economy at the top, the "youngmen"—who after Independence would graduate to the posts of District Commissioners with control over who would get import licences; members of agricultural boards with control over who would get loans; and members of committees with control over the allocation of government contracts—fulfilled their dreams at the bottom.

"It is an irony of history that when Nkrumah was establishing his political kingdom in Ghana... his followers and henchmen were mostly interested in building an economic paradise for themselves in their local constituencies."⁶⁰

As long as cocoa prices remained high and external reserves were healthy, Nkrumah could continue to satisfy his followers and carry out his end of the bargain with foreign capital that had been

⁵⁹Owusu, op. cit., p. 171.

⁶⁰Ibid., p. 146.

implied in the Lewis formula for industrialization.

"Thus, until 1958/59 or even 1959/60, the Ghanaian Government did not have to make difficult decisions, nor feel it had to. Private consumption, capital formation, and public consumption could all grow without conflicting. It was a period of respite, but also one of illusions...."⁶¹

Economic Pitfalls of the "Political Kingdom"

Perhaps the greatest illusion was the belief in the willingness of foreign capital to believe in the Lewis Plan. By continuing to subscribe to Lewis' strategy in formulating his next Plan for the construction of the "welfare state" in Ghana, Nkrumah adopted the same "shopping list" techniques which the colonial planners had used in drafting the 1951 Plan. In the Guggisberg tradition, Nkrumah divided the Plan into what critics have dubbed "big coat" and "small coat" plans:

"The 'small coat' plan was based on a realistic appraisal of the country's resources and potential. The projects listed...could be implemented without much difficulty during the course of the following five years. The 'large coat' plan on the other hand, contained in addition to the projects in the 'small coat' plan, a number of projects which the planners themselves knew could not be carried through during the plan period for a number of reasons...."⁶²

If the "big coat" plan was to be a sop to the expectations of of his followers, Nkrumah would also have to offer more enticing bait

⁶¹ Genoud, op. cit., p. 99.

⁶² E. N. Omaboe, "Process of Planning", A Study of Contemporary Ghana, Vol. 1, pp. 446-447.

during the Second Development Plan (1959-1964) for foreign capital to bite at. Nkrumah still had faith in private capital to fulfill the Lewis strategy by taking advantage of the infrastructure which he had concentrated so much effort on during the Dyarchy and the Consolidation Plan. As he stated, the Second Five-Year Plan was:

"...deliberately drawn up on bold lines so that there can be no doubt in the minds of our friends overseas of the things which we would like to accomplish. On many occasions in the last year, representatives of several individual Governments have expressed to me interest in assisting Ghana with its development and I hope they will study this Plan carefully and use it as a basis for any proposals which they may wish to make to us."⁶³

Past experience did not justify this faith. During the life of the First Development Plan from January/1951 to June/1957, foreign investment in the Gold Coast had amounted to only £7 million compared to the £350 million of domestic capital expenditure (private and public) which the Gold Coast had financed out of its own resources.⁶⁴ The assumption that public spending on infrastructure inevitably led to economic growth was called into question in the Gold Coast for:

"...it became clear later that the rise in private sector investment and activity...was stimulated mainly by new demand created by the spate of government contracts and general spending and to only a small extent by improvements which directly affected private sector productivity or production costs."⁶⁵

⁶³ Second Development Plan 1959-64 (Accra: The Government Printer, 1959), pp. III-IV.

⁶⁴ Krassowski, op. cit., pp. 31-32.

⁶⁵ Ibid., p. 26.

By 1955 the government recorded a budget deficit that was largely caused by its inability to attract foreign capital during its ambitious infrastructural program.

The Second Five-Year Plan allocated 79.7% of total planned expenditure to social services and infrastructure compared to 88.8% allocated to this sector during the colonial Plan. Though the government anticipated a more vigorous role in promoting industrial and agricultural development—as evinced by a seven-fold increase in the financial allocation (up to 42,000,000 a year) of the Industrial Development Corporation which acquired minority shareholdings in some firms—the emphasis was still on providing a physical and economic infrastructure on which private capital was to build factories.

In the year the Plan was released, 1959, the economy, still buoyant from the cocoa boom, was performing quite well.

Selected Economic Indicators, 1956-1960

Annual % Increase or Decrease	1956	1957	1958	1959	1960
G.N.P.	3.8	4.6	5.7	14.0	7.0
Private Consumption	4.0	11.1	-4.1	13.6	6.9
Government Expenditure	15.4	10.0	6.1	11.4	23.1
Capital Formation	7.7	7.7	-1.8	36.4	28.0
Agricultural Output	5.0	1.6	3.9	6.1	1.4
Export	-10.0	5.5	14.8	9.1	2.4
Import	2.1	8.7	-11.4	32.6	18.7
Money Supply	4.4	-10.7	4.8	12.5	17.8

Source: Kódwo Ewusi, Economic Development Planning in Ghana, p. 33.

The table shows the simultaneous growth of private consumption, capital formation, and public consumption that characterized the

economy in the 1950's. The fear of jeopardizing this positive conjuncture prevented Nkrumah from drifting away from the Lewis Plan into uncharted seas. To a considerable degree a prisoner of the aspirations of his followers, Nkrumah wasn't willing to risk sacrificing this buoyancy (and the numerous mobility mechanisms and social services it supported) to the possibilities offered by a state-planned economy. Instead, he continued to provide the overheads for industry and hoped (the Second Five-Year Plan expected some 600 factories, making over 100 different products to be started before the end of the Plan) that foreign and domestic private capital would share in the Lewis logic.

A number of important incentives were offered to foreign owners during this period. Among them was the constitutional pledge to compensate foreign owners in case of nationalization; the 1959 Pioneer Industries Companies Act which extended the tax exemption for new foreign firms from a maximum of 5 years to as long as it took them to recover their initial investment; and an Import Duties Act which gave private companies remission of import duties on their raw materials.⁶⁶ Despite these incentives, foreign capital actually disinvested during the years of the Lewis Plan. From 1957 to 1961 there was a net outflow of private capital amounting to about £6.5 million.⁶⁷ Why didn't foreign capital accept the offer of "industrialization by invitation"?

For the UAC and other "firms", import substitution represented

⁶⁶ Fitch and Oppenheimer, op. cit., p. 93.

⁶⁷ Ibid.

a threat to their lucrative import business. Thus, the European trading companies attempted to contain Nkrumah's schemes for manufacturing activity by blocking it or by taking it over themselves.

"UAC 'manufacturing' activity is confined to cheapening the cost of imported commodities through processing, assembling, or packaging them in Ghana. This saves the UAC the cost of shipping certain commodities in bulk, but it does not begin the process of developing an integrated manufacturing sector in Ghana."⁶⁸

With the channels of exchange controlled by merchant capital that was intrinsically hostile to industrial activity in West Africa, Ghana's hopes for economic "take-off" were shattered. A series of increasing balance of payments deficits after 1956 culminated in a 1961 deficit of almost £53,000,000. Ghana's large sterling reserves that had been invested in long-term, low-interest British government securities would be run down to meet these deficits. Conceived as a plan for freeing Ghana from monocultural dependence, the Lewis strategy had done the opposite:

"While the government succeeded in providing...overheads, the private sector failed to make the necessary investments. Thus the growth of the economy throughout the 1950's depended upon growth in the export sector; and when exports became unfavorable, the economy started staggering. The government now came to the realization that it must participate actively in the productive sector, and this became the strategy in subsequent years."⁶⁹

The 1961 economic crisis forced Nkrumah's Government to prematurely abandon the Second Five-Year Plan and reorientate itself towards taking the leading role in the national accumulation of

⁶⁸ Ibid., p. 89.

