The Political Economy of Development and Decline in Ghana (1895-1992)

Thesis submitted to the Nottingham Trent University in partial fulfilment

of the requirements for the degree of Doctor of Philosophy

STEPHEN KWATELAI QUARTEY

MAY, 2019

Dedication

To the memory of my parents Mr Granville Quartey and Mrs Josephine Quartey, the two who shaped my life, and my supervisor, Dr Ros Hague.

Acknowledgements

First I would like to thank the Almighty God for his grace and mercies. I am truly grateful to Dr Jon Gorry for his relentless encouragement, advice and guidance throughout the years. I would also like to thank Professor Matt Henn for his critical guidance, commitment and valued support. I wish to thank Drs Imad El-anis and Marie Gibert for their contributions and encouragements. I would also like to express my deep gratitude to Professor Kwabena Barima Antwi for agreeing to serve as my external examiner, Professor Rebecca Parry for serving as the Independent Chair and Dr Sahra Joharchi for her role as the Internal Examiner. Sadly but importantly I extend a posthumous gratitude to one of my outstanding supervisors, Dr Ros Hague for her calm guidance and encouragement.

I would also like to thank my dear wife, Alice Adwoa Kissi, for her love, prayers and support throughout my study and personal life. I am very grateful to Reverend Brother Emmanuel Affum (SVD), Lydia Quartey and my family for their support in diverse ways.

I wish to thank Professor Ishmael Mensah of the University of Cape Coast, Administrative Staff of the Doctoral School Nottingham Trent University, Public Record Office in London, Ghana Library Board and National Archives in Accra.

There are many others who shared ideas with me and gave me reasons to advance in difficult times. I am very grateful to them all and ask for God’s blessings on their pathways.

The Map of Africa with emphasis on Ghana (formerly the Gold Coast)

Ghana is located along the Atlantic Ocean and Gulf of Guinea, with a land mass spanning 238,535 km2 (92,099 square miles).

Abstract:

The search for a sustainable Sub-Saharan ‘developmental state’ stands as one of the most cherished alternative models for economic transformation proposed by those who would question the neoliberal trajectory of African political economy in the late twentieth and early twenty-first centuries. Although the particular example of Ghana offers an archetypal case study, scholarship contributions on this subject are surprisingly quiet or limited in their scope or level of analysis particularly in the so-called Fordist or pre-neoliberal era. This thesis was written as a response to this lacuna and aims to unravel the historical problems of underdevelopment in Ghana within a particular time-frame (1895-1992), offer theoretical interpretations, and suggest the need for fresh appreciation of development-based state strategies. Its overarching objective was to address the question of protracted economic underdevelopment in Ghana and understand why it has been resistant to a number of development efforts by both colonial and post-colonial governments utilising both state-based and market-based strategies. The purpose is to bring the past to life in order to generate historically relevant approaches to African political economy.

In this thesis a theoretically-informed and historically-embedded approach is used to examine theories of the capitalist state, production process and development models in relation to the political economy of Ghana 1895-1992. By adopting a longitudinal comparative historicist analysis the study is able to investigate more than one subject of interest over many historical junctures. It critically examines the development efforts of three distinct state forms and the roles played in production, trade, distribution and development. This method of examining development under distinct state forms is relevant because it was essentially the state that conditioned economic development in the Fordist era under discussion. Rather than first constructing theory to explain history, this thesis thus utilise history as the vehicle for understanding why particular theoretical approaches to development in Ghana arose and then fell. The intent is not so much to model for the future but to understand the conditions and potentialities of the present through appreciation of the past. In this direction a desk-based research was used with data gathered from a wide-range of archival information from the Public Record Office in London, National Archives in Accra, Hansard online resources, African Studies Centre resources, newspaper publications, journal articles, books, World Bank reports and British online archives.

The outcome of the study identifies distinct trends in Ghanaian development across the colonial and post-colonial periods: from a colonial strategy of development dependency 1895-1956, to an import-substitution industrialization strategy 1957-1966, finishing with the more market-directed developments from 1967-1992, that finally ushered in the contemporary neo-liberal era. This interpretivist and historical method enable theoretical mapping of three distinct attempts at creating Ghanaian versions of the ‘development state’ that provide a clear and distinct analysis of efforts to modernise the political economy of Ghana, explain Ghana’s underdevelopment, and in so doing bring back politics into economics in order to make an original contribution to knowledge. It is hoped that policy makers, development partners, and scholars can learn from Africa in the same way they think and learn from the dramatic successes of East Asia.

Keywords: Colonial and post-colonial development, capitalist state and capitalist economy, predatory state, vampire state, zombie state and developmental states, embedded autonomy, Weberian ideal-type bureaucracy.

Contents

SECTION ONE: INTRODUCTION

Chapter One: Introduction

"Those who would judge us merely by the heights we have achieved, would do well to remember the depths from which we started"- Osagyefo Dr Kwame Nkrumah (1972:45).

1.1 Introduction to the Political Economy of Ghana (1895 – 1992)

This thesis is set out to primarily make an original contribution to knowledge and the literature on African development through a critical examination of the political economy of Ghana (formerly the Gold Coast) from 1895 to 1992, to unravel the historical problems of underdevelopment in Ghana, offer theoretical interpretations and argue for an alternative paradigm of development. The main objective of this thesis was to examine the protracted underdevelopment in Ghana and make original contributions with a view to address this trend. The thesis aims to unpack and deepen readers understanding of the complex connections between 'political' and 'economic' spheres, the capitalist state and the capitalist economy with specific reference to Ghana during the years 1895-1992; explore and contest state theory and notions of the developmental state through a theoretically informed and historically embedded empirical study of Ghana 1895-1992; and to better understand Ghana's political economy of development and decline, and the origins and transformation of the notion of development. This brings into focus the importance of state theory and development for an understanding of the political economy of Ghana, 1895 to 1992. The thesis relates state forms to three conceptual models in three historical junctures to provide a clearer and distinct analysis of efforts by our three distinct state forms and the roles they played to modernise the political economy of Ghana. The choice of examining development outcomes under distinct state forms is relevant because it is the state that conditions economic development. The thesis is important because development trends in Ghana over the colonial and post-colonial periods, from a colonial development strategy of dependency (1895-1956) to a state-led import-substitution industrialisation (1957-1966), and further on to a market-led development (1967-1992) have proven to be ineffective in ensuring sustainable economic growth and development. The overarching importance is that Africa has not yet had a functional developmental state model that works for its development hence the search for a model inspired by the African context through a historically embedded theoretical analysis of the political economy of Ghana. The choice of Ghana is relevant because, as the first British colony in Sub-Sahara Africa (SSA) to attain political sovereignty, the economy had been used for experiments on a number of development approaches – colonialism, imperialism, and neoliberalism - in Africa. However, none of the development efforts has proved effective for sustainable economic growth and development. In addition, the historical achievements, relative political stability, cultural values, and economic challenges make Ghana suitable for scholarly attention to unravel the underlying causes of the protracted capitalist underdevelopment with a view to finding a suitable developmental paradigm for Ghana in particular, and Africa in general.

The metaphorical constructs of our distinct state forms -‘predatory, vampire, zombie’- primarily enable the thesis to highlight the development attitude of the distinct state forms. ‘Predation’ has been used in complex and varied analytical context (Moore, 1966: 469-473); to draw distinctions between “incoherent absolutist domination” and “klepto-patrimonial” predatory states (Evans,1989); and to conceptualise analysis (Bavister-Gould, 2011). Similarly, Thomson (2010) describes ‘vampire’ states as ‘blood sucking’ (kleptomaniac) government that mismanages state resources to conditions of economic decline. The ‘zombie’ state is a metaphorical concept of the ‘unconscious reincarnated state’ , or better still, ‘dead-alive’ state that aims to give radical life to a new political order to achieve economic recovery but does so with inadequate capacity and legitimacy (Drezner, 2015).

In the late 1980s, the ineffectiveness of development programmes initiated by the ‘predatory state’ of the colonial period, ‘vampire state’ of the immediate post-independent era and ‘zombie state’ of the 1980s were gradually giving way to a new approach of development in Ghana in particular, and SSA in general. Development experts, donors, policy makers, politicians and scholars have all been drawn to the notion of a ‘developmental state’ model for Africa that can learn from and rival the dramatic success of East Asia (EA) development model (Fourie, 2011). However, it is nearly impossible to find a developmental state model that serves as a paradigm in SSA because historical evidences suggest that developmental states have evolved out of ‘trial and error’ rather that central planning by the state (Routley, 2014). Abstraction of ‘developmental state’ as one that is focused on economic growth and makes every effort to achieve economic development through political intervention (Johnson, 1999) has been challenged for attempting to homogenise the diverse experiences of the EA developmental states (Haggard, 2004: 59; Ohno and Ohno, 2012) with some suggestions for heterogeneous analysis that allows for differentials in technological improvements and political variations (Meyns and Musamba, 2010). Despite the definitional difficulties, it is generally accepted that for definitional purpose, developmental state refers to the state’s capacity for, and commitment to economic growth and development (Vu, 2007; Mkandawire, 2010). Routley (2014), streamlines the definitional difficulties and highlights economic growth, improved standard of living, and legitimacy as core elements for consideration in defining developmental state. What then is development?

Development is widely used in various disciplines and contexts of everyday life. The inherent difficulties in arriving at a precise definition is not for its scarcity but for the various contexts for which it is being advanced. In a study entitled 'Managing Development', Kathleen Staudt puts forward in excess of seven hundred definitions to highlight the enormous challenges to understanding the breadth and depth of development transformation and to demonstrate the widely differing cultural context within which the planning, implementation and evaluation of national and international development takes place (Staudt, 1991). This suggests that development is a social construct of the relative aspirations of a people to advance in a certain direction and therefore one development model is inapplicable across political economies with diverse socio-cultural backgrounds. However, in addressing the problems of underdevelopment 'is democracy necessary for Africa's development?'

Although there is no easy answer to such a question, it is generally accepted that development is the process of enlarging people's choices; of enhancing participatory of democratic process and the ability of people to have a say in the decisions that shape their lives; of providing human beings with the opportunity of developing their fullest potential and to work together to carry out the developmental goals of the state to promote economic growth, equity and self-sufficiency (Staudt 1991: 28-29). Robert Chambers defines development in essence as 'good change' (Chambers 2005: 185-189), however, this definition does not indicate what is good, who determines it, and how to ensure its advancement.

Despite the definitional challenges, on the one hand, it is generally accepted that development is a historical process of social change in which societies are transformed by the deliberate efforts of development actors such as the state in partnership with private enterprise to achieve desired visions (Thomas 2000: 29). On the other hand, underdevelopment does not imply the absence of development but rather a comparative disparity in the wealth of Western

Europe and North America as compared to Africa, Asia and Latin America (Rodney, 1972: 21). In this sense, capitalist development is understood as rooted in unfair trading practices, egocentric price setting and tariffs, higher interest rates on investment capital, disproportionate ownership of productive resources and repatriation of surplus values from underdeveloped to developed states in a manner that impoverishes the former (Rodney, 1972: 34). But since efforts at improvement are often focused at the historical process of capitalist development it is important to ameliorate the disordered faults of progresses (Cowen and Shenton, 1996), through state interventions that consider the interests of both labour and capital.

1.2 Historical Overview of Development in Africa

The concept of 'improvement' existed in traditional African societies before the arrival of European merchants on the coast of Africa in the fifteenth century (Rodney, 1972), but the idea of 'development' is traceable to European overseas contacts with Africa in the run-up to the twentieth century (Hodge, 2007: 7). From Catherine Coquery Vidrovitch's 'pre-developmentalist development' of the pre-1930s to David Anderson's details of the British efforts in agriculture, forestry and health, development has been linked to central planning and the free-market strategies (Randall and Packard, 1998: 6-7). In the nineteenth century, Europe's elites introduced a more self-conscious attempt at colonial development to address the socio-economic problems in Europe. The 'New Imperialism', as it became known, involved the expansion of Europe into Africa for extraction of resources and establishment of ready markets in the colonies for European products. In this sense, postmodernists argue that the emphasis on integrative planning and coordination (Hodge, 2007: 13) was an apparatus for control and surveillance to universalise European projects across the globe (Randall and Packard, 1998: 3), and in doing so, "became a framing device bringing together a range of interventionist policies and metropolitan finance with the explicit goal of raising colonial standards of living" in the late 1930s and 1940s (Randal and Packard, 1998: 7).

However, in contributing to the histories of development, Robert Cowen and Robert W. Shenton suggest that the purpose of colonial development orthodoxy since its inception has been to enable public policy "to assert the value of community in the face of the destruction wrought by an immanent process of development … to construct the positive alternative to the disorder and underdevelopment of capitalism" (Crush, 1995: 27-43). Interestingly, the ideological construct that defined western imperialism and colonial development during this period was grounded in theological beliefs and ancient civilization which holds that the task of cultivating unoccupied land was in fulfilment of God's plan to extend his kingdom on earth, and anyone who first makes better such property assumes its ownership (Hodge, 2007: 25). Furthermore, in the 'Second Treatise of Government' John Locke argued that "whatsoever a man tilled and reaped, laid up and made use of, before it spoiled, that was his peculiar right; whatsoever he enclosed, and could feed, and make use of, the cattle and product was also his…" (Cited in Crush, 1995: 27-43). These orthodoxies formed the nucleus of 'New Imperialism' and integration of Africa into a global capitalist system.

1.3 Central Research Concern and Methodological Issues.

The central argument of this thesis is that trends of development in Ghana over the colonial and post-colonial periods have proved ineffective to resolve the problems of poverty, unemployment, corruption, bad public policies and undemocratic governance. The ineffectiveness of development programmes initiated by the 'predatory state' of the colonial era, the 'vampire state' of the immediate post-independent period and the 'zombie state' of the 1980s drew interest from academics, donors, policy makers and development enthusiasts in the late 1980s to the notion of 'developmental state' for Africa that can learn from, and rival the development success of East Asia.

The two fundamental dimensions of investigating our social world relates to the 'nature of society' and 'philosophy of science' that is applied for our understanding of events. The 'nature of society' is socially constructed and naturally predetermined, but the 'philosophy of science' focuses on the 'logic of enquiry' to enable researchers make claim about the ontology (what is knowledge), epistemology (how it is known), and methodology (the process of studying the subject of investigation) of the social realm (Creswell and Creswell, 2018).

The ontological strand by which knowledge is generated and analysed methodologically is firmly grounded within the contrasting views of the 'subjectivist - objectivist' debate, and 'positivist/empiricist – anti-positivist/interpretivist' dimensions. While subjectivists assume that social events exist as one's mental capacity, belief system and experience, objectivists take a more realist approach to how knowledge is generated by acknowledging that social phenomenon is independent of subjective opinions and experience. Positivist analysis of empirical economic phenomenon that devalues the relevance of interpretive conceptualization of the social realm within which phenomenon occurs, is insufficient for any meaningful consideration. In other words, the interest attached to economic indicators (quantitative research) must extend to its interpretations (qualitative research).

Classical economists such as Adam Smith, David Ricardo, Thomas Robert Malthus, John Stuart Mill and Karl Marx emphasised the interpretation of societal conflicts and interrelationships in the production process. However, many neo-classical economists focus on fictitious market system to limit interventions by the state in development, production and distribution of wealth and power. As Burnham (2010) suggests that although the empirical features of economic problems are now familiar knowledge, there is scarcity of explanations within social sciences. Decision makers have become more familiar with empirical information about rates of employment, production, consumption, savings, investment, profit, and national income than the underlying classical economic theories that explain these indicators. This explains why the market mechanism, in lieu of a conceptualization of capitalist mode of production, has become a preferred option for neo-classical economists in the explanation of contemporary global financial predicaments. Given this, the ideal assumption of equilibrium price determinism through the unregulated interplay of free-market forces of demand and supply has not been thoroughly proven. (Johnson,1982; Amsden, 1989; Wade,2004) noted that neo-classical interpretations of East Asia's economic growth narratives on the basis of conforming market policies were deeply flawed in their descriptive, methodological and theoretical approach (Haggard, 2015).