⁶⁹ Ewusi, Economic Development Planning in Ghana, p. 65.

capital. It became evident that any attempt to stimulate economic development would require a restructuring of the economy. As a reflection of the new emphasis on accumulation over consumption, the Government imposed five percent compulsory savings deductions on all those earning wages or salaries above £150 per year in July, 1961. This action prompted the Sekondi-Takoradi workers to launch a general strike on the same day, September 4, 1961, that the first deductions were made. The 1961 General Strike indicated to what extent the economic crisis and subsequent government austerity measures had been perceived to be fetters on the aspirations of the urban poor. It was these aspirations for upward mobility that had pushed Nkrumah into adopting the Lewis strategy in the 1950's and when that strategy was refuted by the trading oligopoly, the same aspirations pushed Nkrumah into adopting more radical measures. These new economic measures would in turn exert pressure for a restructuring of the political and social order.

The 1961 General Strike

"Since independence opportunities for individual and inter-generational mobility through government employment and private business have become more and more limited. A declining economy...has resulted in the sharp contraction of employment openings at all levels. The introduction of higher and more rigid educational qualifications for employment in the clerical-executive branch of the civil service, together with the abolition of free secondary education, may be seen as an attempt by the elite and middle class to consolidate their position on an inter-generational basis in the face of a serious decline in the number of higher positions available. This has severely reduced the chances of sons of lower-paid workers entering the ranks of the elite or even the middle class".⁷⁰

⁷⁰ Jeffries, op. cit., p. 64.

The very same unrealistic aspirations and expectations that characterized the "youngmen"—for white-collar bureaucratic jobs which produced the educational spiral which in turn depreciated the lower levels of education as a qualification for employment, all within the context of parents trying to achieve higher status vicariously through the economic mobility of children—were shared by urban workers. Those who argue that the Sekondi-Takoradi Strike of 1961 proved the organized urban proletariat to be a revolutionary vanguard of the poor rather than part of a "labor aristocracy" are obviously correct to a certain degree since the existence of a relatively large rural capitalist stratum militates against the idea of a widespread impoverished peasantry in the Fanonist sense, but at the same time they seem to have missed an important point. The militant class consciousness that was displayed in Sekondi-Takoradi was the exception rather than the rule in Ghanaian politics.

"Most adult Ghanaians are farmers and petty traders. No more than 600,000 of the 3 million employed persons work for wages or salaries, and of these only about 25,000 are in the fields of transportation and communication. About 8,000 were involved in the Sekondi-Takoradi strike. Ghanaians in other parts of the country did not respond to the call of the railway workers to 'tie the country up' in protest against the budget, nor have there been any subsequent mass protests despite continued austerity measures."⁷¹

It was most appropriate that on the first day of the Strike, Krobo Edusei, the Minister of Communications and Transport, should address a gathering of railway workers and order them to accept

⁷¹St. Clair Drake and Leslie Alexander Lacy, "Government Versus the Unions: The Sekondi-Takoradi Strike, 1961" Gwendolen M. Carter (ed.), Politics in Africa (New York: Harcourt, Brace & World Inc., 1966), p. 110.

compulsory wage deductions, and return to work. Edusei's working class origins and extravagant lifestyle had made him a popular and highly emulated figure among the upward mobility-oriented poor in the cities but by September, 1961, the few opportunities that had existed were even further limited by the government's austerity drive and Edusei suddenly became a hated representative of a corrupt order.

When the Sekondi-Takoradi railwaymen and dock workers went out on strike on September 4, they were immediately joined by junior civil servants, market women, and employees of the commercial establishment; groups which shared the "consumptionist" orientation of the unions. Their protests were articulated and supported financially by the reactionary United Party which was an amalgamation of the conservative regionalist parties. With the opportunities for these groups and their children declining almost as fast as the cocoa prices in the four years following Independence, and with the senior bureaucrats fully protected from the deteriorating economic situation by the colonial salary scales and benefits established during the Dyarchy,⁷² it became clear that the neo-colonial economy and its peaked occupational structure could no longer contain the demands of the commoners.

⁷² Marshall, op. cit., p. 53.

CHAPTER FOUR

SOCIAL EQUILIBRIUM AND THE DOWNFALL OF NKRUMAH

"There is no economically viable bourgeoisie because imperialism prevented it being created. What there is is a stratum of people in the service of imperialism who have learned how to manipulate the apparatus of the state—the African petty bourgeoisie: this is the only stratum capable of controlling or even utilising the instruments which the colonial state used against our people. So we come to the conclusion that in colonial conditions it is the petty bourgeoisie which is the inheritor of state power...."¹

By substituting the Ghanaian intermediary bourgeoisie for the "petty bourgeoisie" which Cabral refers to, we can begin to identify the crisis in the Ghanaian state after Independence. The organs of colonial state power in the Gold Coast were inherited by the very same indigenous embryonic bourgeoisie that had been subordinated to and made dependent upon foreign capital. If Busia ("Oxford has made me what I am today") and Colonel Afrifa ("I am a great admirer of the British way of life, its legal system, the Magna Charta, the Petition of Rights and the Bill of Rights...It is these things that make Britain the home of democracy")² are to be taken respectively as spokesmen for the intelligentsia-dominated bureaucracy and the British-trained military, it is not hard to discern the orientation of this state power. In this sense, the "bureaucratic-military

¹Amilcar Cabral, Revolution in Guinea, Translated and edited by Richard Handyside (New York: Monthly Review Press, 1969), p. 69.

²Colonel A. A. Afrifa, The Ghana Coup (London: Frank Cass & Co., Ltd., 1967), pp. 107-108.

oligarchy", which Alavi locates as the mediator between the competing but no longer contradictory interests of the metropolitan bourgeoisie, the indigenous landowners, and the indigenous bourgeoisie in the post-colonial state,³ becomes an ideal instrument for neo-colonialism.

However, the more advanced economic development of the Gold Coast had produced social strata which would take a much more militant nationalist stance than the UGCC intelligentsia and would "...step into the power vacuum caused by the absence of a true African capitalist class."⁴ The CPP politicians represented the social forces which were collectively dubbed the "commoners" and formed a component of the state apparatus which was often at odds with the "bureaucratic-military oligarchy."

Before 1961 Nkrumah ruled with and through the CPP but by its very nature the Party imposed demands and constraints on Nkrumah's strategy for industrialization for which it could not also offer supports. What Nkrumah had promised CPP supporters through political action became a rationale for individuals to pursue personal enrichment at the local level so that "...socialism at the top became capitalism at the bottom."⁵ The mass defection of opportunistic CPP "rebels" during the 1954 election campaign; the conversion of Ashanti CPP "youngmen" to the cause of NLM "federalism"; and the formation of

³ Hamza Alavi, "The State in Post-Colonial Societies: Pakistan and Bangladesh" in New Left Review, No. 74, July-August 1972, p. 61.

⁴ Fitch and Oppenheimer, op. cit., p. 47.

⁵ Apter, op. cit., p. 368.

the tribalist Ga Shifimo Kpee (Ga Standfast Organization) by unemployed Ga workers and elementary school leavers in March 1957, cast doubt on the CPP's ability to mobilize the masses for the major struggle against neo-colonialism. With election struggles over after Independence and the Opposition checked by the passage of the Preventive Detention Bill in December 1957, the Party had basically served its purpose in what was to become Nkrumah's "revolution from above". If the Party was to be preserved, it was to be as a balancing force that was to be utilized to check the excesses of the group which Nkrumah was forced to rely on to wage his battle for development—the bureaucracy.