The epistemological strand of this study adopts a desk-based historiographical research method to gather data on a wide-range of archival information from the Public Record Office in London, National Archives in Accra, Hansard online resources, African Studies Centre resources, newspaper publications, journal articles, World Bank reports, and British online archives. In this research, history is used to investigate and understand the political economy of development and decline in Ghana not for the purpose of constructing a development theory or predictive model for its future but rather to make use of its important contribution to the continuities between late colonialism and Ghana's post-independent development policies and practices. As Arthur Lewis noted, the use of archival information is important in providing credible insight about 'why' and 'how' Ghana became underdeveloped but it is difficult to use the outcomes to predict with certainty 'what' happens next in different societies (Lewis 1955: 10-18). Despite its shortcomings, archival information is indispensable for a study of this nature for various reasons. First and foremost, many authors accept that the archives provide unique and irreplaceable socio-historical and socio-biographical data sources of the ideas, lives, behaviours and development thinking of colonial government officials, foreign merchants, indigenous politicians and social movements (Hill, 1993). Second, archival data as presented in the form of confidential memos, rough drafts, official correspondence, letters, personal and organisational records, and diaries offer reliable and direct account of historical events that avoids the fallibility of human error in interviews (Henn et al, 2009: 115). Third, historical information placed under distinct political periods and states is beneficial because “development discourse in its ahistorical and apolitical character is incapable of coming to terms with the realities of world power and global interests …” (Pieterse, 2001: 27-28). Fourth, the choice of archival resource affirms the mutual interdependence between history and social science in placing the political economy of Ghana in time and context. Fifth, ‘in order to explain the structure of contemporary societies, one must investigate their historical origins and development’ (Deflem and Dove, 2013: 561). The sixth reason is that through the incorporation of ‘a stronger dimension into my analyses, tools of historical research can help to develop a better understanding of many political phenomena including, institutional change and durability, state formation, revolution, trajectories of economic development and globalisation’ (Halperin and Heath, 2017: 239-240). Lastly, the convergence of Ghana’s history with her socio-economic experience helps the author to critically examine how past political structures and social relations enabled or constrained the present, and what in emerging development trends represents possibilities of developmental states in SSA. Furthermore, through ‘external’ and ‘internal’ objective criticisms the researcher was able to establish the authenticity and reliability of primary and secondary information for the research. In choosing the sources, consideration was given to the authority, accuracy, accessibility and purpose of the data to mitigate biases, exaggerations, errors and omissions. However, due to the nature of the logic of enquiry - the political economy of development and decline in Ghana (1895 to 1992) - historical referencing extending over several decades was unavoidable.

The study adopted a longitudinal comparative historicist analysis because it allows for the investigation of more than one subject of interest (state and development) over many historical junctures (the colonial, immediate post-colonial, Ghanaian revolution). This approach places importance on time' and 'context' to help better understand the relations between the events and trends in politics, economics, development and related dimensions of social science. By choosing the longitudinal comparative historical analysis, the researcher was able to explain the 'critical junctures' of Ghana's development trajectory, and how its 'positive feedback' (development outcomes) reinforced subsequent 'path dependence' (development policies). 'Critical junctures' are significant events that set in motion courses of remedial actions for 'self-reinforcing feedbacks' to determine 'path dependence' (Halperin and Heath 2017: 244-247). This approach allowed the researcher to present a more realistic interpretation of the political economy of underdevelopment in Ghana by bringing politics back into economics and development.

1.4 Structure of the thesis

The thesis is organised in nine chapters. Next to the introduction and methodological issues, the theoretical foundation is discussed. The third chapter takes a historical overview of the political economy of Ghana in the period before 1929, with the fourth chapter focusing on colonial development efforts from 1930 to 1950. The fifth chapter takes a constructive look at the developmental ambitions and strategies of the Nkrumah government, whilst the sixth offers a critical examination of development initiatives by the immediate post-Nkrumah governments. The seventh offers a historical analysis of development efforts by the military and Limann governments that collectively provided grounds for the ‘Zombie State’ in Ghana in the 1980s. The eighth chapter critically examines the rise and fall of the ‘Zombie State’ with particular reference to the Ghanaian Revolution, whilst the ninth highlights the original contributions to knowledge and outcomes of the thesis.

Chapter Two: THEORETICAL FOUNDATIONS

2.1 Introduction

"Learn from yesterday, live for today, hope for tomorrow. The important thing is not to stop questioning". - Albert Einstein

This chapter takes a constructive look at the theoretical foundations adopted for this thesis. It discusses two fundamental issues in political economy – the state and development – relevant to the broader interest of development in Sub-Saharan Africa (SSA). In doing so, the chapter critically examines three main development theories – (i) dependency/world system theory that argues a (periphery) state remains underdeveloped due to the impositions of a core-periphery capitalist system or neo-colonial structures; (ii) modernisation-type theories which argue that given the necessary financial assistance and technological adaptations any nation can develop so long as it adopts state-led interventions or roll-back the state and advance market-led liberalisation strategies; (iii) and at the heart of this thesis the more recent characterisation of developmental state that argues a state focuses its capacity on economic growth and commit to the achievement of economic development through political intervention rooted in embedded autonomy and Weberian ideal-type bureaucracy. The mechanisms for modernisation are either Keynesian-type ones that argue the need for state-led intervention (i.e. a developmentalist state that utilises industrialisation and/or import substitution strategies etc.) as pathways to development; or neo-liberal ones that argue, because the Keynesian 'developmentalist state' is doomed to failure, roll-back and market-led liberalisation is the necessary strategy for development. The chapter gives consideration to state theories because it is the state that should arguably be entrusted with developmental responsibilities to address underdevelopment in SSA such as those associated with (i) poverty, (ii) bad governance, (iii) corruption, (iv) unemployment, (v) political instability, (vi) radicalization, (vii) terrorism, (viii) economic migration and (ix) human trafficking. In his second encyclical letter, Pope Francis (head of the Catholic Church and sovereign of the Vatican City State) noted that “If in a given region the state does not carry out its responsibilities, some business groups can come forward in the guise of benefactors, wield real power, and consider themselves exempt from certain rules, ….”. And, “If politics shows itself incapable of breaking such a pervasive logic …, we will continue to avoid facing the major problems of humanity” (Francis, 2015).

Against this background, the chapter takes a critical view of the development models pursued through the World Bank, International Monetary Fund (IMF) and Western donors in SSA states during the colonial and post-colonial periods. Basically, the four major development ideas that were attempted during the period of this study are the dependency, modernization, state-led import substitution industrialisation, and market-led. The essence of the colonial dependency model is that it enabled mass exploitation of colonial resources from peripheries to the core and importations of relatively high priced commodities. In addition, modernization development restricted transfer of knowledge and capital from the Global North to the Global South except for the production of low priced goods by small-scale local industries. Meanwhile, the imposition of austerity measures under market-led development caused contractions in many underdeveloped economies.

During the post-colonial period, economic liberalisation sought to form strong connections between democracy and development but in recent times it is contested by lessons from the EA economic experience where democracy was desirable but not a ‘sine qua non’ to sustainable economic development. In recent times, developmental state is trending as one of the key propositions for those who reject the Washington consensus and its neoliberal approach to development, and effective governance. This shift in development thinking does not only focus on the role of the 'state' in development but also questions whether democracy is necessary for Africa's development. Although answers to this fundamental question are complex, a critical analysis of the state and development draws us closer to answers for two main reasons. First, the analysis of the logic of enquiry underlying SSA development proposition takes a deductive lead from the Eurasia development trajectory. And second, the ineffectiveness of a series of attempts at development – dependency, modernisation, import-substitution and market-led – all suggest a need for change. In doing so, the researcher acknowledges differences in geopolitics, economics, cultural values, and distinct periods to put forward that SSA states are capable of learning from the EA development success.

The research aims to unravel the historical problems of underdevelopment in Ghana, offer theoretical interpretations, and argue for an alternative paradigm of development. In so doing, this chapter relates state forms to three conceptual models in three historical junctures. This method of examining developments under distinct state forms is relevant because the attitudes of citizens in particular states, or better still personalities in government, condition its economic development. The overarching objective is to address the protracted economic underdevelopment that has been resistant to a number of development efforts by colonial and post-colonial governments. In essence the ineffectiveness of previous development efforts reinvigorates the search for new approach to development.

A study of the political economy of Ghana is assisted by the intellectual works and personal experiences of development philosophers, some of whom were invited to Ghana at the behest of the colonial government and Kwame Nkrumah to investigate and advice on the development of the country. This study owes a great deal to the network of specialist advisers, technical experts, colonial administrators, parliamentarians and policy makers who became the principal conduits (Hodge, 2017: 12), for continuity through change. This approach is important because without their inclusion and the role they played, our understanding of colonial development would by incomplete (Hodge, 2007: 5). The researcher therefore draws on the development thinking of (i) Joseph Chamberlain – Colonial Secretary (1895-1903); (ii) Frederick Gordon Guggisberg – Governor (1919-1927); (iii) Arthur Lewis (Nobel Prize in Economic Science); (iv) Cardinall, (v) Seers and Ross, (vi) Killick, (vii) Roemer and Chazan, (viii) Kwame Nkrumah, (ix) Nana Ofori-Atta 1, and (x) J.B. Danquah. This analytical approach brings together the local experiences of African opinion leaders and theoretical knowledge of development experts. Interestingly however, Ghana's development experience, to use the analogy of the strong wind that either brings one down or lifts one up ending with a bitter or better experience, has in the case of Ghana been of protracted economic decline and short-lived developments.

The remaining of this chapter is organised in seven sections. Following the introduction, the theories of development and evolution of development thinking in Ghana are discussed. The third section takes a constructive look at colonial development strategy, with the fourth section focusing on state-led import substitution industrialisation. The fifth section examines neoliberalism and market-led strategies whilst the sixth section discusses capitalist world systems with particular reference to the works of Karl Marx, Karl Polanyi and I. Wallerstein. The seventh gives consideration to theories of the state and its role in development with the eight taking a critical view of two important dimensions of developmental states – Max Weber's ideal-type bureaucracy and Peter Evan's embedded autonomy. The ninth section offers historical analysis of Ghana's political economy, whilst the tenth discusses possibilities for the emergence of developmental state in SSA in general, and Ghana in particular.

2.2 Development Theories and Evolution of Development Thinking in Ghana.

The central truth of every society is that its people seek to improve their daily lives through experiential and empirical ideas in what is referred to as development theory. What then is development and why is its historical expositions important to development efforts in underdeveloped states? According to Lewis (1955) development consists of much more than economic growth. Similarly, Seers (1969) suggests that while it is common to confuse economic growth with economic development and development in general, their undifferentiated use must not lead to the problem of contextual misrepresentation. Economic growth as measured by increased aggregate output is a component of economic development. Development therefore is a normative value judgement that is subjectively defined by the challenges of a particular society or state at a given period of time. It is both of physical reality and a state of mind aimed to achieve increases in basic life-sustaining goods, levels of income, a range of economic and social choices (Todaro and Smith, 2015: 23-25). Development extends beyond the physical to every aspect of human existence that has potential for improvement such as good governance, education, health, spirituality, mental wellbeing, and capacity building efforts. In explaining development, the conceptual analysis of contemporary development issues that ignores the historical context within which development took place misses an important facet of the development debate. Meanwhile, Pieterse's (2001: 3) definition of development as "the organised intervention of collective affairs according to a standard of improvement" draws attention to the semantic ambiguities of 'intervention' and 'improvement' to different cultural, historical and power relations.

Over the period, development thinking in SSA like other parts of the world has shifted from materialist to non-materialist traditions and eclectic dimensions, with associate problems of determinisms and projections of outcomes. African perspectives of development consists of three schools of thought – Marxist-oriented African leaders, post-colonial scholars, and development agencies (Binns et al., 2018: 10-11). First, socialist-oriented African leaders and scholars argue for a halt to the exploitation of African resources by developed states and compensatory development assistance to make good for colonial underdevelopment (Rodney, 1972). The most prominent and feasible colonial development strategy in the 1940s was postulated by Arthur Lewis. His principal idea of colonial development theory was that “in any programme of colonial development, agriculture must come first” (Colonial Economic Advisory Committee, 1944: 7-8). The Lewis colonial development strategy consisted of the idea for a radical but systematic agricultural and industrial revolutions. This was to incorporate agricultural modernization and good economic management with expeditious industrialisation of the agrarian economy towards sustainable economic development. Lewis argued that although the prima facie of colonial development is proved by increased agricultural productivity, there is more to achieve through the provision of infrastructure, modernisation and effective economic management of agriculture (Frimpong-Ansah, 1992: 26-27). In Britain, the CEAC advanced similar notions for African development consisted of African participation and foreign investment in agriculture. The committee argued that “development must be with the Africans” and external capital is necessary in the predominant occupation of the indigenous people to increase productivity and enable development (Lewis et al 1951: 70-75). However Lewis’s idea of a state-led development approach was resented by the Colonial Office (CO) because the CO was unprepared to accept financial responsibility for colonial development.

Second, per President Truman’s Inaugural Address on 20th January 1949, many post-colonial scholars have argued for modernisation development through transfer of capital and knowledge in the form of ‘aid’ from the developed ‘North’ to the underdeveloped ‘South’. The presidential narrative influenced United States’ Foreign Policy, and by implication its allies' and international agencies' such as the International Development Agency of the World Bank, United State Agency for International Aid (USAID) and United Nations Development Programme (UNDP). However, the modernization agenda aimed to transform the traditional systems of production through the establishment of import substitution industries (ISIs), was predicted to instigate unbalanced economic development even in the midst of growth (Lewis, 1954; Hirschman, 1958).

Third, the emergence of neoliberalism in the 1980s contributed to the decline of the modernisation idea (Sahn et al., 1999). Besides, many scholars and development experts argue for more effective use of African resources and knowledge in lieu of aid (Moyo, 2009). In recent times development agencies have argued for the involvement of African ideas in international development policies. These perspectives suggest that both developed and underdeveloped states have key roles to play in reshaping the development of SSA. After all, development is a multi-dimensional concept of economic growth, poverty reduction/alleviation, rising rate of employment, equitable redistribution of income/surplus values, good governance and human flourishing to reflect changing needs of modern societies. According to Amartya Sen, the 1998 noble laureate in economics, development must not be conceived only as quantitative measurements of improvements but also for the uses that individuals and societies make of the commodities at their disposal (Todaro and Smith, 2015: 16-29).

However, development theories are not universally effective except that which yields desired outcomes to particular society. The notions of development in Ghana are linked to four major development theories – (i) Dependency by the imposition of hegemonic core and periphery systems; (ii) Modernisation by means of state-led import-substitution industrialisation: or (iii) market-led strategies; and (iv) possibilities of Developmental state through an autonomously embedded state-led efforts for economic growth and development. While the dependency and modernisation models emerged out of Western foreign government initiatives, the search for a developmental state for Africa is an African initiative with lessons from East Asia. Beginning with the dependency model, the study takes a constructive look at the four development ideas.

First, during the colonial era, the colonial government designed the colonies of the underdeveloped South to serve as producers of raw material exports at relatively lower prices to the industrial North, and in return act as markets for manufactured imports from the North at relatively higher prices in what was also known as the 'core-periphery' model of dependency development. By this, all governors representing their respective governments were duty bound to initiate colonial development based on its relative importance to imperial trade objectives. Therefore this study challenges Binns et al. (2018: 11) claim that dependency theory began after Truman's speech in late 1949 through the works of Hans Singer and Raoul Prebisch in a 'Prebisch-Singer hypothesis', but accepts their assertion of the impacts of dependency development. Thus the underdevelopment of countries like Ghana is mainly as a result of the disadvantaged manner by which the developed states integrated SSA into the global capitalist economic system from the onset and beyond.

Second, by the early 1950s the ineffectiveness of the dependency model, struggle for independence in Africa and West Indies, rise of the cold war, and spread of Soviet influence in the colonies caused the West to introduce modernization development to mitigate the risk of losing control and trade in the colonies. In the late 1940s the United State and allies introduced 'modernisation' as a grand development strategy to provide technical and financial assistance to underdeveloped states with a view to counteract growing tendencies of communist influence in nascent states (Escobar, 2012: 34-35) but touted it as an initiative to fight poverty. Led by President Truman's Four-Point Programme to (i) support the United Nations' peace efforts (ii) support the United State world economic programme (iii) strengthen global freedom and (iv) modernisation of development served as a response to mass poverty in underdeveloped states to legitimise the extension of western influence and objectives of globalisation (Hodge, 2007) and neo-colonialism (Nkrumah, 1965). Many put forward possibilities of how underdeveloped states could achieve economic growth and capitalist development through gradual transference of capital and knowledge from the developed states of the Global North to underdeveloped areas of the Global South. One of the most remarkable highlights to modernisation development was the address by President Truman of the United States in 1949 that "Greater production is the key to prosperity and peace. And the key to greater production is a wider and more vigorous application of modern scientific and technical knowledge" (Cited in Rist, 2000: 71). This is truly so, but more importantly are the terms of trade and distribution of production surplus that operates within the global capitalist economy. As part of its strategic goals the USAID aimed at 'Accelerating the development of countries and their people, by investing resources, transferring knowledge, creating opportunities, and advocating reforms' (USAID, 2004: 72).

Among many models that emerged during this period, the works of Walt Rostow's linear stages of economic growth model dominated development thinking because it focused on how underdeveloped states could learn from the development trajectories of developed states. The main importance of Rostow's model of extrapolation is that it provides a-five stage linear trajectory beginning with the economic conditions of the traditional society; to preconditions for take-off; take-off to self-sustained growth; drive to maturity, and finally to high consumption stages. This allows for easier assessment, planning, implementation and evaluation at each stage. Rostow's model as complemented by Harrod-Domar growth model emphasises on the mobilisation of domestic and foreign capital for investment and development. However, the underlying assumptions of homogenous conditions and possibilities of development by extrapolation under the stages-of-growth model is untenable because the dimensions of development, economic endowments, politics and cultural values of developed states are different from their underdeveloped counterparts. Although Harrod-Domar’s concept of setting aside a proportion of national income to cater for depreciation of capital goods and additional investment for development are commendable, its assumed existence of an organised society, efficient state, skilled human resource and Weberian-styled bureaucratic institutions in underdeveloped states are technically flawed.

With time, Rostow and Harrod-Domar’s models were replaced by two competing ideas – structural-change and international dependence – in the 1970s (Todaro and Smith, 2015: 119). Furthermore, Lewis’ statistical analysis and modern economic theories argue for capital formulation and investment. In his ‘Report on Industrialisation and the Gold Coast’, Lewis suggests that given the level of underutilisation of resources in subsistence economies, a two-sector model (agriculture and industry) of structural transformation was important to redistribute surplus labour power for balanced growth. Basically, as agriculture modernises, excess labour should migrate from agriculture to new industries to increase productivity for capital formulation and reinvestments. However, Lewis’s idea is criticised because many capitalists shift their investment priorities outside the dual sectors. In addition, the existence of a formalised labour system able to migrate to sectors with rising marginal wages is uncommon in many underdeveloped state. Another strand of Lewis’ idea relates to the international-dependence revolutionary model that aims to address internal and external class conflicts within underdeveloped societies and relations with developed states. The model takes its lead from Marx’s exposition of capitalists’ exploitation and class crisis. Whilst the first suggests that the exploitation of underdeveloped states are externally engendered by developed states through unbalanced power relations, the second focuses on the implications of dualistic society and internal class conflicts. The third, delineates diversionary tactics by capitalists and attempts to present misleading development theories through financing of academic work to influence public policy. Many of these attempts were successful in demonising and derogating the role of the state in development to market forces of demand and supply.

Third, many of these politicised development theories created space for market-led development as the appropriate approach to remedy the maladies of economic growth in underdeveloped states during the 1980s and 1990s. In the late 1980s and 1990s the triumph of neoliberalism marked the end of post-war development as international markets undermined the ability and role of the state in development (Hodges, 2015: 436). By this approach, a free-market economy of trade liberalisation, privatization of state-owned enterprises, deregulation of trade and austerity management were aimed to achieve economic growth, create employment, increase incomes and produce the economic impacts necessary for development. However, in rolling back the role of the state and allowing market forces (demand and supply) to determine prices and redistribute income, the price mechanism widened the rich-poverty gap and created space for its critics. While proponents of state-led development relate failures of the free-market to restraints imposed on the state to intervene, apologist of market-led development suggest that failure of the market system was due to overregulation by interventionist state (Todaro and Smith, 2015: 118-141).

Fourth, in the 1990s, it became increasingly obvious that neither the kind of ethnocentric development ideas of dependency, modernisation, nor post-development strategy of market-led approaches had been effective in transforming the economies of SSA states, though the potential of import-substitution industrialisation remains. It is in line with recent failings of the market system that the time has become right for African leaders to search for alternative development models to reform and replace capitalist development models that have proved ineffective in addressing the protracted underdevelopment in the continent. However, the structure of alternative development is a loose profile, post-paradigmatic, revisionist way of development thinking with broad interests that hinges on many theories (Pieterse, 2001: 104-105). Mainstream and alternative development are at variances in terms of the thespian, modus operandi, and objectives of development, although the two ideas metamorphosis overtime as the former learns from its critics and adapts to contemporary interests. Similarly, contemporary notions of the term 'development' has its antecedent to classical notions. For instance, in the mid-1980s, a major focus on development in UNDP Reports was placed on Human Development as "the enlargement of people's choices" (Pieterse, 2001: 5-7). In addition, mainstream development thinkers agree that improvement of the ecosystem should form part of the overall agenda at sustainable development conferences to avoid the fundamental error of detaching the environment, economics, equity and good governance from each other (Robertson, 2017: 44). Yet, the complexities and evolving character of development models blurs the distinctions of mainstream development with alternatives of the ecological, human rights and feminist dispositions. Having considered competing trends in development thinking over many decades, the chapter now gives consideration to the development thinking of the colonial government and Ghanaian leaders.

2.3 Colonial Dependency and Modernization development

The outcome of the Berlin Conference in 1885 - 'Partition of Africa' or 'The Scramble of Africa' - legitimised Europe's colonization of Africa by defacto means and politicization of Africa's development. Development became a powerful tool in the hands of the developed 'North' to control and influence the affairs of the underdeveloped 'South'. The chief policy that defined British colonial development thinking during the first half of the 20th century was the Chamberlain Policy of Colonial Development (1895), named after the Right Honourable Joseph Chamberlain (Colonial Secretary, 1895-1903). The policy established how Britain may offer colonial assistance towards the development of British colonies to generate beneficial multiplier effects to the British economy (Colonial Development Act, 1929). Chamberlain had believed more in state-led development than privatization for its benefits to the State and the people. During parliamentary debates Chamberlain remarked "… wherever it is possible, it is better that railways in these circumstances should be made either by the colony or by the Imperial Government, rather than handed over to private speculators. In these cases there is more probability of an economical progress of the work if it is taken up by the Government instead of by private speculators" (HC Deb 22 August 1895). The colonial government assumed responsibility for the development of Africa but in a manner that served first and foremost its own interest. As Chamberlain remarked, "I regard many of our Colonies as being in the condition of under-developed estates which can never be developed without Imperial assistance…. I shall be prepared to consider carefully myself, and then …. submit to the House any case which may occur in which, by the judicious investment of British money, those estates which belong to the British Crown may be developed for the benefit of their population and for the benefit of the greater population which is outside" (HC Deb 22 April 1910). In effect, the whole colonial invasion was purposely for trade, and therefore the Chamberlain Policy of Development could not have been a grand plan intended to develop the colonies. Rather, it was the restructure of the colonial economy and its integration into a global capitalist system to facilitate extraction of raw materials such as cocoa, gold, diamond, bauxite, manganese, timber from Ghana at relatively lower prices in exchange for finished products from Europe at relatively higher prices.

As recounted by Chamberlain, “Nothing is more extraordinary to my mind during my short experience at the Colonial Office than the extraordinary growth of trade in those West African colonies. ... I believe at the present time the trade with those colonies alone is as much as that with some considerable European countries. ...the trade is rapidly increasing, because we are rapidly getting into communication with the interior” (HC Deb 22 August 1895). Furthermore, colonies became pawns for asserting global dominance. During a parliamentary debate on ‘Foreign Tariffs and Home Industries’, Captain William Benn recounted a narrative by Chamberlain in October, 1903, where he (Chamberlain) had lamented about the waning pattern of the British economy. Chamberlain had stated that “we have seen industries in which we ought to have maintained our supremacy falling behind, and in some cases entirely taken away from us by our competitors", (HC Deb 06 April 1910). This relates to the first decade of the twentieth century when competition from other industrialised states such as Germany and the United States outrun British exports to the protected markets in Europe. In 1895 and 1907, British exports to the protected markets amounted to £37,000,000 and £54,000,000 respectively, whilst Germany exports to the same market amounted to £43,000,000 and £96,000,000 for the same period (HC Deb 06 April 1910). Chamberlain’s development policy was thus an urgent response by the British government to remedy the declining economic conditions in Britain, with inadvertent development in the colonies. The significance of the colonial trade provides explanation for the development gap between the Global North and South in comparative development analysis.

A related study of the social relations between Britain and her tropical colonies from 1850 to 1960 suggests that ‘colonialism’ and ‘development’ were contradictory concepts of constructive imperialism with deplorable outcomes (Havinden and Meredith, 1996; Kenny, 1997). Thus, the Colonial Administration focused on the construction of railway lines and road networks to connect the rural hinterland to the ports to facilitate raw material exportations to western industries with little regard to the overall developmental needs of the colonies. Despite the stance of the Colonial Office towards industrialisation and colonial development, a few colonies including the Gold Coast experienced a relatively small degree of economic development (Lewis et al., 1959: 20-21). And for the first half of the twentieth century, all colonial development policies with the exception of Guggisberg's ten-year development plan (1920-1930) of agricultural improvements followed the same imperial trade trajectory within the framework of a series of Colonial Development Acts and Colonial Development and Welfare Acts.

Governor Guggisberg, being a brilliant and honest man, conformed to colonial economic management requirements but the ten-year Development Programme (1920–1930) was of his own belief and personal attachment to the people of the Gold Coast colony, not of the Colonial Office (Niculescu, 1957: 63; Kimble, 1963: 55). The colonial economic management policy took the view that the differences between private sector savings and investments, added to the differences between government tax revenue and expenditures must be equal to the difference between exports expenditure and import revenue to ensure that the colonies remain economically independent and without recourse to the British Treasury funds. Interestingly this formula and primary correspondences of senior bureaucrats within the colonial office in London as well as field studies of British tropical colonies contradict the imperial rhetoric of its commitment to colonial development (Havinden and Meredith, 1993; Series of Colonial Office Papers). Though not an economist but a surveyor by profession, Guggisberg based his development thinking on the fundamental economic assumptions that governed capitalist market and factors of production – land, labour and capital to note that in the abundance of land and labour, capital was a constraint to colonial development. In addition, the price elasticity of demand and supply of Ghana's exports suggests that with increases in production, prices were more likely to drop and therefore the need to find means of decreasing cost of production to improve overall profitability and government revenue in the midst of technological improvement and labour migrations. Per the supply construct of Ghana's exports of mainly agricultural and mineral resources, the reduction in transport cost through the construction of railway lines, harbour and feeder roads were commendable to remove the bottlenecks and increase revenue.

However, given the constraints imposed by the British treasury policy in relation to external debt accumulation, the alternative source of investment capital for these development initiatives were limited to private savings and responsible tax system that acts as an incentive to capitalists investments. According to Frimpong-Ansah (1992: 20) there was a contrary movement of labour from the urban to the rural areas as a result of the expansion in agriculture and mineral exports enabled by improved transportation systems. The current study puts forward that although the Ghanaian experience was in contrast to labour absorption theory in industrialised states - from rural to urban areas (Lewis, 1955), it was not out of context because the ten-year development programme led to agricultural improvement, not industrialisation as in the real sense of modernisation and establishment of manufacturing or service industries.

Lessons drawn from Guggisberg's development ideas and efforts to the constitutional developments of Ghana in 1925 places him ahead of his time. It also illustrates that given the appropriate opportunity, the average Ghanaian is capable of adapting to new ideas of development. Although the programme was not wholly successful, partly because of capitalist merchants' agitation against increased taxation and other factors, it still remains the best thought-out and successfully implemented development programme in Ghana's development history (Frimpong-Ansah, 1992: 21). Yet the main binary constituents of Cardinall's critique to Guggisberg's development strategies are first, for diversification of exports and second, the long-term implications of commercialisation of labour (Cardinall, 1931: 93). In addition, Cardinal introduced new ideas into the debate of land ownership, labour behaviours and agricultural modernizations. Although Guggisberg's plan to diversify agricultural exports into commercial scale production of tobacco, cotton, cola, shea nuts, coffee and rice were unsuccessful, Cardinall reinvigorated Guggisberg's ideas by his observations and critique.

This development thinking highlights the detached approach of the British government from the overall development of the colonies except where it served the objectives of the imperial trade. In essence, the colonial modernization agenda as part of the development programme mainly focused on establishing import substitution industries with policies that led to unbalanced economic development (Lewis, 1954; Hirschman, 1958). Lewis's development theory of 'balanced growth' suggests that when the primacy of agriculture is appreciated and industrialisation takes a lead from agriculture modernisation, the agriculture sector releases labour from the rural to urban areas to support the import substitution industries without causing labour scarcity in the agricultural areas. By this theory, agriculture modernisation and industrialisation must progress simultaneously or better still, agriculture leads to provide for industries. Lewis's idea, though rejected by the Colonial Office in 1944 due to capital constraints, was revisited almost a decade later. However, the underlining presumption of the existence of a centralised and committed state with capacity to undertake the economic organisation and management of agriculture was in contrast to the detached attitude demonstrated by the Colonial Office (Lewis, 1984: 127). Despite the official pronouncement of policy shift in development thinking from ‘dependency’ to ‘modernization’ the social relations between Britain and nascent African states during the early part of the decolonization period of the late 1950s and 60s was dominated by the political and economic interests of the former. Local governors received directives from the Colonial Office to selectively encourage agriculture for imperial trade; limit industrialisation to the production of simple goods; retain oversea real incomes to promote importation of industrial goods to the colonies; discourage development that involved heavy infrastructural expenditures, and retain the economic management philosophy to prevent colonies from becoming capital burden on the British Treasury (Frimpong-Ansah, 1992: 25).

2.4 State-led Import Substitution Industrialisation Development

The ‘Report on Industrialisation of the Gold Coast’ provided the model of development that Ghana was to adventure after its independence. The model consisted of an intensive agricultural programme aimed at adequate food production and capital for industrialisation, improvement of skills in the public services, and removal of inflationary bottlenecks (Lewis, 1955). In this report, the idea for a simultaneous stimulus of agriculture and industrialization was reformed to an agricultural programme that would act as the catalyst to industrialisation. Despite this, the report provided the framework for improvements in road infrastructure to reduce transportation cost of agricultural products to make agriculture more profitable. The principal argument of Lewis’s theory is that the expansion of a productive sector of the economy (agriculture) provides resources for industrialisation until equilibrium is attained to make agriculture as efficient and lucrative as related industries. The main development thinking during the immediate post-colonial period was formulated around import-substitution industrialisation to make Ghana self-reliant and distant herself from the perils of neo-colonialism and overreliance on foreign aid for development. This involved the adoption of modernisation strategies with assistance from developed states, particularly in the areas of agriculture and mining. However Lal (1986: 17-19) noted that the kind of 'big-push' development strategy of the Nkrumah government risked fiscal crisis in the event of export price instability as was the case by the early 1960s. Meanwhile, the fragility of Ghana's economy and adverse export revenue made it unsustainable for large-scale agriculture modernisation linked with rapid industrialisation except through heavy borrowing.

2.5 Neoliberalism and Market-led Development

Neoliberalism is used interchangeably as a philosophy, doctrine, form of statecraft, or an idea that has implications for markets and governing states (Schram and Pavlovskaya, 2018: 28). It is centred on the exercise of political sovereignty of governing states and organisations associated with capitalist economy. However, "Neo-liberalism is not Adam Smith; neo-liberalism is not a market society. Neo-liberalism is not the Gulag on the insidious scale of Capitalism" (Foucault, 2008: 131). Basically, neoliberalism is a form of market capitalism associated with right-wing politics that argues for roll-back of the state and free interplay of demand and supply forces in determining prices of goods and services. Though neoliberalism takes its lead from classical economics, its generalisation to all aspects of human endeavour is problematic and disputable. For instance, marketization of essential public services such as health, education, and security have drawn interest in recent times.

In the late 1990s, neoliberal approach to development was rejected for its failures to create employment, address poverty and promote development. Neoliberal agenda of the World Bank, International Monetary Fund and US Treasury Department as set out in the Washington consensus to rehabilitate failing economies ignored local knowledge and peculiar ethnocentrisms of development (Pieterse, 2001). Although the market system contributed to economic growth in some developing countries, it produced an inefficient redistributive system that allowed capitalist exploitation of surplus values of production. A classic economics conceptualisation of the exploitation provides plausible explanation for the unstable social relations between capital and labour prior to the 2008 global financial crisis (Burnham, 2010). In the context of development studies, it is argued that with all other things being equal, an unbalanced relationship exists between the global financial crisis and development. Thus economic crisis precipitates development retardation in same direction. As a facet of social sciences, development is influenced by classic economic thinking and social ideas (Preston, 1996; Martinussen, 1997).