The electoral campaigns and unsuccessful drive for development in the 1950's had only reaffirmed what merchant capitalism had established in the 1920's: the indigenous elites were incapable of performing the functions of a national bourgeoisie. Indeed, it was Nkrumah himself who had assisted foreign capital and the colonial state into driving the nails into the coffin of Ghanaian capitalism. However, whereas Nkrumah's participation in the CMB and CPC had suppressed the ambitions of the rural embryonic bourgeoisie, his Lewis strategy for industrialization had reserved a spot for domestic private capital in the Second Five Year Plan. The Government had intended to encourage small-scale African enterprises and had allocated £0.5 million towards implementing the conclusions of a study established to determine how this indigenous entrepreneurship could be undertaken.⁶ There were many Ghanaian traders who hoped that a CPP Government after independence

⁶ Krassowski, op. cit., p. 39.

would provide them with the tools to break into formerly restricted sectors of the economy and a Government Survey in 1957 showed that Africans were moving into new manufacturing and service activity such as printing and publishing, motor vehicle repairs, lumbering and furniture-making, etc.⁷ However, there was little evidence to show how the Lewis scheme for development could lure them into capital accumulation when they still couldn't raise the initial capital to accumulate. By 1960 there were a few hundred small entrepreneurs concentrated in the building industry and the tertiary sector of the economy. Often in association with expatriate firms or dependent on government contracts for survival, the indigenous entrepreneurs were hardly able to compete with the foreign giants such as the UAC and the Swiss Union Trading Company and many would be easily squeezed out of the market during the Seven Year Plan when the government moved into directly productive investments. However, it was erroneous to assume that the professional-merchant stratum was eliminated as a major political force. It still operated within the interstices of the neo-colonial economy and more importantly was well entrenched in the bureaucracy, judiciary, the universities, the chiefs' councils, and the military-in short, the post-colonial state. In fact, its very survival attested to the illusions surrounding Nkrumah's electoral triumphs before independence. His defeat of the embryonic bourgeoisie during the the Dyarchy was a political and not an economic one. Excluded from elected office the bureaucratic

⁷Ghana, Economic Survey 1957 (Accra: Central Bureau of Statistics), p. 21.

intelligentsia would continue, in the British tradition, to be loyal to the state which in itself regulated the relations between foreign capital and its junior partners in the neo-colony.

Nkrumah's economic policies after 1961 required the Ghanaian State to take the lead in "closing" the economy. The imposition of stringent import controls such as quotas and licensing, exchange controls, and increased government participation in industry were all to be administered by a

"...group of high-ranking civil servants—Christians dedicated to their jobs and truly nationalists—[who]...hoped and tried to maintain, even after independence, the celebrated and somewhat old-fashioned ways and standards of the British Civil Service. Their bedside books were the Bible and the many volumes of the General Orders. These men, meanwhile promoted to the ranks of principal secretaries and the like, were trained by the British, they served the Nkrumah-CPP Government but by inclination and style, they would have been closer to the more conservative UGCC."⁸

The logic of Nkrumahism implied that the subordination of all African strata or classes to neo-colonialism (continued foreign control of an economy under the guise of nominal political independence) necessitated the mobilization of all classes against this external threat. Even the indigenous underdeveloped bourgeoisie which was tied to foreign capital and involved in the management of the state was to be included in the effort. This was a reflection of Nkrumah's reliance on the non-CPP bureaucrats and technicians running the country after 1957 as much as it was based on his belief that the conflict between the traditional elites and the commoners was not irreconcilable.

⁸Genoud, op. cit., p. 47.

This is not to say that Nkrumah accepted the myth of the "classless society" which he expounded in Consciencism.⁹ His strategy assumed:

"...a post-colonial society in transition. In such a society, the new modern forces—proletariat and bourgeoisie—more or less balance each other; none is strong enough to determine clearly the course of events in its own interest; none is capable of proposing a truly national future to the country."¹⁰

The CPP, representing the demands, aspirations and expectations of the commoners was to serve as a check on the intelligentsia's predilection towards accommodation with foreign interests. The members of the CPP clamored for "industrialization" but their material expectations militated against its achievement. The underdeveloped bourgeoisie, on the other hand, possessed capital and expertise which Nkrumah would have to mobilize during the 1960's but it did not share Nkrumah's strategy for industrialization. In order to contain the conflict between the two vital components of the economic drive, Nkrumah devised "social equilibrium" between antagonistic forces, "...a policy of avoidance of major choices which not only prevailed to the end but indeed was almost institutionalized as a method of government."¹¹ The Presidential Commission that replaced Nkrumah during his absence from duties epitomized the spirit of "social equilibrium". Reappointed each year, the three-member Commission consistently retained its pattern of composition—a high-ranking civil

⁹Kwame Nkrumah, Consciencism (New York: Monthly Review Press, 1965).

¹⁰Genoud, op. cit., p. 194.

¹¹Ibid., p. 187.

servant; a representative of the radical, ideological wing of the CPP; and a chief.¹²

The Seven Year Plan 1963/64-1969/70

As a blue-print for the economic mobilization of all for the reconstruction of society, the Seven-Year Plan embodied the concept of social equilibrium. The Plan was based on a 1962 document called the CPP Program for Work and Happiness which was adopted at the Kumasi Congress in 1962.

Industrialization and socialism were laid out as the fundamental objectives of the CPP by the Program. The new emphasis on socialism was justified as a historical necessity rather than an ideological choice:

"Owing to the absence of facilities for capital formation, it was clear from the very beginning that this prodigious task could only be accomplished successfully by the institution of socialism."¹³

Thus, Nkrumah's shift leftwards was a direct result of the failure of private entrepreneurship, both foreign and domestic, to respond to the inducements of the Lewis Plan. The old "shopping-list" techniques employed in drawing up the earlier Plans were discarded in favor of Soviet-inspired planning methods which emphasized the inter-relationship of the different sectors of the economy.

¹² Ibid., p. 188.

¹³ Program of the Convention, People's Party for Work and Happiness (Accra: Government Printer, 1962) Para. 33.

However, neither the Party's Program nor the Plan concerned itself with a critical analysis of the social relations of production. It was evident that Nkrumah's heavy reliance on cocoa revenues to finance all of the Plans, including his last, deflected him from any serious consideration of restructuring the rural social order and .

"...as the Party Program was completely silent on the mode of production and the forms of ownership in agriculture, it may be assumed... that the CPP did not see the traditional and neo-traditional modes of agricultural production in Ghana as obstacles to the development of this sector."¹⁴

Likewise, though only about one-fifteenth of the pages of the Plan referred to domestic private capital, Nkrumah and his cohorts "...wanted to make it quite clear to the hundreds of thousands of artisans and shopkeepers, from which they recruited many of their partisans and members; that CPP socialism did not imply a threat to their small businesses."¹⁵

Though heralded by his followers as an application of Marxism to Ghanaian conditions, Nkrumahism was another variant of "African Socialism" which saw the transition from traditional communalism to modern socialism as an evolutionary process.¹⁶ Classical Marxist theory was seen to be irrelevant to African conditions because it was directed towards the restructuring of a capitalist economy which did not exist in most African countries. J. H. Mensah, the Chairman of the National Economic Planning Commission, in an address to the

¹⁴Genoud, op. cit., p. 66.

¹⁵Ibid., p. 70.

¹⁶Nkrumah, Consciencism, p. 74.

Economic Society of Ghana entitled "The Relevance of Marxian Economics to Development Planning in Ghana", reflected this perspective by arguing that the real problem for socialists to confront in the underdeveloped areas "...is not the rearrangement of the ownership of the means of production. The central concern must be with the building up of the nation's stock of productive assets."¹⁷ This task of capital accumulation devolved upon the African government in partnership with foreign private capital. Socialism was to be achieved through maximizing growth of the public sector so that "...private enterprise will not be killed; it will be surpassed."¹⁸ As a corollary to his assumptions of African society, Mensah insisted that there were no classes and class conflict in Ghana.¹⁹ Therefore, the Nkrumahists believed an industrial socialist society could be achieved after a transitional period of a mixed economy during which the public sector would play an increasingly dominant role. The 1962 CPP Program recognized five sectors of the economy, "...all operating side by side in the nation's economy":²⁰ state enterprises; enterprises owned by foreign private capital; enterprises jointly owned by the state and foreign private capital; cooperatives; and small-scale Ghanaian private enterprise.

¹⁷ Economic Bulletin of Ghana, Vol. IX, No. 1, p. 14. Cited in Fitch and Oppenheimer, op. cit., pp. 110-111.

¹⁸ Ibid.

¹⁹ Fitch and Oppenheimer, op. cit., p. 111.

²⁰ Program of the Convention People's Party for Work and Happiness, para. 103.

Though the intelligentsia and other strata in the underdeveloped bourgeoisie were constantly warned to "change their mentality", national mobilization rather than class struggle would shape the political strategy for economic development or what has been dubbed "peaceful co-existence in one country." Not only were the CPP faithful to be balanced off against the bureaucratic bourgeois stratum: the Seven-Year Plan also balanced off the entire Ghanaian people against foreign capital in an attempt to achieve the economic breakthrough. However, this breakthrough would be thwarted by the same forces which the Lewis strategy had failed to control. The implications of this failure would doom the so-called socialist Seven-Year Plan to failure even before it was launched.

The Seven Year Development
Plan, 1963/64-1969/70

	Amt. in millions
Agriculture	£176.6
Industry	206.4
Mining	41.7
Transport	62.9
Housing	76.2
Infrastructure	109.4
Social Services	127.9
Other	75.2
Depreciation	110.2
Total	1,016.5

Sources of Government Investment
for the Seven-Year Plan

	Millions
Recurrent budget surplus	£100
Profits of state corporations	23
Small savings	12
Foreign loans and grants	240
Long-term domestic borrowing	14
Short-term borrowing (deficit financing)	87
Total	476

Source: Ewusi, op. cit., p. 42.

Source: Ewusi, op. cit., p. 43.

Of the 11,016.5 total planned investment, 476 was to be put up by the Ghanaian government and 1540 by the private sector. The Plan's total proposed expenditure was almost three times the amount allocated for the 1959 Plan and the sectoral balance was altered, with directly productive investments in agriculture and industry now constituting 37.3% of government investment as opposed to 11.2% in the First Development Plan and 20.3% in the Second Development Plan. But the government's ability to finance its new role as engine of the economy was in doubt.

To begin with the government still had massive infrastructural and social service commitments which consumed 62.7% of government expenditure in the Plan. In trying to satisfy the demands of his followers in the 1950's, Nkrumah had incurred large recurrent expenditures on a physical and social infrastructure which "...seems to be in excess of existing industrial and agricultural services and as a result there is some underutilization of these facilities."²¹ The need to meet these recurrent costs could only restrict the ability of the state engine to move into high gear. As Douglas Rimmer has noted:

"In this case the pressure for development is effectively a demand for greater government expenditure on so-called 'non-productive' purposes...The recalcitrance of 'non-productive' expenditure has clearly persisted too long for it to be dismissed as an accidental outcome of the policies pursued or even as an outcome of mistaken policies."²²

²¹E. N. Omaboe, "Process of Planning", in Walter Birmingham et. al. (eds.), A Study of Contemporary Ghana, Vol. 1, p. 442.

²²Douglas Rimmer, "The Crisis in the Ghana Economy," The Journal of Modern African Studies, Vol. 4, No. 1, 1966, pp. 20-21.

Another fetter on the shift to increased state control over the economy that was passed on from the Lewis Era was the failure to break the stranglehold of cocoa monoculture. Between 1951 and 1959, high cocoa prices on the world market and large external reserves has provided Nkrumah with the funds to pursue his ambitious infra-structural programs. But cocoa prosperity was an ephemeral phenomenon and after 1960 cocoa prices would steadily plunge until they dropped below £100/long ton in 1964/65. During this period the high recurrent expenditures cited above and high administrative costs forced government expenses up from £76 million in 1959/60 to £144 million in 1963/64 while revenues increased more slowly from £70 million to £122 million.²³ As a result, Ghana suffered budgetary deficits from 1959/60 to 1963/64 to the tune of £6,24,39, 50, and 21 million.²⁴ Thus, the £100 million in recurrent budget surpluses that were included in the above table of government finances for the Seven-Year Plan were wiped out.

With cocoa accounting for between 56% and 75% of the total value of exports from 1951 to 1962,²⁵ the decline in prices after 1959 caused sizable deficits in the balance of payments: £27.6 million in 1961; £1.7 million in 1962; £21.5 million in 1963; and £6.9 million in 1964. The net result was an exhaustion of the country's prized external reserves. During the 1950's, Nkrumah had misplaced much faith in the willingness of foreign capital to invest in Ghana. Now with the

²³Genoud, op. cit., p. 99.

²⁴Ibid.

²⁵Ibid., p. 98.

reserves nearly exhausted and Ghana belatedly moving towards import and exchange controls, the Seven-Year Plan "...depended entirely for its success on an inflow of foreign capital on a scale completely without precedent in the recent history of the country."²⁶ Foreign loans and grants had accounted for \$240 million or over 50% of planned government investment in the Plan and direct foreign investment was to account for another \$100 million out of the total \$1,016,500,000 for the entire Plan. What would at first seem paradoxical is that foreign capital, after disinvesting during the Lewis era, comparatively jumped at the opportunity to lend money to Ghana after it moved onto the "socialist" path of industrialization after 1961.

Why this occurred can be partly explained by a warning issued in 1963:

"What the Government needs now are not suppliers of credits but really long-term soft loans to enable it to carry through its projects under the Seven-Year Plan."²⁷

Whereas the Ghanaian people had provided Britain with long-term, low-interest loans through the CMB after World War Two, they would now be repaid with medium and short-term, high-interest credits. In fact, by 1964, about \$168 million worth of these credits had poured into Ghana, practically all of it since the shift to the left

²⁶ Tony Killick, "External Trade" in A Study of Contemporary Ghana, Vol. 1, p. 359.

²⁷ Ghana, Economic Survey 1963 (Accra: Central Bureau of Statistics), p. 38.

started in 1961.²⁸ Of the \$168 million, \$157 comprised "suppliers' credits" which were to be repaid within four to six years.²⁹ Foreign firms and contractors who undertook projects in Ghana had nothing to lose (their advances to Ghana were guaranteed by their governments) and a lot to gain (the interest rates were above those of the banks).

"Consequently, one of the main points about these foreign 'investors' is that they do not invest. They neither risk any of their own money nor wait for the project to pay before they take their profit."³⁰

Forced into relying more and more on this type of financing, Nkrumah's Government would face an external debt of \$349.2 million in 1964. In that year alone, debt service payment amounted to \$26 million.³¹ Foreign firms like the Drevici group of West Germany continued to pour in suppliers' credits,³² often for useless projects³³ and with the knowledge of Ghana's inability to service these debt repayments.

At the same time, the youths completing middle and secondary schools at an ever-increasing rate were competing for fewer and fewer

²⁸ Fitch and Oppenheimer, op. cit., p. 120.

²⁹ Ibid.

³⁰ Ibid., p. 121.

³¹ Ibid., p. 122.

³² At the time of the coup it was estimated that Ghana owed Drevici about \$60 million in credits.