Evolving trends in development suggest that traditional development objectives metamorphosed into neoliberalism, human, and alternative developments as reactions to changing needs and criticisms of particular societies. In addition, the shift in trusteeship of development from unilateralism (state) to multilateralism (United Nations agencies, World Bank, transnational corporations, philanthropic and quango organisations), and the variations in power relations and influence between these two major actors of development draw interest in development discourse. According to the World Bank (1998), the nature and scope of development has advanced from 'hardware' (agricultural infrastructures) to 'software' (knowledge transfer) and from hegemonic to pluralistic development. This makes it necessary to evaluate development approaches by outcomes and initiate plans that reflect diverse characteristics – culture, indigenous structures and beliefs – of beneficiaries. Recent shifts in development trend support the view that development is not what it used to be, would not remain what it is, and would continue to generate tensions until states form social relations of embedded autonomy with society to understand and adapt timely to changing needs (Evans, 1996). Besides, the responsibility for development is not solely destined to politics or economic but of the concerted effort of both and related discipline to achieve developmental goals. Against this background, "Politics must not be subject to the economy, nor should the economy be subject to the dictates of an efficiency-driven paradigm of technocracy. …there is urgent need for politics and economics to enter into frank dialogue in the service of life, especially human life" (Francis, 2015: 90). Therefore the realisation of development lies within the committed and capable actions of the state and its embedded autonomy (Evans,1995) with multilateral development actors to meet the changing needs – materialist and post materialist – of particular societies (local, regional, national, global) at specific periods.

2.6 Marx, Polanyi and Wallerstein's Concepts of World Capitalist System

The search for possible emergence of developmental state in Africa is helped by the critical examination of conceptual contestations and relationships between – capital, class and crisis; state forms and societal relations; recent trends in development and developmental states – in the spirit of Karl Marx, Karl Polanyi and Wallerstein's expositions of the world capitalist systems. These intellectual works illustrates tensions within the colonial proposition of development that focused more on economic liberalisation and less on political transformation in the hope that as wealth was created, powerful forces would emerge from within society to shift politics towards democracy but this did not take place. The congruence between mainstream development economics and contemporary Marxian thought in relation to their concerns about inequality and poverty, as self-perpetuating vicious circle which could only be broken by structural transformation (Killick, 2010: 27) illustrates the importance of Marx's ideas in development discourse. For Nkrumah identified himself as a Marxist and was influenced by Marxian ideas. However, given the critics of Marx's abstract models of concrete realisation in our contemporary social world, the current thesis takes a constructive look at Wallerstein's idea of the capitalist world system. Wallerstein's analysis of the capitalist world system suggests that the economic structure of contemporary underdeveloped states was not what it was when the latter first engaged with the developed states but became so as a result of the core-periphery development strategy (Wallerstein, 2000: 76). Much of this analysis hinges on the implication of 'unequal exchange' instigated by the strength of core's strong state-machinery over the weak periphery. Contrary to Marx, Wallerstein suggests that capitalism was not of nation-states but an affair of the world-economy that gained root at the creation of European division of labour in the mid-fifteenth century (Wallerstein, 2000: 87). Furthermore, though Wallerstein argues that there are no longer socialist or feudal systems but one world-system (Wallerstein, 2000: 102), this view is contested by neo-Marxist scholars.

Marx's general idea on capitalism holds that as human societies develop, class struggle ensues between the minority ruling class (bourgeoisies who own and control factors of production) and the majority working class (proletariats who actively engage in production for wages) over distribution of surplus value leading to a proletarian revolution to abolish the state. Therefore the survival of a state depends on its capacity and commitment to mitigate capitalists' greed by a moral-based statecraft. Although many of his ideas run counter to Karl Marx's, Polanyi explored his predecessor's idea to challenge traditional economic notions of scarcity and utility/profit maximization to put forward his ideas of how humans can engage responsibly with their natural and social environments to make a living. Polanyi's central argument holds that the development of human societies is not necessarily underpinned by predetermined stages of human development but through committed and conscious endeavours based on moral principles. Although Polanyi's work is recognised as one of the major intellectual contributions in international political economy during the twentieth century and beyond, his critique of market self-regulation evokes central tensions and intellectual complexities.

A recap of Marxian capitalist form of production and development theories – capital accumulation and composition, class conflict and crisis – is first and foremost essential in the explanation of the socio-economic relations existing between factors of production, and second, to the understanding of economic development in capitalist economies. According to Polanyi "Industrial capitalism is the latest and most important form of capitalism. When we talk of capitalism, we usually mean industrial capitalism. It means the use of capital in industrial production and the creation of capital by means of industrial production, therefore the existence of a class of capitalists whose interests are identified with those of industrial development" (Block, 2003). Yet explanation of the fundamental and intrinsic dimensions of production, especially capitalist form of production and distribution are complex. Marxian expositions relies on a set of social laws such as the 'Trinity Formula', 'Tendential Fall of Profit Rates', and 'Valorisation' to explain capitalist thinking and behaviour in production and development. However, "production is not always rational, and is usually tied to economic variables which assign to products a value that does not necessarily correspond to their real worth (Francis, 2015: 90).

First, Marx suggests that by the 'trinity formula', land is rewarded with ground rent, labour with wage, and capital in terms of interest and profit, holds in itself all the mysteries of social production process and capitalist development (Mandel, 1981: 953-955). In a dialectical but difficult analysis, Marx critique apologists of capitalism for justifying their approach of capital accumulation, surplus value, exploitation of labour power and class struggle between capital and labour, in particular. The formula holds that although incomes accrue to each factor of production as interest, ground rent and wage in variable proportions of the product value, their ostensible source of wealth belongs to entirely separate spheres. The ideological variations implicit in the definition of labour value creates uncertainty in the labour market and ample space for capitalists to undervalue labour power and overvalue profits as well as interest. Marxian assumption of land, as a natural given that contributes nothing to production beside its original value is rightly challenged because contemporary technological advancements and enhanced methods of land cultivation improve the productivity of land. With reference to capital, Marx suggests that interest on capital is certainly the most irrational formula for capital because it is out of insatiable greed of profit maximization that class struggle ensues between owners of the factors of production and the working class over surplus value (Mandel 1981: 955). However, Polanyi moderates this concern with his idea of a system of government that coordinates and regulates capitalist forms of production with moral responsibility.

In 1934, Polanyi wrote "Mankind has come to an impasse. Fascism resolves it at the cost of moral and material retrogression. Socialism is the way out by advance towards a Functional Democracy". Polanyi's view is that the solution to the crisis inherent in democracy and capitalism is not resolvable through proletarian revolutions but by morally orientated representative body – the state – that includes the diverse interests of other groups in its own. This idea is distinct from Marxian perspective whereby the state represents the interest of the bourgeoisies and risks its annihilating through proletarian revolution. As capitalist development relates more to capital than the other factors of production the present study redirects its effort to the composition and role of capital to economic growth and development.

One of the principal arguments of this study is that in capitalist economies, economic development is dependent on the availability of investment capital in the hands of particular state forms - democratic or authoritarian - that is committed to, and capable of forming partnership with private business to induce economic growth and human flourishing. Yet the composition of investment capital is derived through the accumulation of surplus values exploited from labour’s contribution in the production process. This phenomenon generates class struggle between labour and capital that when unregulated in the long term affects wages, consumption, productivity, profit and development. A fairer system of distribution – capitalist or social market – through state interventions redefines the nature of development and class relations. However, distributive systems are known to constitute a major cause of class crisis and societal conflicts. Refereeing to the English society, Polanyi noted that “The productive forces of the country increased enormously, yet the state and conditions of the people were miserable” (Block, 2003). In volume one of ‘Das Kapital’ Marx postulated that the “accumulation of capital is therefore multiplication of the proletariat” (Mendel, 1976: 764).

Second, tendential fall of profit rates holds that profit rates fall as increased capital is combined with same level of labour (Mandel and Fernbach, 1981: 317-338). Modernization and over-mechanization of the capitalist production process renders itself to gradual decreased rates of profits which in effect instigates further exploitation of labour to compensate for profit short falls. In the absence of countervailing remedies – state intervention with quality leadership - marginal profit of invested capital declines over time to cause contractions in employment and render labour vulnerable to exploitation. The fall in profit rates reinvigorates capitalists to further exploit labour. However, “the theoretical problem is not to explain the particular causes of this or that crisis, any more than the task of scientist is to explain the precise date on which spring arrives in any particular year. The task is to explain the regular recurrence of economic crisis as a normal part of the developmental conceptualization of capitalist mode of production” (Clarke, 1994: 4.). The relevance of understanding the crisis theory is that it accentuates the long term implications of decline in investible profits to capital accumulation and its impact to developmental visions. Burnham (2010) was therefore right to suggest that crisis is integral to economic development. Crisis, from a Marxian perspective is concerned with the causes and consequences of the tendency for profits to fall in capitalist markets over a period (Mandel, 1981). However, as profit constitutes capital for economic development, its unregulated distribution leads to economic breakdown. In his critique of political economy, Marx puts forward a distinct correlation between crisis and development to assert that crisis is a necessary element and actor of the capital production process and development (Negri, 1988). The important debate is how this surplus value is constituted and distributed in a way that mitigates exploitation of labour power and simultaneously generates reinvestment capital for development. Burnham (2010) suggests that in bourgeois economies, the process of capital constitution is a form of social class relation based on class exploitation and process of capital accumulation that gives rise to under consumption and unemployment. Therefore, it is fair to suggest that even though capitalists have capacity to absorb short term falls in profit rates to keep wages intact, neoliberal economists reject this idea. As the effects of capitalist production to developmental aspirations is evident, possibilities of development lies with state initiatives to form cohesive state-private business partnerships for growth. In such instances, the idea of a developmental state approach that allows interventionist states to deliberately distort the free-market mode of capital accumulation through selective industrial policies of coordination, tariffs, taxation, subsidies and provision of finance is appealing (Radice, 2008).

Third, valorisation (profit maximization) explains the overriding objective of capitalists as illustrated by a process of exchanging ‘money’ to acquire ‘commodity’ (raw materials, assets and labour power) to exchange the produce at a surplus value (Fraser and Wilde,2011). By this process ‘capital’, as a means of production, is transformed into mobile property (money and commodity) and engaged in a limitless circulation to create surplus value through a process of valorisation of capital (Mandel and Fernbach, 1981: 953). However, Polanyi challenges the idea of "fetishism of commodities" on the basis that money, land, and labour are not commodities in the actual sense because real commodities are produced for sale. Though Polanyi attempted to distinguish his formulation from Marx's by introducing the concept of 'fictitious commodities', his initiative in this regard seems nothing more than a tactical effort to illustrate his theoretical shift. In his contribution to how underdeveloped states could achieve great transformation, Polanyi re-echoes the importance of an interventionist capitalist state to perform regulatory and coordinative roles to mitigate the negative effects of self-regulatory economy. He noted that "to allow the market mechanism to be sole director of the fate of human beings and their natural environment, indeed, even of the amount and use of purchasing power, would result in the demolition of society" (Block,2003). Although there are no pure forms of capitalism and socialism in practice, the role of the state and its autonomous embeddedness with society narrows the market-society dichotomy to mitigate the tension between capital and labour at the point of production and distribution of surplus values. Valorisation therefore explains the unfair appropriation of surplus value and exploitation by market-self regulation under capitalism (Robertson, 1979; Block, 2003). Capitalism personifies capitalist's behaviour of wealth accumulation and power through a self-valorisation process driven by avarice and pursuit of self-enrichment and dominance. Against this background, the Marxian concept of referring to capital as 'dead labour' and labour as 'living labour' implies that the survival of capital depends on its ability to 'suck in' the life blood of labour without proper reciprocation. This parasitic analogy of capitalism forms the conceptual basis of categorising the capitalist political economy in Ghana as 'predatory, vampire and zombie' states.

2.7 Theories of the Modern State and its Role in Development

This segment takes a constructive look at the fundamental ideas of the state from the perspectives of Marx, Weber, Hegel, Polanyi and Foucault. The trajectory to economic development remains competitive between state-led and market-led development approaches but the role of the state in the development of modern societies has been one of the most contentious issues in radical discursive breaks. Theories of the state are basically about governmental acts because the will of the state reflects the will of the government that represents the people (Laski, 2015: 28-29). Moreover, explanation of state theories provides logical foundations to understand value-forms of states – how states relate with civil society; roles of the states; how modern capitalist states are organised; and how state bureaucratic structures can relate with civil society to transform underdeveloped economies towards developmental state.

The first two dominant traditions of state theory are accredited to the classic works of Karl Marx (Engels) and Max Weber. Leftwich (1993) suggests that despite the variations and sometimes specificity of Marxian and Weberian theories of the state, their scholarly contributions are very relevant in the developmental state narratives of developing economies. First, definitions of the state have widely been contested for attempts to place a heterogeneous concepts into a homogenous prism. Weber's (1964) definition of the state as "compulsory associations claiming control over territories and the people within them" is critiqued for not providing critical analysis of the role of the state. Major parts of Weber's thesis – authority, monopoly of the legitimate use of physical force, sovereignty, territory and security have all come under intense debate. Besides, in reality state sovereignty is not guaranteed because through neo-colonialism, foreign policies and classified activities, dominant states interfere in the internal affairs of less militarised sovereign states under the pretext of posing 'subjective' risk to dominant state's interests. Pre-emptive use of physical force remains a subject of legal discourse. Trotsky (in Rosen and Wolff, 1999), suggests that "every state is founded on force". Today, however, although the use of force is ultimately vested in the state, it is also rightfully devolved to citizenry for the protection of self and individual properties - within the legal perimeters of reasonability, proportionality and necessity – as subject to the law (Rosen and Wolff, 1999; McKinnon, 2012). Conceptual contestations about state sovereignty; legitimate use of force; claims of advancing the common interest of society; collective binding decisions and recognition of a state by other states are not uncommon.

According to Weber and Locke, the idea that the state derives its legitimacy from the people is intrinsically and fundamentally grounded on a 'social contract' between the state and the citizenry (Rosen and Wolff, 1999). It is presumed that by legitimising the roles of the state, the electorates have consented to the authority of the state for their well-being. However, this is a false sense of assurance and political charade because the elite minority always find means to advance their interest over the poor majority. In real politik, democratic states subvert the will of the people through elite-oriented legislations and lobbyist activities in the interest of wealthy international corporate organisations. In today's societies, "some economic sectors exercise more power than states themselves. But economics without politics cannot be justified, since this would make it impossible to favour other ways of handling the various aspects of the present crisis", Francis (2015: 94). This re-echoes the importance of the state and its adaptation of the appropriate statecraft and strategies for development. In one of his classic works, the 18th Brumaire of Louis Bonaparte (1852/1973), Marx noted that "for the bureaucrat, the world is a mere object to be manipulated by him", and argued for a relatively autonomous state that is capable of restraining the state bureaucratic machinery from manipulations by bourgeoisie interests.

Next, Hegel's state theory interpretation of the modern state as in its original German version, 'Es ist der Gang Gottes in der Welt, das der Staat ist', meaning 'The march of God in the world, that is what the state is' illustrates a metaphysical thinking of the state as a divine strategy from God (Avineri, 1972: 176). Although Hegel's concept of the state presents an authoritarian government structure, his fundamental idea was not to prescribe an 'ideal' state for replication but to suggest that the state should be organised on rational freedom for the benefit of all people. In one of his works he wrote 'In considering the idea of the state, we must not have our eyes on particular states or particular institutions …, On some principles or other, any state may be shown to be bad,… The state is no ideal work of art; it stands on earth and so is the sphere of caprice, chance and error, and bad behaviour may disfigure it in many respects. But the ugliest of men, or a criminal … is still a living man. The affirmative, life, subsists despite his defects, and it is the affirmative which is our theme here' (Avineri, 1972: 177). Basically, Hegel's analysis of the state provides us with the fundamental of discussing further dimensions of the state – democratic, authoritarian, predatory, vampire and zombie.

In contrast, Foucault challenges the centrality of the state and advances the notion of a decentred state with delegated service provisions to market agents and quangos (Schram and Pavalovskaya, 2018). Foucault's idea that, "the state has no heart, as we well know, but not just in that sense that it has no feelings, either good or bad, but it has no heart in the sense that it has no interior" (Foucault, 2008: 90), sadly amounts to objectifying the state in an attempt to roll-back the state at a time when market forces have proved ineffective in redistribution of societal wealth. The diminishing importance of the state is executed through reductions in government funding, tightening of eligibility criteria for international aid and trade, activities of international financial institutions such as the World Bank and IMF.

Theoretical exposition of the state's role justifies the case for state intervention in the development process. State theories remain prominent in the developmental state discourse in so far as the central role of the state to development prevails. However development is not automatically guaranteed by either of the two mainstream systems of economics and political systems - liberal free-market capitalism and State-socialist planned economy (Radice, 2008). Possibilities of development depends on the ideologies, of who – state and private – owns the means of production, and how surplus-values are distributed between the factors of production. Moreover, the state form – democratic or authoritarian – that coordinates production and market systems are important for consideration. Although Japan was an autonomous developmental state, in praxis it was semi-democratic and authoritarian (Johnson, 1982).

The notion of democratic states being aligned to capitalist markets, while authoritarian states to social market system is misleading. Haggard (1990) noted that many of East Asia's developmental states that embraced neoliberal economic policies were ab initio authoritarian in nature. It is therefore not only a matter of labelling states or market systems that explains the status quo, but the form and method of connectivity - both historical and existing - between labour and other forms of production that describe the social structure of the state and its economy (Evans, 1995). Clarke (1983) argues that, in capitalist economies, the state is both a regulatory actor and part of the production process. However, Lal (2000) argues that although the market system is known to have wide spread imperfections, attempts to remedy the situation through the implementation of dirigisme system – capitalist economy with direct investment and strong state influence – by ineffective state bureaucracy compounds the problem. Lal's concern was not directed at state intervention per se but at the effectiveness of the interventionist state to instigate and coordinate development. More importantly in contemporary debates, it is how the role of the modern state has evolved from its traditional facets of ensuring national security, maintenance of internal law and order to incorporate economic transformations with developmental outcomes that attracts public opinion (Evans, 1995).

However for development to be attained, expert knowledge must be complementary with local knowledge (Pieterse, 2001). The development of a strong civil society requires the partnership of a strong state with the appropriate market system (Friedmann, 1992: Brohman, 1996). This can be achieved through ‘embedded autonomy’, whereby the capitalist state bureaucracy maintains intimacy with civil society to facilitate growth and redistribution, but able to distance itself from adverse influence by interest groups (Peter Evans, 1995). Evans further suggests that the notion of a relatively autonomous state has its sharpest empirical manifestation in uncommon examples of developmental states in contemporary developing economies.

2.8 Developmental State, Bureaucracy and Embedded Autonomy

The idea of developmental state is aided by theories of Max Weber’s ‘ideal-type’ bureaucracy of how the modern state and its administrative institutions can socially-engineer economic development in capitalist states, and Evan’s embedded autonomy. To Weber, the legitimacy derived by a rational-legal authority of state bureaucracy that is founded on impersonal, meritocratic and long-term rewards typifies the history of developed capitalist states (Leftwich, 1993). Although Weber’s hypothesis is not assigned to specific state form – democratic/authoritarianism, and critique for being prescriptive, it offers conceptual clarity and coherence of how modern states operate rather than their forms or characteristics (Albrow, 1970; Leftwich, 1993; Evans, 1995). Weber argued that unlike the intense nature of patrimonialism that was practiced by pre-capitalist states to sustain legitimacy, the modern state derives its legitimacy from the functioning of his ideal-type bureaucracy. However, successful application of Weber's typology to engineer economic development has been uncommon in developing economies where ethnic politics based on cultural practices dominate. In spite of this, it is the state bureaucracy that depicts the true characteristic of the state itself. Thus in East Asia "the politicians reigned but the bureaucrats ruled" (Johnson, 1982).

The technical advantages of Weber's ideal-type modern bureaucracy – precision, knowledge of record keeping, speed, unity, cost effectiveness, continuity, unambiguity and strict subordination – over its predecessors make a case for its adaptation in Africa. Weber had argued that his ideal-type bureaucracy is more effective than other bureaucratic forms in transforming economic growth and development. It is intriguing that despite Weber's occasional critiques of Marx's views, Weber alluded with his predecessor on the necessity for a nominal structural paradigm of state administration to serve as the official entity to organise political actors in industrial society towards economic development. Gerth and Mills (1948) echoed Weber's proposition that in capitalist states, successful bureaucratization is founded on calculable rules and impersonal relations, that substitutes personal emotions for rational reasoning in decision making for economic growth. Weber's notion is typified by : (i) impersonal duties by personally free staff; (ii) assigned and clear specification of duties of offices; (iii) hierarchy of administrative authority and responsibilities; (iv) meritocratic recruitment policy; (v) promotion based on merit or seniority; (vi) contractual based employment; (vii) fixed structure for salaries and pensions; (viii) intolerance for acts of prebendalism; (ix) systematic disciplinary policy; and (x) bureaucratic work as being the single occupation for incumbent bureaucrats (Weber,1964: 333-334). Although Weber made reference to 'relative-autonomy' in the structural sense of Marx's idea to constrain capital accumulation, Peter Evans' idea of the 'embedded - autonomy' of the state offers more conspicuous explanation to understand modern capitalist bureaucracies. In his book, 'Embedded Autonomy' (1995: 59), Evans invoked an amalgamation of neo-Weberian ideas with embedded autonomy. He argues that Weberian bureaucracy on its own is insufficient to transform capitalist economies, just as the separation of 'autonomy' from 'embeddedness' would yield perverse results –"the secret of the developmental state lies in the amalgam", he emphasised. Yet the empirical contribution of this amalgamation to economic developmental is difficult to ascertain. Moreover, Evans (1995) challenges Weber's attribution of the problems of developing states to 'excessive bureaucracy' and argued that, it is rather the 'scarcity of bureaucracy'.

In a related study, Evans and Rauch (1999) suggest a link between effective bureaucratic arrangements and economic growth that furthers Weber's classic contributions. Yet, unlike other known indicators of measuring economic growth - Millennium Development Goal (MDG) and Gross Domestic Product (GDP) – it is difficult to measure contributions of 'Weberianess' to economic growth. In a cross-national study of 29 developing countries for the period 1970-90, Evans and Rauch (1999) sought to measure the effects of 'Weberianess' to economic growth in terms of real GDP per capita and average years of schooling (1965 as the base year). The study concluded by establishing an association between Weberianess and 'unexplained growth', with recommendation for an inclusion of Weberianess as a measure of economic growth. In another study, Henderson et al. (2003) further developed this idea to measure the effects of Weberianess – as a measure of growth – to poverty reduction, and concluded that although there is a strong relationship between the two variables, it is unclear how direct the relationship is. This thesis presuppose that economic growth in itself does not automatically translate to economic development, but that the bureaucratic qualities of state institutions with pragmatic application of embedded autonomy is a decisive element for economic transformation and human flourishing. The essential features of Japan's developmental state were the existence of a small, inexpensive and aristocratic bureaucracy with sufficient scope for effective operation and leverage to take initiative, in a market conforming interventionist state economy (Woo-Cumings, 1999).

Weber's critics argue that the general practice of an ideal bureaucratic typology with long-term traits is hindered by unpredictable traditional variations in specific states over different epochs. Despite the criticisms, the economic transformation of Japan, South Korea and Taiwan in the 1980s were founded on the Weberian ideal-type bureaucracy, with subtle modifications to accommodate variations in time and place. Although many social scientists, from different ideological backgrounds have at least acknowledged with some variations, the roles of the state in development, the unanswered puzzle persists about the state form that leads to economic development to provide logical paradigm for the 'African' developmental state vision. What then is development in the context of developmental state?

2.9 Developmental state – an idea, concept or paradigm for Africa

Protracted underdevelopment in Africa, sharp rise of East Asian economies and the 2008 global economic crisis reinvigorate the developmental state discourse and search for a capable and committed state (Vu, 2007) to engineer economic growth and human flourishing in SSA. More recently, development has shifted from the neoliberal perspective of the 1980s to a more humanistic and post-materialist approach of human development and capacity building with possibilities of adaptation by underdeveloped states. However, Johnson (1982: 315-323) cautions that although "it may be possible for another state to adopt Japan's priorities and its high growth system without duplicating Japanese history……, the danger of institutional abstractions are as great as potential advantages". Here, 'adaptation' rather that 'adoption' of Japan's success is advocated for emerging developmental states.

Developmental state itself is not a novel idea in political economy studies but has rather attracted more focus after the Second World War through series of academic debates. Notably among these debates was Chalmers Johnson's narrative of the success of the Japanese economy that practiced Weber's ideal-type bureaucracy in East Asia's interventionist capitalist state. Johnson (1982) defined it as 'a state that is focused on economic development and takes necessary measures to accomplish that objective'. Although this concept opens a problematic discourse between economic growth and development, Woo-Cummings (1999) ameliorates the problem with a stratified approach of prioritised development objectives. She suggests that '"a state's first priority will define its essence", and argues for developmental states to first of all focus on achieving economic development, and thereafter a welfare or equality state. Thus, aspiring developmental states are encouraged to seek first the 'kingdom' of economic growth, and all other aspects of development shall be added. While many development thinkers would agree to this 'biblical graft', some contend that, economic and political objectives can take off simultaneously in emerging developmental states. In the developmental state discourse, Japan is well noted for its economic achievement.

Additionally, Johnson suggests that the administrative functions of the state bureaucratic systems must be seen as more coordinative and less regulatory to achieve sustainable economic growth. Weber's 'elitist' bureaucratic state form of far-sighted state interventionist market policies was a major contributory factor to Japan's developmental success story (Woo-Cumings, 1999). However, Johnson (1982) rejects classical arguments that capitalism as a market system, generates class strife and political instability. Johnson considers coordinated state intervention in the capitalist market system as essential to economic growth. He argues that, the role of the capitalist state as a capable and committed driver of steering economic development visions to its logical conclusion cannot be underestimated in the developmental state discourse. It is therefore misconceived that democratic and authoritarian states are aligned to free-market and command economies respectively. In practice, the economies of many contemporary states are hybrid variations of state and market forms. The contestation however, lies with the ideas and structures that influence states and market actions. Johnson further suggests that the use of legal and economic coercive apparatus must be rarely evoked to encourage cohesive state-private business initiatives as became evident in his study on variations of state involvement across newly industrialised states in East Asia – Taiwan and South Korea, Singapore and Taiwan. However, the generalisation of developmental experiences of EA states gives a misleading notion of homogeneity.

Although Johnson is critiqued for not being prescriptive enough, determinism and development are not symmetrical. Thus it is difficult to offer prescriptive ideas that determine the outcome of an evolving concept – development. Suggestions of an ideal state form – democratic/authoritarian that can reinvigorate protracted underdeveloped economies to the developmental state vision are complex. This renders an adaptation of the EA developmental state model to Africa problematic. In relation to state forms, Deyo (1987) rejects Johnson's argument that a measure of state authoritarianism has been beneficial for developmental objectives of Japan, Korea, and Taiwan. Johnson explains that East Asia's economic narrative would have been different, and perhaps a failure, without the element of initial strict obedience to authority. Johnson's idea was echoed by the late Ethiopian President Meles Zenawi, who argued that, whilst democracy is essential for legitimacy; the need for developmental state to be autonomous from society could only be in the form of 'semi-democratic and semi-parliamentarian at best' (Routley, 2014).

Another strand in the developmental state debate has been the confusion and misleading use of the term as a 'buzzword' or 'concept' in political and academic circles to describe states that focus on, and demonstrates a commitment to economic growth (Routley, 2014). The semantics of the developmental states concept is contestable, with problematic facets (Evans, 2010). The meaning of 'Democracy' or 'Authoritarian' developmental state (Johnson, 1987; Evans, 1995; White, 1998), 'Patrimonial' and 'Pro-rural poor' developmental state (Vu, 2007; Mkandawire, 2010; Routley, 2014) have left scholars to contend with the semantical problems.

Failing outcomes of neoliberal economic orthodoxy of minimal state development has generated apologist for interventionist states policies. Similarly, narratives of East Asia's economic success have reinvigorated support for the key roles of developmental state in developments. However the non-standardised nature of state forms – democratic or authoritarian – pose one of the greatest challenges to the idea of replication of the EA developmental state model in Africa. Evans (1991) suggests that states are not standardised commodities as they come in different shapes, sizes and styles. Given the diverse developmental experiences of EA developmental states, critiques (Haggard,2004: 56; Putzel,2002; Ohno and Ohno,2012) to Johnson's homogenous idealization(1999: 43) have argued for a more heterogeneous analysis that allows for fluidity in technological developments and unstable strategic geopolitical interests (Musamba,2010). Despite a lack of consensus on conceptual and definitional issues of the developmental state discourse, it is satisfactorily acceptable among researchers that the state's capacity for, and commitment to economic growth and development suffices (Vu, 2007; Mkandawire, 2010). Routley (2012) simplifies the definitional complexities and highlights economic growth – standard of living – legitimacy as core elements to define the developmental state.

Developmental state is characterised by fluidity of knowledge contribution in development studies. Discursive contributions to the model have progressively shifted from classical capitalist prescriptive orthodoxy to comparative history and empirical studies of development in modern states (Fritz and Menocal, 2007). Even though, neo-liberal arguments for minimal state intervention was mainly favoured in the early eighties, the global events two decades later vilified the neo-liberal agenda and vindicated Johnson's interventionist state suggestions. As a model of development in Africa, developmental state, rather than being out of magnificently planned initiatives, has inadvertently emerged from opportunism by colonial governments to solve their economic problems and reassert eco-political dominance on their colonies. In essence, colonial authorities were not primarily committed to development of the colonies but for exploitation of resources (Havinden and Meredith, 1993). Thus the colonies suffered predation – exploitation of raw material, rich mineral resources and rent-seeking by the predator without commensurate fulfilment of social obligations in terms of developing the colonies.

2.10 Analysis of the Political Economy of Development and Decline in Ghana

Notions of predatory has been used in varied, complex, and misleading forms - Barrington Moore (1966) in an analytical context; Evans (1989) to make vital distinctions between "incoherent absolutist domination" and "klepto-patrimonial" predatory states; Bavister-Gould (2011) to bring clarity to the concept as used in classical and contemporary debates. Thomson (2010) describes 'vampire' states as 'blood sucking' (kleptomaniac) government that mismanages state resources to conditions of economic decline. On the other hand, 'zombie state' is a metaphorical concept of the 'unconscious reincarnated state' (Drezner, 2011). In other words, a ‘dead-alive’ state that aims to give radical life to a new political order aimed at economic recovery but does so with inadequate capacity and legitimacy.

The different meanings assigned to development over different periods, make a plausible argument for development analysis of contemporary trends to be placed in historical contexts (Pieterse, 2001). This study contests and contributes to Frimpong-Ansah’s (1992) seminal analysis of Ghana’s effort at economic development – 1919 to 1983, of neo-classical perspective, and adopts a classical theoretical stance to explain the historical political economy of Ghana – 1895 to 1992. Frimpong-Ansah’s contribution has been inspired by inadequate comprehension of improper arrangements of Ghana’s development from pre-industrialised economy. In related studies of the political economy of Ghana, Frimpong-Ansah’s piece is well cited in many scholarly articles. However, as the governor of Bank of Ghana (1968-73) in the period shortly after President Nkrumah’s overthrow by the military in 1966, Frimpong-Ansah’s work is slightly biased to the development visions of Nkrumah, as he was a senior government official of the main opposition - United Party - of Prime Minister Busia’s (1969-72) administration. Indeed Frimpong-Ansah (1992: 73-92) made a conspicuous detail of Nkrumah’s Pan-African initiatives, ‘over-ambitious’ development plans, rent-seeking bureaucracy, and social-market ideas. However, Frimpong-Ansah overlooked other important factors - internal and external subversions – that hindered social relations and foreign relations of Nkrumah’s administration.

In addition, Frimpong-Ansah’s historical classification opens itself to criticism for its lack of objectivity in labelling the state bureaucracies of Governor Guggisburg and Dr Nkrumah as ‘predatory’ and ‘vampire’ even though these administrations demonstrated commitment to, and capacity for development. This critique is based on contemporary studies that it has to be possible to classify a state as developmental based on hegemonic ideology to development rather than outcomes (Woo-Cummings, 1999; Johnson, 1999; Mkandawire, 2001). Moreover the analysis was almost mute on feminist productive contributions to the economy as women and children dominated the agrarian sector of Ghana's rural agriculture. Marx suggests that 'anyone who knows anything of history knows that great social changes are impossible without feminine upheaval'. Despite these criticisms, Frimpong-Ansah's analytic view of both theory and practice of development in historically embedded neo-classical context provides a structured medium of understanding the political economy of Ghana in well-presented historical junctures – Predatory and Vampire states. Besides the antagonistic abstractions of classical and neo-classical economic theories, this study takes a rare challenge to consider both as complementary ideas that explain capitalist political economy from different perspectives. The study takes its lead from Frimpong-Ansah's (1992) seminal analysis on the political economy of Ghana, but departs from the neo-classical positivist approach towards a classical interpretive conceptualisation, and introduces the 'zombie' state as an extension to the 'predatory' and 'vampire' state forms.