³³ David Williams, "The Ghana Economy", The World Today, Vol. 22, November 1966, pp. 478-479. Drevici provided Ghana with \$7 million of cocoa storage silos at Tema port which were totally unsuitable for the purpose.

available jobs. Between 1950 and 1965, the enrollment in secondary schools had soared over 10-fold from 2,500 to 42,000.³⁴

"...The Government of Ghana, impelled by the political pressure for development and the cessation of increasing export earnings, embarked in 1961 on an attempt at rapid transformation of the structure of the economy. The programme required an autonomous monetary system, exchange control, high tariffs, and import licensing... The purpose was to remove the constraint of export earnings on the development of the economy, development being construed to mean job creation and rising government expenditure. The political risk was that the cost of this programme—in terms of rising prices and of falling living standards for many people—would count for more than the yield in terms of employment opportunities and additional government services."³⁵

The already-swollen bureaucracy could only absorb so many unemployed graduates. The economic failures of the 1960's, rooted in the legacy of the Lewis era, eventually turned these "political risks" into a disaster for the state of social equilibrium in Ghana. As proof of the dangers of any attempt to mobilize all classes in a development effort, the austerity measures of 1961 which precipitated the Sekondi-Takoradi Strike were indications of the impending crisis in social equilibrium. How could organized labor be told to abandon its "consumptionist" orientation, which had been justified before 1957 as blows against colonialism, and become "productionist", i.e., oriented towards increasing national output instead of demanding higher wages, when the social relations of production remained the same?

³⁴Krassowski, op. cit., p. 94.

³⁵Rimmer, op. cit., p. 31.

7. "Increased productivity brought increased output: increased output brought increased profits to Ghana's foreign-owned business.... The workers were ordered to become Stakhanovites to defend a revolution that had never really begun."³⁶

Thus a major problem of Nkrumah's in the maintenance of social equilibrium during the 1960's was retaining the support of the workers and school-leavers, for many of whom the fruits of the "Political Kingdom" had turned sour. Their alienation from the CPP could only be exacerbated by the tolerated excesses of the group they were supposed to check—the neo-colonialist intelligentsia elite.

"In Ghana... Civil Service salaries and perquisites of office were above that which a poor country can afford and were based on those of the expatriates. It is difficult to note to what extent, but doubtless this accounted in part for the growing imports of high cost foods, spirits and consumer goods, the casino for those earning £1,500 a year, and many other anomalies."³⁷

The social changes envisaged by the Seven-Year Plan did not augur well for the "commoners" party.

Seven-Year Plan—Changes in Social Composition of Ghana

1) Increases in High Level Groups	
administrative	23%
technical	171%
professional	26%
teachers	112%
total increase	70%

³⁶ Fitch and Oppenheimer, op. cit., p. 105.

³⁷ Robert Dowse, Modernization in Ghana and the USSR: A Comparative Study (London: Routledge & Kegan Paul, 1969), p. 59.

2) Increases in Middle Level Groups

clerical	51%
service	48%
semi-skilled	51%
total increase	51%

Source: Robert Dowse, Modernization in Ghana and the U.S.S.R.: A Comparative Study (London: Routledge & Kegan Paul, 1969), p. 78.

Nkrumah's shift to the "high-level" occupational groups to implement his "revolution from above" made it the most rapidly expanding occupational sector in Ghana, "and although these groups were absolutely vital to Nkrumah's plans for developing and socializing Ghana, only the semi-skilled of those increasing had any record of support for the CPP."³⁸

The chaotic vicissitudes of politics in Ghana during the 1960's—the assassination attempts on Nkrumah; the purges within the CPP; the attacks on the intelligentsia; the revolutionary rhetoric of the press and the "Nkrumahization" of Ghana—must be seen within the context of social equilibrium. Nkrumah had originally hoped to channel nationalist social forces into a struggle against colonialism but in turn was driven by these social forces into formulating a program for industrialization which ended with the bankruptcy of the Lewis Plan in 1961. In launching a more radical program after 1961, Nkrumah was faced with two options: either raising the level of political consciousness through mass mobilization or strengthening the repressive branches of the state: the police and military.³⁹

³⁸ Ibid., p. 78.

³⁹ Genoud, op. cit., pp. 226-227.

He chose neither. Mass mobilization was ruled out because the organ for this mobilization, the CPP, was dominated by the same self-seeking interests that had served the Party so well in the 1950's. However, the patronage and corruption that had held the CPP in good stead during the Dyarchy became self-destructive in the 1960's. Owusu reported that only CPP "traders" and the friends of CPP District Commissioners in Swedru could obtain goods during the years of import licensing; goods which were then resold at from 100 to 300% profit.⁴⁰ The armed apparatus of state power was not strengthened because the necessary military expenditures would impair economic programs.

Hence, Nkrumah's policy was to balance off the CPP against the State. As a Bonapartist-type figure, Nkrumah would rise above a class base and regulate conflict between the nationalist party and the post-colonial state so as to mobilize all national resources in the drive for industrialization. Social equilibrium was not intended to be permanent but a means for achieving this end:

"When this process is advanced enough, the potential conflicts of the early period of the nationalist movement will have been surpassed, the economic structures will have been completely altered, and the social structures also."⁴¹

This observation does not tell us what type of social conflict will arise in the new society but it does hint at the essence of Nkrumahism; the transitional period of national mobilization was to

⁴⁰Owusu, op. cit., p. 272.

⁴¹Genoud, op. cit., p. 220.

serve economic rather than social ends. The real aim was industrialization or liberation from neo-colonialism, not necessarily socialism. It would seem that the outcome of this process could just have easily been a capitalist society as a socialist one. The need to maintain the precarious equilibrium can help to explain Nkrumah's desperate efforts to achieve an economic breakthrough.

"Day after day and year after year, what is anti-colonial nationalism is being renamed socialism."⁴²

Social Equilibrium and the Party

If the CPP was to contain the predilection of the underdeveloped bourgeoisie to compromise with neo-colonialism, it had to be regulated for the same reason. The Koroah Commission Report of 1954 had exposed the corruption in the CPP and the willingness of CPP leaders to exchange lucrative government contracts for bribes from foreign contractors.⁴³ However, in the 1950's, when patronage and corruption were used to appropriate much of the colony's surplus for the people and "...the very sight of the large houses and cars owned by the ministers and party executives was a token of the more generous (and more widely distributed) benefits that it was hoped would follow independence",⁴⁴ the elements in the CPP that were to be checked were on the Left.

⁴²Genoud, op. cit., p. 219.,

⁴³Austin, op. cit., pp. 164-165.

⁴⁴Ibid., p. 194.

With the disastrous Lewis Plan abandoned in 1961, the fulcrum of social equilibrium would slide leftwards. Between February and June 1961, Nkrumah delivered a number of speeches in which the new "socialist" orientation of the CPP was stressed.

"That there were so few critics of socialism inside the CPP itself before 1961 is not surprising in view of the lack of emphasis on socialism. Few CPP members took the Party's 'socialism' seriously; they were 'all socialists' so long as it merely served the Party as a slogan. It was only after Nkrumah embarked on his policy of 'ideological education' that the gulf deepened between him and the middle class and that the groupings within the CPP began open conflict."⁴⁵

The necessity of redirecting the CPP away from petty pecuniary pursuits and towards the radical goals of the new economic offensive would be dramatically expressed in Nkrumah's "Dawn Broadcast" to the nation on April 8, 1961.