Against this background, critical examinations of each of the historical state forms may be summarised as follows. First, the kind of development theories – dependency and modernisation – advanced in the colonies aimed to achieve the objectives of the colonial economic management, and with it a core-periphery social relations that did not help to develop the colonies (Frimpong-Ansah, 1992). These practices contributed to the primitive nature of the production base of the Ghana economy on the eve of independence. Additionally, the family system of farming and fragmentations within the agrarian economy hindered economies of large scale production and introduction of advanced technologies. And even though Sir Arthur Lewis, Cardinall, Seers and Ross identified the weaknesses of the economy, their recommendations were circumvented to please the Colonial Office in

London. It could be argued that given the weak productive base and fragility of the Ghana economy, the colonial government could have intervened with agricultural incentives such as subsidies, technological transfer and international trade agreements, but it did not because the industrialisation of the colonial economy was perilous to western interests. Second, the constraints imposed on the development of Ghana by the combination of effects mentioned in the first could not have been remedied by the mere granting of political independence without reforms to the social relations that underlined the economic dimensions of colonialism. The notion that Ghana was economically underdeveloped in the modern sense should not have disqualified her from becoming the modern industrialised state that its founders travailed for, but failed to achieve. A significant analysis of the colonial capitalist predatory state was that it furthered a dual society that enabled a prosperous export sector to superimpose its interest on an improvised peasant economy (Frimpong-Ansah, 1992: 62-63). Third, one of the implications of the colonial legacy of underdevelopment was that it provided rational for the Nkrumah government to ignore the weaknesses and advance rapid development to make up for development lags without careful considerations to monetary and fiscal implications. In response, the West and allied financial institutions restricted external capital inflows to Ghana that in the end compelled Nkrumah to seek support from the East, and with it came his overthrow. Objectively, the fragility and weaknesses of the Ghana economy at independence contained the seed of its own destruction (Frimpong-Ansah, 1992: 91-92). Fourth, the immediate post-Nkrumah governments did not fully appreciate the implications of the Nkrumah legacy to public policies. In realising the challenges, the Rawlings government abandoned its original socialist-oriented development ideas and agreed to the neoliberal Economic Recovery and Structural Adjustment Programmes to attract external loans. This led to a series of devaluations of the cedi, divestiture and sale of state-owned enterprises, fiscal discipline, trade liberalisation and return to democratic governance in January 1993.

SECTION TWO: THE RISE AND FALL OF THE PREDATORY STATE

Chapter 3: The Political Economy of Ghana during the Colonial Era – Before 1929

3.1. Introduction

This chapter attempts to recreate and critically examine the developmental approach under the colonial rule that transpired from the commencement of the nineteenth century to the eve of the independence of Ghana (formerly the Gold Coast). During this period, the colonial government in London was at the helm of governance and ruled the colony through a colonial Governor, appointed by the Crown. The issue of colonialism bears with it some emotional connotations that remain unresolved and perhaps it would be inconceivable to completely disdain these sensitivities. This study makes use of prime information on production, trade, government expenditures and related developments that took place within specific periods to examine the extent of colonial development in the Gold Coast. The merit of using the government expenditure in relation to colonial development is that government expenditure funds colonial development programmes and any changes to colonial policy reflects the pattern of government expenditures. Moreover, this approach allows for easier analysis of colonial predation because the volumes of production and trade does not necessarily depict development but rather how much was used out of the generated surplus to enhance the society where production took place (Rodney, 1972). However, the use of government expenditure as measure of the State's commitment to development has some limitations. Firstly, government expenditures such as administrative and a few other recurrent expenditures are not directly traceable to economic development. Secondly, government expenditures for a specific year encapsulates expenditures that caters for existing programmes and thus do not portray an expansion to the status quo. Thirdly, monetary and fiscal policies such as revaluation, inflation and devaluation policies can lead to misrepresentation of development when in actual fact there has been significant increase in government expenditures. Moreover, every government is constrained by its capacity to extract wealth as the nature of economic structure impacts on development (Sederberg, 1971: 179). In addition, high defence expenditure, corruption by state bureaucrats and transfer of such monies into personal foreign accounts do reflect as high government expenditure in the government's balance sheet but without corresponding development to society. Despite these limitations, government expenditures is by far a more logical and reasonable reflection of a State's capacity and commitment to socio-economic development.

Though archival information of the Gold Coast's political economy is accessible from the Public Record Office in London, it was mainly compiled by representatives of the Colonial Office (CO) in London. This casts doubt about the accuracy of the actual magnitude of exploitation because colonial bureaucrats owed it to the Crown to conceal the extent of colonial exploitation from the colonised. However, it is reasonable to attach a degree of integrity, validity and reliability to these colonial documents for the purpose of this study. Despite the aforementioned imperfections of colonial data, it is acceptable that information captured from colonial archives on production and trade, official correspondences between personnel of the colonial bureaucracy, studies by officials of the Crown Colony, Hansard archives would suffice for this chapter of the study.

The chapter then takes a lead from the seminal analysis of Frimpong-Ansah's 'Vampire State' and Rodney's 'How Europe underdeveloped Africa' to contribute to knowledge about the wider implications of colonialism to Ghana's underdevelopment and possibilities of a developmental state. The developmental state concepts has re-engaged global interest to the problems associated with economic decline and underdevelopment in African and Latin American developing countries (Routley, 2014). However, while it is necessary to seek a solution to overcome the protracted epochs of underdevelopment in Ghana, it is equally important to understand how and why Ghana became economically underdeveloped. Underdevelopment does not imply the absence of development, but rather a comparative abstraction that expresses a specific relationship of exploitation by a predatory State over a subjugated State (Rodney, 1972). This relationship renders the subjugated State incapable of increasing jointly her capacity to deal with her environment when on the other hand the predatory State advances on her capacity. As a result, the predatory state flourishes at the expense of the subjugated state and establishes a negative correlation such that as the predator jointly increases her capacity, the capacity of the subjugated decreases. Given the relationship of exploitation under the colonial regime, it is fair to suggest that the British government undermined the capacity of the Gold Coast people to increase jointly the management of their own natural environment. Through the social relation of imperial exploitation, Africa made a lot of sacrifice to solve the economic problems in Europe, as George Padmore a prominent Pan-Africanist literally phrased it, 'the black man (Africa) certainly has to pay dearly for carrying the white man's (Europe's) burden' (as cited in Rodney, 1972). The dawn of colonialism and capitalism in Africa during the late nineteenth century contributed to the integration of the Gold Coast economy into a global capitalist system that defined her underdevelopment (Howard, 1978: 15-17). Centuries of underdevelopment in Ghana has reinvigorated the need to search for a sustainable paradigm to development.

From a philosophical standpoint, it is futile to search for prognosis without knowledge of the diagnosis. It is against this background that the history of the political economy of Ghana becomes even more important to possibilities of turning around the country's misfortunes towards a developmental state. In spite of this, the possibility of a developmental state does not solely depend on the historical imperatives of a State but rather what the modern State makes out of the historical facts to achieve development. A state that laments about its historical setbacks without taking advantage of current opportunities to make radical changes towards development is doomed. But while the historical developments of the political economy of Ghana is pertinent to provide explanations about ‘why’ and ‘how’ of Ghana’s underdevelopment, it is difficult to use the outcomes to predict with certainty ‘what’ happens next in different societies (Lewis, 1955: 10-18).

The people of the Gold Coast had presumed that colonial development entailed the ability of a nascent society to enhance collectively her capacity to deal with the natural resources, as well as the freedom and skills to produce and negotiate trade. On the contrary, under colonial rule, the colony was made by the metropole (colonial power) and for the metropole. Land was acquired at peppercorn rent and by coercion, capital was invested where exploitation opportunities were rife, and indigenous labour was exploited through slavery and subjugation. The scope of exploitation in the colonial economy through the imperial trade system with apathy to colonial development defines a monumental predation that lasted for over five centuries – 1471 to 1957 – in the British West African colonies such as the Gold Coast. Although the European trade began in the Gold Coast about five centuries ago, it is important to assess the development status of the Gold Coast prior to the commencement of colonialism – a system of formal control of the Gold Coast by the British – by the end of the nineteenth century. Subsequent chapters of this thesis consider suggestions that the underdevelopment of Ghana was a self-inflicted disposition created by indigenous government mismanagement of resources.

Many political economists and historians would contend that the development of any society requires the exploration of its natural environment with the most appropriate scientific and technological approach, and a strong political system that respects individual freedoms but able to coordinate economic activities towards a fair distribution of labour surplus. Yet, development as being of the collective capacity of society to experience enhanced skill and human capacity, creativity, greater freedom, self-discipline, responsibility and material well-being (Rodney, 1972) is a comparative concept. The development of any entity is only meaningful by comparing levels of its own development between different periods, or by comparison with another entity for the same period. In this sense, the principal objectives of the predatory state analysis are to examine the implications of the colonial legacy to colonial development efforts, and to discuss the politicisation or de-politicisation of colonial development. This chapter features three main segments of the study – the Pre-capitalist Predatory State (before 1895); the Reconstruction period (1895 – 1910); and the First Planned Development Programme in the Gold Coast (1911 – 1930). This approach aims to unravel the developmental thinking of the colonial government, predatory trade and development policies, and the overall colonial attitude towards colonial development in the Gold Coast.

3.2 The Pre-capitalist Political Economy of the Gold Coast in the period before 1895

This period begins with the reigns of empires in Europe and ends with the colonisation of Africa by Europeans. It marks a significant period of political and economic transformations across the world. In 1648, the Peace of Westphalia introduced a landmark principle in global politics - sovereignty of the state - which redefined not only European history but also her economic and political engagements with other political establishments across borders. However, in practice this principle did not extend to the African territories. The provisions of the Treaty only imposed obligations on European states to respect each other's sovereignty and exposed Africa to European exploitation and subjugation, because by the provisions of the Peace Treaty it was uncustomary for European states to oppressively exploit each other. The African soil thus became more vulnerable to a monumental era of European exploitation.

The history of political and economic development in Ghana, although not specifically schemed, dates to the arrival of the Portuguese merchants in 1471 to trade in rich minerals and natural resources. The Portuguese built some of the oldest trading castle along the Gulf of Guinea such as the Elmina Castle (formerly Feitoria da Mina or São Jorge da Mina, translated as St. George of the Mine Castle) in 1482 to facilitate the shipment of primary products and rich natural minerals to Western markets. During the 15th century, the Gold Coast produced 35.5 percent of the overall world's gold production (Frimpon-Ansah, 1992). This mainly attracted European merchants to engage in the imperialist trade of expansionism and colonization to facilitate mass exploitation of the colony. Furthermore, the expansion of plantations in Europe and the New World in the 15th century came with unprecedented increase in demand for labour - slaves - to the West as trade in minerals became limited. Indeed, the African west coast – primarily the Gold Coast - became the principal route for trans-Atlantic slave trade for the New World. It would be a misrepresentation of the fact to ignore the contributions of the African slaves – labour – to the overall social relation that existed between the 'developed' and 'underdeveloped' economies. The Gold Coast played two key roles in the early development of capitalism in Western Europe (Howard, 1978: 17). Firstly, as the source of gold for European trade with the Arabs and Asians, and secondly as the principal conduit for the Trans-Atlantic slave trade that worked under inhumane conditions on plantations in America and the West Indies.

During the pre-capitalist period, ownership of labour predominantly resided with Capital through the subjugation of labour power in a system of slavery that conferred no rights on labour to negotiate for a fair share of labour surplus value. Rodney (1966), suggest that slavery as a form of labour in the production process, had existed under the control of absolutist African kings before the arrival of the western merchants in the 15th century.

Whereas the slaves originated from poorer families and debt defaulters, the merchants were the indigenous elites and powerful heads of the tribes. That the complicity of Europe to slavery had primarily been influenced by the pre-capitalist opportunism and in response to the expansion of economic activities in the New World with unprecedented high demands for labour is historically proven. Rodney (1972: 83) suggests that the slave trade was lucrative enough to attract the interest of Queen Elizabeth 1 (1533-1603) who directly participated in the venture by providing a vessel named 'Jesus' to John Hawkins for a dividend. Hawkins was later knighted with an embossment of a chained African. However, by 1807, anti-slavery movements such as the one led by William Wilberforce – a member of the British parliament and a political activist – argued for the proscription of the slave trade. By 1860, slave merchants such as Barclays and Quaker - British interests with connections to the Colonial Office - have entered into negotiations for monetary compensations for the release of slaves in their custodies. A general discontinuation of the slave trade was finally successful by the eve of the 20th century. For many authors of the slave trade, the abolishment was in fulfilment of a global moral obligation to uphold the freedom of the oppressed labour force. However, (Rodney, 1969) rejects the humanistic proposition presented by his contemporaries for the abolishment of trans-Atlantic slave trade, and argues that the real motive of the capitalists – states and merchants – has been mispresented. Rodney's proposition that the abolishment had principally been instigated by the urgent need to restructure the western economy is plausible because, the abolishment occurred during the industrial revolution. The western industrial revolution was marked by enhanced mechanization but resulted in mass unemployment, over productivity and low consumerism in industrial Europe. This warranted for the abolishment of slavery to ease the unemployment problems, increase the labour force in the colonies to produce more raw materials at cheaper prices for the industries in Europe, and to revert the problem of low consumerism by exporting the finished products to the colonies. However, many scholars contest this view because it exposes the exploitation and oppression of African labour by Western imperialism, an idea that is ill suited for capitalist objectives in Africa.

During the 16th and 17th centuries the Danish, English, Dutch and Swedish, influenced by the economic theory of mercantilism – profit oriented exploitation of foreign territories by merchants, joined the Portuguese in the trade to augment their economies and assert political power. The Gold Coast attracted much interest from European merchants with the Portuguese ships giving the search for gold their highest priority (Rodney, 1972). However, by 1631, Britain has established trade relations with the Gold Coast and for the next 250 years captured economic and political rights from the Dutch and Danes to trade in gold, palm nuts and later slaves (De Freitas, 1963).

In the early nineteenth century, the Gold Coast was predominantly inhabited by the Akan - Bono – kingdoms in the southern and central areas, while the northern and parts of the southern areas were later occupied by the Dagbon and Ga Adangbe respectively. In the period up to the 15th century, the predominant social relation of the indigenous people as defined by their political and socio-economic engagements was initially synonymous to communalism of family and kinship, with members of the family having matrilineal or patrilineal ties. Land was owned by the family and protected by the head of family, labour was family based, capital was generated from family resources and productive activities were mainly agrarian. In the period shortly after the 15th century through to the late 19th century, the social relation that developed was similar to the feudal system of trade and governance. Feudalism is set forth as the antecedent to capitalism, shrouded by powerful ruling class engaged in a production process to exploit the peasants, for economic and political dominance. The Monarchy or traditional authorities held Land in trust for the people, and allocated to loyal subjects in exchange for allegiance and rents – royalties or percentage of agricultural outputs. The traditional laws of the people of the Ashanti and Brong Ahafo regions, the main cocoa and natural mineral producing areas of Ghana entrusted land to the 'stool' – the king or traditional ruler – as a collective property of the people. A portion of land was released for agricultural purposes as per the fulfilment of customary obligations by the farmer. However, the trend has changed with the advent of large scale agricultural and property rights reforms (Kimble, 1963). During the same period, Capital was predominantly owned by the elites and powerful of royal ancestry, while the working class provided labour for subsistent wages. The King provided local development leadership in consultation with the tribal leaders within this semi-authoritarian and feudal systems, but commanded ultimate authority in decision-making, enforcement and adjudication. Development was funded out of communal resources and labour, and was more ethnocentrically driven to the immediate needs of the people. Family heads organised members of their families to engage in peasant agriculture. They also provided communal labour and materials to build places for social activities, worship, health, education and adjudication of justice. Although some economic activities were exchanged in monetary terms, others were battered. However, there is scant information about the export prices and output levels of cocoa and many other precious mineral productions in the period before the 20th century. This pre-capitalist system of production and exchange of value shaped the existence of the pre-colonial class society and defined their concept of development. As the social relations of the people of the Gold Coast evolved (from pre-capitalist to capitalist) the acquisition of, and obligation to offer land, labour and capital also changed and came with it the progression of exploitative systems of distributing labour surpluses.

The class conflicts that emerged out of these social relations in the Gold Coast also evolved from clashes between family heads and family members, to Chiefs and European merchants and finally the bourgeoisies and proletariats. Yet both capitalist and Marxist scholars are clear that the sequences that characterised the modes of production in Europe were not replicated in the Gold Coast (Rodney, 1972) to bring development to the colony. It is paradoxical to suggest that a fact-based analysis of the early historical development in the Gold Coast was based on a deepened understanding of her trade relations with Europe.

During the 19th century, the British government responded to native opposition by meddling with local politics and adopted ‘divide and rule tactics’ to exert control over production and trade of raw materials as well as market for British products. The Anglo-Ashanti conflict was a series of five major wars that lasted for almost a century. Price (1967: 24) suggests that the Gold Coast colony was initially confined to the southern sector of the Gold Coast prior to the Anglo-Ashanti war. However, when the Ashanti kingdom waged war on her southern neighbours (Fante and Ga tribes) with great prowess to dominate the southern territories, their action offered grounds for the British army to intervene on the side of the southerners under the pretext of protecting the southerners but in effect to consolidate the Gold Coast territory for imperial trade objectives.

After the people of Ashanti had engaged in a protracted war with the British for control of political and economic power in the Gold Coast, the British emerged victorious. The defeat of the Ashantis in the ‘War of the Golden Stool’ in 1900, marked the establishment of the colonial defacto government and with it the British government assumed ultimate control over the economic resources in the Gold Coast. The Ashanti territories became a protectorate of the British Empire. The protectorate area was very rich in natural minerals such as gold, diamonds, bauxite, timber, manganese and cocoa plantations. During the wars, traditional chiefs and tribal leaders such as Nana Prempeh 1, Yaa Asantewaa and other relatives who the British government regarded as very rebellious were exiled to the Seychelles Island where some died from inhumane conditions. The resentment by the people of Ashanti against British dominance in the Gold Coast was a landmark of political rebellions towards the colonial government by a traditional authority. Although the people of Ashanti were brave and resilient, they were defeated with unparalleled military weapons by the British army. However, although Britain dominated Gold Coast trade in many respect the Colonial Office failed to develop cotton and coffee plantations in the late 19th century. As aspects of the imperial trade flourished, it enabled the establishment of the first British bank in 1883. The rich gold fields at Obuasi in the Ashanti region attracted the first biggest British investment in 1898. Related commercial interests in agriculture such as Cadbury and Quaker companies participated in the exportation of cocoa to meet the increased demands for chocolate products in Europe.

There were other strategic British investments in the exploration of manganese, diamonds, bauxite, and timber industries during the two wars (De Freitas, 1963). It is evident that development is conventional to the people of Ghana (then the Gold Coast) before the arrival of Europeans merchants in the 15th century to trade. This is because the Songhai, Mali and Ghana empires (not present day Ghana) were known to have been more economically developed than many European nations in the pre-capitalist era (Rodney, 1972). However, to further the objectives of colonialism, Britain integrated the Ghanaian economy into a global capitalist system that defined Ghana's underdevelopment (Howard, 1978: 15-17). In 1884, the Berlin Conference marked the official sanctioning of oppression in Africa and exploitation of its resources by metropolitan imperialist 'alien' governments that legitimised the 'Scramble for Africa' by Europeans. It is common knowledge that Africa has had lengthy contact with European trade and that contact between different societies raises possibilities of changing the rates of development in both societies (Rodney, 1972). However, the experience of Africa in her relations with European was a development of negative correlations.

3.3. The Reconstructing Era of a Colonial Predatory State: Chamberlain Policy (1895 – 1919)

The chief policy that defined British colonial development thinking during the first half of the 20th century was the Chamberlain Policy of Colonial Development (1895), named after the Right Honourable Joseph Chamberlain[1]. The policy established how Britain may offer colonial assistance towards the development of British colonies to generate beneficial multiplier effects to the British economy (Colonial Development Act, 1929). However, five decades after its inception the Chamberlain Policy struggled to gain parliamentary consensus as the first state-led planned development for the colonies. During Parliamentary debate in November 1950, Leopold Amery[2] had argued that the first policy for a reconstructive colonial development came into effect under the Chamberlain Policy of Colonial Development (1895), and not by the Colonial Development Act of 1929. Amery stated, “It was started, I suppose, in the modern sense, by Joseph Chamberlain. His work for the development of tropical medicine and for the reconstruction of the West Indies by grants-in-aid marks the beginning of the policy of constructive Government intervention in the problems of development and welfare” (HC Deb 09 November 1950). However, the evidence

[1] Right Honourable Joseph Chamberlain was a British statesman and Colonial Secretary (1895-1903). He built his career as a businessman in screw manufacture and later Mayor of Birmingham though he never attended university. He was a radical Liberal Unionist who served as Leader of the opposition (8th-27th Feb. 1906). Chamberlain believed in the immense economic potential of the colonies in West Africa and alluded to Lord Salisbury's (Leader of the Conservatives) wariness of their main rival, the French. Chamberlain sanctioned the conquest of the Ashanti in 1895, and annexed the territory of the Gold Coast for British control.

[2] Rt Hon. Leopold Stennett Amery was born on 22 Nov. 1873 to Charles F. Amery and Elizabeth Leitner. He served as MP (U) for Sparkbrook (formerly South) Division of Birmingham, 1911–45. He died on 16 Sept. 1955.

suggests that there was wide gap between the 'rhetoric' and 'reality' of science as an important resource for the advancement of 'New Imperialism' (Hodge, 2007: 15).

Chamberlain had believed that state-led development was more beneficial to the State and the citizenry than privatization. In 1870s, he was instrumental in the effective administration of public utilities in Birmingham where he served as a Mayor, and later as Member of Parliament. When Chamberlain assumed office as the Secretary of State for Colonies in 1895, he conceded that the British Empire was in a state of gradual economic decline and considered imperial expansion based on imperial economic imperatives as the panacea to the economic problem in Britain. However, the achievement of the imperial economic objectives had required the CO to initiate a colonial development policy that would enhance infrastructural development in the areas of telecommunications and railway lines to harness the increasing opportunities in production and trade in the colonies.

The Chamberlain Policy of Colonial Development served as the chief instrument of British colonial development in the early twentieth century. On 22nd August 1985, Chamberlain defended his idea of a state-led development initiatives that included the construction of railway lines and communications in the colonies for the development of trade. However, colonial development was first and foremost for British interest. Given the remunerative mineral resource potentials of gold in the Gold Coast, Chamberlain was convinced that of all the colonies in West Africa, the Gold Coast held the greatest potential of a rapidly expanding returns for private profit and revenue from state-led railway investment if the interior mining sectors were linked to the coast by a railway network to reduce transport cost to one-sixth and transport time to one-tenth (Dumett, 1975: 298). The economic and geopolitical benefits of the Gold Coast to Britain formed the basis upon which Chamberlain sanctioned the fourth

Anglo-Ashanti war (1896) and War of the Golden Stool/Yaa Asantewaa War (1900) to subjugate the Ashanti Empire under the Crown.

The relationship between Britain and her colonies was marked by incredulity of the development capabilities of the colonies although the deplorable economic conditions and lack of indigenous investment capital had been made known to the CO. In a related study of Britain and its tropical colonies covering the period of 1850 to 1960, (Havinden and Meredith,1996; Kenny,1997), noted a large contradiction between 'colonialism and development' and asserted that the 'constructive imperialism' policy of Joseph Chamberlain and British imperial power relations with her colonies as in the Gold Coast were "deplorable". The Colonial administration focused infrastructural developments on the construction of railway lines and road networks to connect the rural hinterland to the ports to facilitate raw material exportations to western industries with little regard to the overall developmental needs of the colonies. Despite the anti-industrialisation and anti-development attitude of the colonial office, a few colonies, including the Gold Coast experienced a little degree of economic development attributable to exogenous and endogenous political and economic conditions (Lewis et al., 1959: 20-21).

In the period prior to 1890, the Gold Coast economy was largely agrarian. By 1879, Tetteh Quarshie a native trader and an agriculturalist had returned from Fernando Po (now Equitoral Guinea) to the Gold Coast with a few pods of the Amelonado type of cocoa. The missionaries and the colonial government welcomed Tetteh Quarshie's initiative to cultivate cocoa in Akropong in the Eastern regions of the Gold Coast and helped to transform the production of cocoa into a major cash crop for export to meet Western demands for chocolate products. The agrarian sector of the Gold Coast was predominantly peasant with a small commercialised sector operated by the merchants and colonial administration who determined prices within the imperial trade system. Although the colonial administration was not directly involved in the cultivation of agricultural crops, the administration focused its efforts on how to increase the productivity of cocoa and gold through the maintenance of law and order, as well as the construction of railways and communications. However, during this period, the colonial government restricted the Gold Coast economy in order to exert British dominance in other areas of the economy such as the mining of gold, diamonds and manganese (Szeresewaki, 1965). There was no monumental development during the over 450 years of early European trading in Africa, but rather Africa helped Europe to develop in the same proportion that Europe helped to underdeveloped Africa. The European merchants and governments were not primarily interested in colonial development, except for that which facilitated the commercial interests of the West such as building of forts, internal communications, road and railways to transport primary products from the hinterlands (Bourret, 1960: 23-24; Frimpong-Ansah, 1992). This position was maintained with the colonial territories until the inauguration of the first well-thought colonial development plan in 1920.

3.4 First Planned Colonial Development Plan (1919 to 1929): Modernization of Agriculture

The economic development ideas held by the CO and its political representatives such as Lord Luggard (Governor of Northern Nigeria), Sir Guggisberg, and excerpts documentations of the Economic Advisory Committee deliberations would be examined. Sir Guggisberg (1919-1927) conducted a special survey of the Gold Coast in 1902 at the bequest of the CO and was appointed as the Director of Survey in 1905. He was thus familiar with conditions in the Gold Coast and the wider implications of the imperialist trade on colonial development.

In the early period of the 20th century, there was rapid expansion of international trade boosted by a fast growing agricultural and mineral production. The evidences suggest that a significant implication of the First World War was an increase in European demand for colonial raw materials for the reconstruction of European industries. This was in line with the colonial idea of promoting primary production for export to industrial Europe. During this period the Gold Coast was adjudged as the world's leading producer of cocoa with a rapid increase in production capacity from 7,000 tons in 1905 to 244,000 tons in 1931 (Guggisberg, 1924 as cited in Frimpong-Ansah,1992: 59). The country simultaneously did well to maintain its global lead in the production and export of gold, diamonds and manganese. During the immediate decade after the First World War (1921 to 1930) gold production rose from 203,400 fine ounces to 246,100 fine ounces, diamonds increased from 1,800 carats to 848,200 carats, whilst manganese production expanded from 7,200 tons to 396,000 tons for the period (Cardinal, 1931 as cited in Frimpong-Ansah, 1992: 59). As the production base expanded, general wage levels were reasonably stable whilst prices of imports fell and improved the real incomes of the farmers. The practice of peasant and plantation based agriculture yielded cash and food crops simultaneously.

However, the trends in the production of gold, cocoa, diamonds and manganese were not correlated to development. Even as part of the economic development of the Crown colonies, there was no debate about the earliest idea of planned development of Africa, until the early 20th century (Lewis, 1944). In the Gold Coast colony, the predatory state connived with capitalist merchants to selectively develop only areas that satisfied the imperialist trade while efforts by local farmers and indigenous capitalists to develop their homeland threatened Europe's interest and manipulated by arbitrary reduction in export prices. Exportation of agricultural products and natural mineral resources to western industries at cheaper prices in return for expensive finished products to the colonial markets are well documented. Although the Gold Coast served as one of the prime hubs of natural resources it was not considered to merit industrialisation and development because these two were at variance with the objectives of the metropole as mentioned earlier.

In 1919, Sir Guggisberg was appointed as the governor of the Gold Coast - 1919 to 1927, and became the most eminent author of Ghana’s early economic development. Prior to his appointment as governor, Guggisberg had conducted special surveys in the British colonies on behalf of the CO and had formed a sincere and personal opinion about the colonies that was similar to Lord Luggard’s for the Nigerian protectorate. Yet unlike many of his colleagues in the colonial office, Guggisberg was convinced about the development abilities of the colonies and believed that the Crown had a moral obligation to develop her colonial territories. The three main ideas of the Guggisberg development theory were (i) removal of obstacles to large-scale agricultural productivity through the improvement of transport and communication; (ii) strategic public policies to encourage civic engagement in development projects; and (iii) stimulus packages to producers for increased productivity. However, these were constrained by the economic management approach of the CO and subsequent price falls in the immediate post war era. The basis of the imperial economic management was to restrict colonial development expenditure to each colony’s ability to generate from its own resources the revenue for its development. This was to be achieved through increased personal savings, taxation and exports without being a disincentive to productivity and employment. By this, the CO in London required all colonial administrators to strictly adhere to the Colonial Economic Management Policy to avoid recourse to the British Treasury for colonial development.

In contrast to the advanced economies, the economic management rules of the British Treasury was unsuitable to any prospects of development in the Gold Coast. Besides, the European economic feats are linked to state-led development strategies consisting of agricultural subsidies, incentives for industrialisation and unbalanced budgets until the economy grew to withstand global competition. Indeed nearly three decades ago on 22nd August 1895, the then Secretary of State for Colonies, Joseph Chamberlain had submitted to the British Parliament to make exceptions to the Treasury rules with a view to promote trade and development in the colonies. Chamberlain remarked, “It appears to me to be absurd to apply to savage countries the same rules which we apply to civilised portions of the United Kingdom. Cases have already come to my knowledge of colonies which have been British colonies, perhaps, for more than 100 years, in which up to the present time British rule has done absolutely nothing; …and if we left them to-day we should leave them in the same condition as that in which we found them” (HC Deb 22 August 1895). However, the colonial government did not heed to this plea.

Guggisberg’s development thinking of the colonial economy thus delineates his commitment to development in the colonies. In view of the parsimonious nature of colonial development policies, he adopted economic development strategies that diverted economic burden from the CO. His development theory hypothesised that with increased productivity during the latter part of the inter-war period, a fall in aggregate revenue because of price falls was inevitable. Yet as it was colonial policy to discourage accumulation of external debt, Guggisberg’s model raised capital for development from internal sources - tax revenues and private savings – to complement colonial development funds and other fund raising activities in Britain. In response to the antipathy by the local producers of his tax reforms, Guggisberg remarked, “no country can develop trade to its full paying capacity without incurring a debt for the reconstruction of the necessary infrastructure”, (Guggisberg, 1924). Although the colonial economic management was the abstraction of the CO, Guggisberg was committed to bring development to the colonies without contravening the colonial policy.

In 1920, Guggisberg introduced the first well-thought and comprehensive ten-year development programme (1920-1930) based on his development theory (Frimpong-Ansah, 1992). Guggisberg believed from previous studies that accessible transport was the key to unlock the economic prosperity of the Gold Coast. The implementation of the ten year development programme resulted in the expansion of road and rail networks, and the construction of a sea port in Takoradi (by the Atlantic Ocean) to enhance the productivity, distribution and exportation of mining and agricultural products with a view to generate enough export revenue for colonial development. This enabled the timely transportations of bulky natural minerals and perishable agricultural products to market centres and seaports for onward trade. Due to the improved market accessibility and growth of agro-business, average cost of production (total cost divided by output) decreased and surplus values increased to raise aggregate revenue and improve savings. This enabled the local producers to self-finance the construction of more feeder roads to link the principal roads as Guggisberg had predicted. In his view, although the Gold Coast economy was already well endowed with land and labour resources for increased agricultural productivity, the production process was constrained by lack of investment capital (Frimpong-Ansah, 1992). However, capitalist private investors in the agricultural and mining sectors continued to pay wages far below the fair value of labour productivity. Tax revenue from cocoa and mining exports complemented the contribution made by the local people for infrastructural developments. The critics of Guggisberg's development theory would contend that although the Gold Coast economy was largely agrarian with fragility of labour movement and capital constraint, it was the beacon of economic development in West Africa during the period.

In 1922, J.E. Casely-Hayford, a renowned African Nationalist and founding member of the National Congress of British West Africa (NCBWA) and the Gold Coast Aborigines Rights

Protection Society (ARPS) recounted pre-colonial African development achievements. He stated, "…before even the British came into relations with our people, we were a developed people, having our own institutions, having our own ideas of government" (J.E. Casely Hayford, cited in Rodney, 1972).The colonial government in the Gold Coast had assumed a monopolistic position in trade that allowed for massive exploitation of the Gold Coast, and any colonial development that occurred was either accidental or structured to suit the imperial metropole (Frimpong-Ansah, 1992). However, some scholars contend that colonialism set strong foundations for economic development in the Gold Coast. For instance Mr Churchill (then Secretary of State for Colonies, 1921-1922; and later Prime Minister) resented the suggestion of Colonel Wedgwood[3] for construction of railway lines in the cocoa districts of Ashanti and Brong-Ahafo as a result of pressures from the traders. This confirms that the ten-year development programme of the Gold Coast by Guggisberg was of his own ideas and not the development thinking of the Colonial Office. During the debate in Parliament on 3rd August 1922, Mr Churchill misled his colleagues that "the Colony will be vastly richer and more efficient", because of the construction of the railway lines and Takoradi harbour. The fact remains that although the infrastructure eased the transportation problem, its main purpose was to facilitate the predatory trade exportation of natural minerals and agricultural products such as cocoa at cheaper prices to satisfy the rising demands for chocolate products in Europe. Colonialism and imperialism as capitalist ideologies did not seek the interest of the colony but rather sought to protect the principal objective of the Capitalist – profit maximisation – by means of predation and labour exploitation.