"I have stated over and over again, that members of the...Party must not use their party membership or official position for personal gain or for the amassing of wealth.... Some Party members in Parliament...are tending ...to become a social group of self seekers and careerists...."⁴⁶

On September 28, 1961, the CPP Old Guard was purged of its key notables with Gbedemah, Kojo Botsio, and four others asked to resign their posts while Krobo Edusei and other CPP self-aggrandizers were asked to surrender property in excess of 120,000 and some, including Edusei, later ordered to resign. Galvanized into action by the wrath of the Sekondi-Takoradi strikers and the rapidly declining

⁴⁵ Legum, op. cit., p. 144.

⁴⁶ Evening News (Accra), April 8, 1961.

economic conjuncture, Nkrumah revived and revitalized sections of the CPP which were to assume the vanguardist approach to political organization which had originally been taken by Nkrumah's earlier band of colleagues, "the Circle," back in 1947. The National Association of Socialist Students Organization (NASSO), originally formed among students in Great Britain in the 1940's, had served as an exclusive group devoted to theoretical discussion and had played a watchdog role for Nkrumah.⁴⁷ Proclaimed the "ideological wing" of the CPP in 1959, NASSO and the group it was responsible for recruiting and training, the Party Vanguard Activists (PVA), would be employed by Nkrumah to launch the assaults on the corrupt CPP Old Guard and the UGCC elements in the state apparatus. While warning the NASSO/PVA cadres not to imbibe "foreign" communism, Nkrumah allowed and encouraged the left-wing ideologues to entrench themselves in the CPP Headquarters Secretariat; in the CPP's auxiliary wings; and especially in the organs of media such as the Evening News, Ghanaian Times, and the Spark where they succeeded in conveying a grossly exaggerated image of "Marxist" Ghana.

However, while it was true that Nkrumah deftly used the numerically insignificant left-wing of the CPP to discredit the CPP Old Guard leaders by exposing the extent of their peculation, what was more significant was that, in order to preserve the fragile balance of forces, he excluded NASSO/PVA from higher government positions. The younger socialist militants would retain their control over the

⁴⁷Legum, op. cit., p. 139.

Party and Government press while the Old Guard would continue to occupy key ministerial posts. Within a year of their dismissal, Botsio and Edusei were reinstated and their "socialist opportunist" successors, Tawia Adamafio, Coffie Crabbe, and Ako Adjei, were in prison for their alleged complicity in the assassination bid on the life of Nkrumah which occurred at Kulungugu in August, 1962. Arthur Lewis' remark that "Ghana's party is torn in two, between Marxist and non-Marxist factions, who hate each other, and alternate in Nkrumah's favour",⁴⁸ reflected the unstable equilibrium in the CPP which Nkrumah tried to maintain while grappling with the deteriorating economic situation in the country. The Ideological Institute at Winneba could attack the Central Committee of the CPP on doctrinal problems and could violently denounce the infiltration of the CPP by "petty bourgeois" elements but "...the party remained opened to all, and, ...the same groups which made up the Ghanaian society were to be found in the CPP. Each element of the power structure was held in check by another element; the characteristic, therefore, was fragmentation, atomization of power."⁴⁹ The one source of power which could resist this process of atomization was Nkrumah himself.

Social Equilibrium and the State

"Despite all the noise made by the CPP, its mass organizations, its press and the Winneba ideology propagandists, the country's modernization...is being organized from above, is the affair of the government, not of the party, and the specific instrument of this policy is the civil service. And...the

⁴⁸W. Arthur Lewis, Politics in West Africa (New York: Oxford University Press, 1965), p. 40.

⁴⁹Genoud, op. cit., p. 190.

civil service, although it is nationalist-minded ...despite its sometimes old-fashioned habits and methods inherited from the colonial period, is not imbued with socialist ideas. And neither the press, nor the party, which denounce the civil service day in and day out and want the civil service to 'change its mentality', can help it."⁵⁰

The conflict between Party and intelligentsia, between "youngman" and Oxford graduate, would have to be contained by Nkrumah if a national mobilization was to succeed.

By relying during the Dyarchy on the social group which had few stakes in the old colonial economy, the commoners, Nkrumah was forced to exclude the new intelligentsia from the policy-making ranks of the CPP "for Nkrumah had decided early that the intellectuals had little to offer in vote-getting skill and would conflict with the cadres who built his party on job allocations. The CPP did not need them, either to build the party or to govern the country."⁵¹ With CPP activists occupying so many of the bureaucratic jobs in the Nkrumah Administration, the exclusion and alienation of the intelligentsia was intensified.⁵² Wallerstein's interviews with leaders of voluntary associations confirmed this alienation of the intelligentsia from the CPP and the overwhelming support given by university graduates to the United Party after independence in 1957.

⁵⁰ Ibid., pp. 218-219.

⁵¹ Wallerstein, The Road to Independence, p. 62.

⁵² Botchaway, op. cit., p. 122.

The More Education, The More Leaders Support the Opposition or are Neutral in Politics

	Elementary or Less	Secondary or More
Majority Party	71.6(45)	50.5(56)
Opposition Neutral	28.4(19)	49.5(55)

N= 178

Source: Wallerstein, The Road to Independence, p. 62. The figures underrepresent the opposition of the better-educated in Ghana because the study included leaders in the Gold Coast and Ivory Coast. The correlation was much stronger in Ghana because of the one-party system in the Ivory Coast at the time of survey.

In tactically adopting an equilibrium approach to national development by rising above a class base and trying to steer a "revolution from above", Nkrumah would have to seek the support of a new generation of intelligentsia, no longer imbued with the Anglophilia of its predecessors but sharing the latter's distaste for mass mobilization.

"The bureaucratic bourgeoisie's parasitical role suited the desire of international capitalism to establish a new elite. From 1960 the technocratic elite educated in American Universities and trained as self-conscious leaders, began to return. They were anti-colonial, but also anti-communist and anti-CPP, highly suspicious of popular mobilization and ideology and convinced of technocratic solutions, ideal intermediaries for international capitalism."⁵³

Another component of the post-colonial state apparatus which Nkrumah would have to contend with would be the Anglophiliac military, a logical partner of the bureaucracy in any move to oust Nkrumah.

⁵³ Marshall, op. cit., p. 54.

"The training and background of the Ghanaian military and civil service were also broadly similar. Both were relatively rigid hierarchies, both had a strong predilection for caution and order, both had traditions pre-dating the political arrival of the 'verandah boys' of the CPP, and both were under severe attack during the latter years of the Nkrumah regime.⁵⁴

In fact, all of the corporate allies of the future National Liberation Council—the civil servants, judiciary, universities, and chiefs—were subjected to often intense pressures from the CPP politicians while simultaneously preserving their privileged positions.

In the case of the civil service, the backbone of Nkrumah's economic planning, fears were aroused by Nkrumah's determination to politicize the bureaucracy in contravention of the long-honored British tradition of loyalty only to the state to which the Ghanaian bureaucrats were attached. A major step in this politicization was the dismissal of Robert Gardiner, the British-trained bureaucrat who headed the Civil Service, in April 1959. In June, 1960, a College of Administration was created to train loyal CPP-oriented bureaucrats, and soon after, Nkrumah took over complete control of the Service under the provisions of the Republican Constitution.⁵⁵

Those bureaucrats placing their faith in technocratic solutions were not motivated to initiate programs which would be in accord with what were essentially the political goals of Nkrumah to free Ghana from the grips of neo-colonialism.

⁵⁴Robert Dowse, "Military and Police Rule" in Dennis Austin & Robin Luckham (eds.), Politicians and Soldiers in Ghana, 1966-1972 (London: Frank Cass, 1975), p. 20.

⁵⁵Idem., Modernization in Ghana and the U.S.S.R., p. 57.

"In Ghana, the politicians are always ahead of the civil servants and the planners in the general consideration and implementation of economic and social projects. This means that almost all important projects have had to be initiated by the politicians who on many occasions have taken their decisions and committed the nation to a certain course of action before the technicians were consulted....There is little room for manoeuvre once commitments are made."⁵⁶

The task of balancing off the CPP's grass-roots support against the intelligentsia inevitably caused tensions to develop also among the commoners who felt that the "Domos" held the upper hand in Nkrumah's Government and that they should be ousted.⁵⁷ As Bing remarked about this old African Establishment:

"These 'Domos' were always intensely unpopular with the rank and file of the CPP and I can remember in 1958 or 1959, when their party had been out of existence some six or seven years, seeing Dr. Nkrumah greeted at the airport by crowds demonstrating with placards 'Down with the Domos'. It was felt that they had been allowed to come in at the top and occupy all the positions of power."⁵⁸

Indeed, the list of elitist "Domos" in Nkrumah's Government was enough to arouse the ire of even the most moderate CPP supporter: Sir Tsibu Darku, a former chiefly candidate who ran against the CPP in the 1951 election, as Chairman of the CMB; Sir Charles Tachie Menson, a former member of Governor Burns' Executive Council, as Chairman of the Civil Service Commission; Sir Emmanuel Quist, a former Domo member of Accra Town Council, as Speaker of the National Assembly; Nana Ayierlu Ackuah, formerly a supporter of colonial authorities who

⁵⁶ E. N. Omaboe, "Process of Planning" in Birmingham et. al. (eds.), A Study of Contemporary Ghana, Vol. 1, pp. 460-461.

⁵⁷ The term "Domos" refers to members of the ultra-conservative National Democratic Party which was involved in the 1951 elections.

⁵⁸ Bing, op. cit., p. 413.

had been removed from his Stool of Winneba, as Chairman of the National Education Trust; and N. A. Ollenni and K. A. Bossman, formerly the Vice-President and General Secretary of the National Democratic Party, as prominent judges in the judiciary.⁵⁹

The resentment of the CPP rank and file against this elite would gain official approbation with the outcome of the "Treason Trial" on December 9, 1963. By acquitting Adamfio, Crabbe, and Adjei on charges of complicity in the attempt on Nkrumah's life, the three members of the High Court, Chief Justice Korsah, J. B. Van Lare, and Eric Akufo Addo, all former "Domos" or UGCC notables, precipitated a crisis between judiciary and Party which upset social equilibrium. Popular as it was among the masses, Nkrumah's dismissal of Chief Justice Korsah on December 11, and the subsequent Law of Criminal Procedure passed by the National Assembly on December 23 which empowered the President to quash the decisions of the special court, represented a split of the CPP Government with the old African Establishment which was to be consummated with the 1964 Plebiscite for the single-party state.

"The vote was a demonstration, not of popular opinion, but of the fact that the Government still controlled the Civil Service machine and the police, and that its grip over the country had been unaffected by the elimination of the Domos! It was an empty victory. With the break-up of the old alliance between the CPP and the former African ruling classes, the way was left open for all those elements in Ghana and outside it which, for one reason or another, had long been plotting against Dr. Nkrumah."⁶⁰

⁵⁹Ibid., pp. 413-414.

⁶⁰Ibid., p. 415.

Like the bureaucrats, the conservative leaders of Ghana's armed forces were fundamentally opposed to the attempts to politicize their organ of state power. This was only natural since any move to inculcate in the soldiers political ideas at variance with those of the officers would be viewed as a constraint on the ability of the military leaders to use the army as an instrument against the Government. Until 1960, the army was "free from politics." A first step in Nkrumah's shift to the left after the Sekondi-Takoradi strike was the sacking of General Alexander, the British commander of the Ghanaian army, and the assumption of the title of Supreme Commander of the armed forces by Nkrumah. By the end of 1961, there were numerous reports and rumors that the Government was considering the creation of an Army Bureau with the task of exchanging political ideas with officers and ordinary soldiers and that Nkrumah was contemplating a reduction in Ghana's military dependence on Britain by establishing closer military ties with the Soviet Army.⁶¹

What aroused even more fears from the military establishment was the CPP's denigration of "...an overblown military establishment such as characterizes so many economies in the contemporary world which have been allowed to develop along the wrong lines."⁶² In the words of Col. Afrifa:

"Our clothes were virtually in tatters. We had no ammunitionThe Army was virtually at the mercy of the politicians who treated

⁶¹ Dowse, Modernization in Ghana and the USSR, p. 56

⁶² Ghana, Seven-Year Plan for National Reconstruction and Development, Financial Years 1963/64-1969/70 (Accra: Government Printer, 1964), p. 11.

it with arrogance and open contempt."⁶³

Thus, a combination of fear of politicization and fear of neglect, which are in fact part and parcel of the same phenomenon of military intervention in the Third World, produced the military coup. In June, 1964, a government directive ordered all officers to enroll their men in the CPP. In July, 1965, the President's Own Guard Regiment was removed from the army command, defence affairs were transferred to the President's office, and the Chiefs of Staff, Generals Ankrah and Otu, were forcibly retired.

Along with the judiciary, the bureaucracy, and the police, the military leaders no longer recognized the legitimacy of the Nkrumah Government because the social equilibrium between antagonistic forces could no longer be maintained. The failure to break the stranglehold of neo-colonialism necessitated increased radicalization of social and economic structures in the mid-1960's. The CPP violent marches onto university campuses; the Government's demands that bureaucrats, university students, and military personnel should undergo political education; and Nkrumah's efforts to redirect neo-colonial institutions in general were therefore perceived to be harbingers of a more drastic assault on those who controlled these neo-colonial institutions. It was the military and police who realized that Nkrumah, like other historical personages commanding a state of social equilibrium, would no longer be able to maintain this condition of society with the steadily deteriorating economy and would no longer

⁶³ Afrifa, op. cit., pp. 99-100.

be able to "give to some without taking away from others."

"The division between these groups, whose authority rested on their control of bureaucratic hierarchies or of force, and that of the politicians, which rested on the more diffuse popular support gathered together by the ramshackle CPP party machine, developed apace. The CPP not only cut back the power of the older status groups—the intelligentsia, the lawyers and the chiefs—but invaded the corporate privacy of the government bureaucracies and the armed forces. The result was the 1966 coup."⁶⁴

Summary

It has been the intent of this paper to show how economic constraints on industrialization and social and political constraints on Nkrumah's strategy for industrialization forced Nkrumah to adopt an equilibrium approach to national mobilization. The upsetting of this equilibrium brought on the military coup.

Undoubtedly the economic constraints presented the greatest threat to Nkrumah's conception of national independence. The structuring of the Gold Coast political economy by colonialism in such a way as to generate underdevelopment (as outlined in Chapter 1) relegated nominally independent Ghana to a dependent status within the world capitalist system. Undisturbed since the completion of the "open" economy by Governor Guggisberg, the pattern of Ghanaian underdevelopment or "growth without development" could only be undone by a massive restructuring of socio-economic institutions.

Until the balance of payments crisis in 1961, Nkrumah did not concentrate his efforts on a restructuring of the political economy.

⁶⁴Robin Luckham, "The Constitutional Commission 1966-69" in, Austin and Luckham (eds.), Politicians and Soldiers in Ghana, p. 64.

The social constraints of the CPP constituency (as outlined in Chapter 2) forced Nkrumah to adopt the Lewis strategy for economic "take-off". By channeling public investment into infrastructure and social services, Nkrumah could meet the requirements of the Lewis Plan while satisfying the demands of his followers for education, improved housing, public employment, etc. In implementing the Lewis Plan, Nkrumah could also use the allocation of government jobs, social services, and infrastructural benefits such as road or bridge construction to counteract the political constraints of regionalism and "tribalism" discussed in Chapter 3.

However, the financial crisis of 1961 illustrated the bankruptcy of the Lewis logic and the failure of Nkrumah to capitalize on the positive economic conjuncture of the 1950's (high cocoa prices and large external reserves) to bring about radical structural change. Despite the massive infrastructural effort of the 1950's, foreign capital had not arrived to build the factories and Ghana's monocultural economy was more vulnerable to the vicissitudes of the world market than ever before. The same political and social constraints which pushed Nkrumah onto the Lewis road in the 1950's, forced him onto his more radical path in the 1960's. Ghana's social development during Nkrumah's first decade in power had been impressive indeed but the increase in the number of unemployed secondary school graduates had only intensified the tensions produced by the disjunction between educational and infrastructural growth on the one hand and economic growth on the other. If the demands of groups like the Sekondi-Takoradi strikers for more public employment, more education, and more

opportunities for their children to achieve social mobility were to be met, a drastic overhaul of Ghana's neo-colonial economy and peaked occupational structure was needed. Attempts to perform this overhaul in the 1960's were doomed to failure by the inability of Nkrumah to break with foreign capital in the 1950's. By running down the country's external reserves to cover the deficits of the 1960's when the economic conjuncture rapidly deteriorated, Nkrumah would be forced to rely more and more on foreign creditors whose terms of credit became increasingly rigid.

As part of the colonial legacy, the contradictory demands of different groups in Ghana constrained Nkrumah throughout his years in office and eventually led to his overthrow. The strategy of social equilibrium described in Chapter 4 was Nkrumah's response to the internal as well as the external threats to national independence. By attempting to achieve a state of "peaceful co-existence" between the CPP "commoners" and the underdeveloped bourgeoisie, Nkrumah hoped to contain the tendency of the Ghanaian capitalist strata to compromise with their foreign patrons. However, even if Nkrumah allowed the "intelligentsia" to continue to dominate organs of the state and exhorted them to become truly nationalists, his economic policies precluded the professional-merchant stratum from an economic nationalist program. The establishment of the Ghana National Trading Corporation (GNTC) which ousted Ghanaian as well as foreign traders and the Ghana National Construction Corporation (GNCC) which took government contracts away from small Ghanaian contractors were but a few examples of why the underdeveloped bourgeoisie could not feel that they had a

stake in Nkrumah's Ghana.

Just as Nkrumah used the CPP as a balancing agent against the capitalist strata, so he used the intelligentsia-dominated bureaucracy in the 1960's to help him direct the drive for "closing" the economy and containing the demands of the CPP faithful. Faced with the contradictory demands of the antagonistic social forces in Ghana which were represented in the state apparatus by the equally antagonistic "bureaucratic-military oligarchy" and the CPP politicians, Nkrumah opted for an unstable equilibrium. Wary of the tendencies of his followers to pressure him in the 1950's into allowing unlimited private consumption which in turn contributed to the financial crisis in 1961 and wary of the tendencies of the underdeveloped bourgeoisie to share increasingly similar interests with foreign capital as government controls over the economy increased in the 1960's, Nkrumah turned to "national" mobilization which in fact was his own Office.

"...In the 1960's, outside the 'Court' and a small group of ministers and dignitaries, people did not feel they had vested interests in the regime. Not that the government was not doing anything for anybody; on the contrary, but precisely because what was being done...was done in a diffuse way, for everybody, through the administrative machinery of government and without involving the people through mass mobilization."

The building of a modern infrastructure, on which the government concentrated its efforts and investments, was by definition in the service of the whole community, of all. As a result, no social group could feel that the continuing existence of the Nkrumah-CPP Government was serving its own particular interests, whether this was the proletariat, the lower middle class or any other group. From a political point of view, the building of Tema Harbor or of the Akosombo Dam on the Volta River was an abstraction.⁶⁵

⁶⁵ Genoud, op. cit., p. 191.

The pitfalls of social equilibrium were exposed when the 2 million members and 500,000 militants of the CPP offered no resistance to the military coup. In order to mobilize the entire country for national economic development, Nkrumah fell prey to the internal social contradictions within his society.

"The failure of the Ghanaian state to carry through its shift to the left raises fundamental issues about the struggle against neo-colonialismProgressives acting through the party and the state lacked a class base to sustain and defend their political initiatives."⁶⁶

Nkrumah's successors moved quickly to make their predilections well known. "Manifesting a desire primarily for professionalism, security, and material well-being....,"⁶⁷ the technocrats and lawyers who were brought into the National Liberation Council (NLC) Government dismantled much of Nkrumah's machinery for state planning and appealed to the fractions of the underdeveloped bourgeoisie which had been excluded from Nkrumah's plans.

"From the beginning of the NLC, the cry of Ghana for Ghanaians, and for more import licenses for Ghanaian businessmen, was loud in the land, and it did not leave the government unmoved."⁶⁸

In September 1967, the Ministry of Trade urged small Ghanaian traders to form an association which would be granted bloc import

⁶⁶ Marshall, op. cit., pp. 52-53.

⁶⁷ Irwin G. Markowitz, "Ghana Ten Years After Independence: The Development of Technocracy-Capitalism" in Africa Today, Vol. 14, No. 3, 1967, p. 6.

⁶⁸ Dowse, "Military and Police Rule", op. cit., p. 23.

licenses. In December 1968, a Ghanaian Enterprises Decree, directed against the East Indian and Lebanese commercial stratum, was promulgated which stipulated that within five years all retail trading establishments with an annual sales volume of under N.C. 500,000; all wholesale establishments with sales of under N.C. 1,000,000 a year; and all extractive, processing, manufacturing, and transport enterprises with capital of less than N.C. 100,000 or employing less than 30 people would be reserved solely for Ghanaians.⁶⁹ A time limit of two years was set within which all taxi owners and all local representatives of overseas manufacturers were to be Ghanaian. The economic nationalism of Nkrumah had been transmuted into open racism in the "Africanization" policies of the NLC. Small enterprises would be reserved for Ghanaians while foreign capital would be allowed to consolidate its grip over the economy. The NLC initiated large-scale retrenchment in the state sector of the economy by selling off all thirteen of the government's rural industries and eighteen other state industries; by closing more than 25% of the state farms; by cutting back the operations of the GNCC while laying off 10,000 of its workers; and by seeking more capital investment from abroad to share in the ownership of larger enterprises with the NLC Government.⁷⁰

Busia's Progress Government (1969-72) broadened the scope of the "Africanization" campaign by attempting to appease many of the "commoner" groups which had supported Nkrumah. From December 1969 to

⁶⁹ Ibid.

⁷⁰ J. B. Esseks, "Economic Policies" in Austin and Luckham, (eds.) Politicians and Soldiers in Ghana, pp. 45-46.

April 1970, an estimated 155,000 non-Ghanaian traders, artisans, and laborers were expelled from Ghana and in June 1970, the Busia Government promulgated the Ghanaian Business (Promotion) Act which flatly excluded aliens from small-scale trading in markets and at kiosks.⁷¹

The racist decrees and expulsions in the post-Nkrumah years might satisfy the immediate material interests of Ghanaian petty traders and other mercantile strata but were contrived to carefully avoid impinging against the neo-colonialist forces inside and outside Ghana which Nkrumah had attempted to contend with during his years in office. Underdevelopment in Ghana could not be superseded by just one man or just one political party for its roots lay deep in the colonial history of the country. Nkrumah attempted to dig up these roots and plant the foundations for a new economy which could promise Ghanaians real independence. The challenge for present-day Ghana will be to pick up where Nkrumah left off.

⁷¹Ibid., p. 50.

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