[3] Colonel Josiah Clement Wedgwood was a British Liberal and Labour politician who served in the Ramsay MacDonald government. He served as Member of Parliament (MP) for Newcastle-under-Lyme at the 1906 and 1910 general elections. Wedgwood was a proficient in mathematician and prominent single-tax activist taking his lead from the political economy reformer Henry George.

Allan Wolsey Cardinall, a census officer with well-informed knowledge of the demographics for economic development challenged the plausibility of Guggisberg's programme. By the mid-1920s, European consumers have developed strong taste for chocolate products resulting in a sharp rise in the demand for cocoa from the Gold Coast. Belgium, Switzerland, Britain, France and other European countries expanded their chocolate industries but needed cocoa. In response to the increased demand for cocoa products in Europe, the Gold Coast increased her cocoa production capacity from 7,000 tons in 1905 to 238,000 tons in 1929 (Frimpong-Ansah, 1992). Cardinall made valid contributions that if higher incentives were paid to cocoa farmers, it would induce a monoculture agricultural practice that would be perilous to development (Cardinall, 1931). Thus the concentration on growing cash crops without paying attention to food crops to feed the colony could trigger food scarcity and increase food importation and engender inflation. This could lead to a balance of trade deficit where import expenditures exceed export revenues. For instance higher food import bills as a result of monoculture farming practices and neglect of food crop agriculture to feed the colony contributes to demand-push inflation and erodes the feats of increase in cocoa export revenue. The relevance of Cardinall's contribution was that a diversified and modernised agrarian economy is capable to withstand the effects of price fluctuations and thus provide a more stable base to generate both private and public capital for development. Cardinal's development thinking for a diversified and modernised system of agriculture were thus tenable to the overall development programme as the concerns related to the fragility of labour migration was not grave as anticipated by Guggisberg. Although the ideas of Guggisberg and Cardinal were evident of an attempt to develop the Gold Coast, the Colonial Office rolled-back these efforts and promoted a predatory trade relations with restrictive economic management that contributed to underdevelopment. Guggisberg's development thinking was in tandem with the people of the Gold Coast who had conceded the importance of capital accumulation to development and the promotional role of the government and chiefs to colonial development. During this period, the traditional leaders argued for the devolution of powers to local authorities and a review of the construction of infrastructure that only advanced the exports of raw materials to incorporate the whole community (Frimpong-Ansah, 1992). In critically examining Guggisberg's development thinking about the Gold Coast community, it is fair to note that although Evans (1995) coined the concept of 'embedded autonomy' decades after Guggisberg's administration, the latter applied the idea by involving the traditional system of governance in colonial development whilst able to distance his administration from the pressures of tribal groups. In referring to the final address of Guggisberg to the Legislative Assembly in 1927, Nana Ofori Atta 1[4] re-echoed excerpt of Guggisberg's remark, "I make one claim, and that is, the Government of 1919 – 1927 has been a Government of Cooperation, as far as any government can justifiably be of the nature" (LA Deb 1931-32).

With cocoa as the principal export commodity, tax revenue for economic development focused mainly on cocoa farmers and foreign merchants. Despite the economic management policy of the British Treasury at that time, the development plan of Guggisberg was well-thought through to generate tax revenue from production and trade for local development in a manner that would not necessarily affect aggregate output (Frimpong-Ansah, 1992: 20). This

---

[4] Nana Sir Ofori Atta 1 was the Paramount Chief of Akyem Abuakwa in the Kyebi traditional area, also known as 'Ofori Panyin Fie' (House of Elder Ofori). The Okyehene as he was officially called was the head of one of the most distinguished and influential kingdoms of the Gold Coast. He was the eldest sibling to Dr. J.B. Danquah (founding member of the UGCC – Ghana's first political party) and became a member of the Legislative Council in 1916. Nana Ofori Atta was married to Agnes Nana Akosua Duodo, and father of Kofi Asante (4th Speaker of Parliament in Nkrumah's government); Akwasi Amoako-Atta (Governor of Bank of Ghana in the 1st Republic); William Ofori-Atta (founding member of the UGCC and one of the 'Big Six');Jones Ofori-Atta (Finance Minister, 2nd Republic); Susan Ofori-Atta (first Ghanaian female surgeon); Adelaine Akufo-Addo (mother of Nana Addo-Dankwa Akufo-Addo - Ghana's current president); and father-in-law of Edward Akufo-Addo (former Chief Justice and later President of the 2nd Republic).

conforms to the canon of progressive taxation and Guggisberg's personal belief that taxes should not be disincentive to production. The introduction of the cocoa export tax did not reduce earning as had been anticipated by the Colonial Office; in fact, cocoa output increased from 124,000 to 133,000 tons (Frimpong-Ansah, 1992: 59). On the issue of West African Trade and Taxation, the Duke of Sutherland inadvertently commented on how at lower prices cocoa farmers were helpless in influencing supply to increase price. He said "As regard current Revenue and Expenditure the Export Tax on cocoa does not appear to have injuriously affected the trade as, in spite of lower prices, the export at 133,000 tons was actually higher in 1921 than in 1920" (HL Deb 10 May 1922).

Guggisberg's personal philosophy about the capabilities of the Gold Coast that even with little assistance from the Colonial Office the people of the Gold Coast could develop their nascent economy influenced the programme (Kimble, 1963). Even though the programme itself was the first theorized development approach to have been experimented in the British colonial empire (Niculescu, 1965), Guggisberg's able leadership, commitment and good policies of the ten-year development programme yielded monumental socio-economic developments. Athough revenues from cocoa exports and other tax revenues were inadequate for the anticipated development, there were estimated surpluses. The financial position of the Gold Coast as at 1st April 1923 shows that a loan of £4 million to the Gold Coast in 1920 has already yielded £3.9 million. The loan improved colonial trade by enhancing the transportation networks to the core areas of raw materials producing sectors. The capital and current expenditures incurred for this objective during the mid-Guggisberg era comprised of the construction of the Tafo to Kumasi Railway - £2,098,000; Sekondi to Kumasi Railway - £1,295,000; Topographical survey - £93,389; Takoradi Harbour- £620,000; Accra Harbour - £100,000; Survey – £31,000. The previous year's surplus amount of £1,883,064 made good the deficit of £237,389 incurred in 1923 due to the transport project (HL Deb 10 May 1922). The overall estimated cost for the construction of the Takoradi harbour including rail facilitates amounted to some £2 million.

Even though there was a strong demand for cocoa in Europe during the 1920s, the Guggisberg administration could not raise adequate revenue from cocoa export duties because of the Preferential Duties arrangement imposed by the British Parliament on selected products including cocoa and supply time constraints. The merchants had lobbied the British Parliament to restrain the colonial governors from imposing export duties to safeguard their profits. The principal products under the Preferential Scheme were cocoa, coffee, tea, wine, spirits, sugar, and tobacco. However, since the grant of the preference, cocoa production to the Empire defied the odds and continued to rise from 50 to 90 percent (HL Deb 16 July 1923). In a report prepared by Guggisberg's government to the British parliament, Earl Beauchamp noted that under the Preferential Duties Scheme a 50 percent reduction in cocoa duty has enabled the Gold Coast government to increase its revenue by £190,000 (HL Deb 16 July 1923). With a relatively price inelastic demand for cocoa at that time, a reduction in the export price of cocoa as a result of the scheme resulted in more than proportionate increase in quantity demanded and anticipated government revenue until 1927.

The analysis of production and trade during this period in relation to development focuses on cocoa, gold and a few other mineral exports due to their major contributions to the cumulative gross domestic product of the Gold Coast economy. However, due to the problem of inconsistent record keeping of actual export prices by colonial administrators and merchants, the researcher relied on weighted price index of latter years to give a more reliable value of the market prices of exports as by this time a few indigenous elites have gained employment in the Gold Coast colonial administration. Available data shows overall increases in the production of exports but the revenue generated is largely dependent on prices. From the eve of the British conquest of the Ashanti kingdom in 1901 to 1929, the colonial government revenue experienced an upward trend from £693,893 in 1901 to £4,121,523 in 1928, before taking a slight dip to £3,913529 in 1929 (The Gold Coast Bluebooks, 1901 – 1929). During this period, government expenditure also rose from £469,459 in 1901 to £3,618,831 in 1928 and £4,629,295 in 1929. It is important to acknowledge that the fastest rise in the rate of government expenditure occurred between the era of Sir Guggisberg, thus from £1,781,170 in 1919 to £4,328,159 in 1927(The Gold Coast Bluebooks, 1901 – 1929). However, the colonial administration was hypocritical of its commitment to the Gold Coast, because although it was averse to fund colonial development from the Treasury's resources, it also opposed any idea by Guggisberg to impose taxes on cocoa exports for development.

Indeed during Parliamentary debate on 25th July 1923, Wedgwood resented the idea to impose tax on cocoa exports for the construction of the Takoradi harbour. Wedgwood remarked, "I put in the first place the extravagant capital expenditure of these Colonies, and there, I am afraid, I shall have the Under-Secretary against me. …you are going to saddle the taxpayers of these Crown Colonies with enormous burdens for such works as the development of the new harbour at Takoradi and the new railway… you will strangle the development of these Colonies,… In the long run such capital expenditure will be a handicap and not a means of developing the Colony" (HC Deb 25 July 1923). Meanwhile the idea for the construction of the Takoradi harbour although had first been conceived in 1895 by the Chamberlain Policy, was commenced in 1921 by Guggisberg. There were viable economic indicators capable to transform the Gold Coast economy from an underdeveloped to developmental status had the colonial government not restrained Guggisberg's programme.

For instance, in the 1925/26 fiscal year alone, the revenue of the Gold Coast reached its historical peak of £5,871,556 with a surplus of £1,616,430 (The Gold Coast Bluebook, 1901-1939). Moreover, the highest government expenditure recorded in the first half of the twentieth century occurred during the last fiscal year of Guggisberg's administration – 1926/27 – to an amount of £4,328,159. With the exception of Guggisberg, the colonial government encouraged a system of 'capitalist predation' that was relatively circumscribed in matters of socio-economic development. This explains the colonial government's reluctance to engage in capital expenditures in the Gold Coast even as surpluses were realised. Even though government surpluses were viewed by the capitalist traders as a threat to their profitability, it was a clear vindication of how Guggisberg and for that matter any colonial governor could have administered extraction policies in a judicious manner to advance socio-economic development in the colonies. The overall attitude of the colonial administration was defined by its key functions to protect British interests against rivalry from other capitalists; ensure optimum conditions under which capitalist entities could exploit the colony; and to resolve conflicts between competing capitalists (Rodney, 1972: 164). The general principles of the British Treasury guided the Colonial Office's philosophy on colonial development to the extent that the latter vehemently opposed any development in the colony except that financed from colonial resource. The Colonial Office and British Treasury prematurely removed from office, Representatives of the Crown who acted on their own moral conscience and contrary to this cardinal principle, as was the case of Governor Sir Gordon Guggisberg of the Gold Coast in 1927.

Before his recall by the Colonial Office in 1927, the ten-year development programme had by far been implemented with unparalleled developments in all sectors earmarked. Among his achievements were the construction of many roads and rail networks across the country, the establishment of Korle-Bu teaching hospital in 1923, Achimota College in 1924 (now University of Ghana) and Takoradi harbour in 1928 (Ghana's premier commercial port). However, as noted by Colonel Wedgwood, colonial development loans attracted instant interest to the British Treasury and was not a burden to the British tax payer. Colonel Wedgwood remarked "At the present time, on nearly all the loans that the Colonies raise, the Colonies pay interest at once, so that there is no burden on the British taxpayer" (HC Deb 18 July 1929). Guggisberg's critics – colonial office, capitalist merchants and elite cocoa farmers were very critical of his development ideas even though his programme was paid for by the colonies themselves. In spite of the general held view that the colonial administration was apathetic to colonial development, the commitment of Sir Gordon Guggisberg resonates with the important leadership qualities expected in developmental process state. The developmental state concept, as defined by Johnson (1982) is 'a state that is focused on economic development and takes necessary measures to accomplish that objective'. Woo-Cummings (1999) suggests "…a state's first priority will define its essence" and argues for developmental states to first of all focus on achieving economic development, and thereafter a welfare or equality state. Although with only seven years out of the ten years of the programme being fully implemented, Guggisberg's administration established reserve funds, doubled the average annual revenue of any previous septennium, and doubled the average annual trade (Greenstreet, 1964). Guggisberg's administration was developmental and defies the 'predatory odds' characterised by the colonial administrations prior to, and after the administration of Governor Guggisberg.

Another strand of Guggisberg's idea on colonial development was to enhance the human capacity of the Gold Coasters through the provision of educational and health facilities, aimed to improve the efficiency of labour to adapt to modern technology, improve employability and wages, as well as provide a beacon of good healthcare in the Gold Coast. Guggisberg's comprehension of development for the Gold Coast was beyond the perimeters of materialist development at that time, and of uncharted knowledge to the imperial capitalists. Although human capacity development was common knowledge and key to the economic development in Europe, the colonial development thinking in respect of the Gold Coast was averse to any such idea in the colony. Improvements in health and education - knowledge transfer of scientific and administrative acumen – were withheld from the Gold Coasters to protract European economic and political development, and consolidate imperial exploitation. 'Dependency' had been the widely held development theory for the colonies during the interwar period.

Dependency development refers to a capitalist idea of development that promotes transfer of raw materials from the colonies to western industries with exclusive rights to industrialised empires over colonial markets for accumulation of capital through exploitation. Possibilities for the colonies to assume a lead role with a view to manage their own development in the near future was not a matter of urgency to the CO. Indeed the colonial bureaucracy was not accustomed to the notion of human capacity building for the colonies at that time, and therefore viewed Guggisberg's idea to educate the indigenes as contentious, though ground-breaking two decades later. The indigenes travail for higher education and promotion in colonial administration were perceived by the CO as prototype of decolonization and perilous to imperial dominance. However, from his earlier engagement with the colonies, Guggisberg had become convinced of the development capabilities of the indigenous people when offered the necessary assistance. Guggisberg said, "…my practical experience... during the last twenty-seven years has convinced me that what individuals have achieved, in spite of ill-selected systems of education, can be achieved by the race generally, provided we alter our educational methods. …neither an African nor a European will have any claim to promotion to Staff Appointment on account of his colour, but because he is the best man for the appointment" (cited in Metcalfe, 1964: 601-602). Guggisberg justified the 'Africanization' scheme on the basis of reducing administrative expenditures and in the spirit of justice and fair play as it became economically and politically injudicious to maintain 481 expatriates and 28 senior African staff in the Gold Coast colonial administration by 1926 (Shaloff, 1974). The scheme aimed to bring some austerity measures to the colonial administrative budget and avert political unrest by the indigenous elites (Metcalfe, 1964: 601). However, the paradox of elite antipathy to colonialism held back the progression of the Africanisation of the colonial administration. As such, although many colonial administrations were conservatively detached from colonial development, a generalisation of all colonial policies as 'predatory' takes an exception to the exemplary commitment and achievements of Sir Gordon Guggisberg.

Another development during the Guggisberg era was the adaptation of a system of governance. Prior to the Guggisberg administration in the Gold Coast, Lord Luggard, a British soldier and later Governor of the Northern Nigeria Protectorate (1914-1919) had recommended for the adaptation of a 'dual mandate' and 'indirect rule' as forms of governance in the colonies (Luggard, 1926: 76). The 'dual mandate' enabled the Colonial Office in London to administer a colony for the economic interest of the metropole whilst promoting colonial development. Colonial governance by means of 'indirect rule' enabled the CO to rule the people of the Gold Coast through the local chiefs but under the strict supervision of the Gold Coast Governor. Although the CO did not reject Luggard's idea, the development fund available for colonial development a few years afterwards was minimal. The cumulative effect of the Colonial Office's attitude towards colonial development generated unrest in the Gold Coast and reverberated in other parts of British Tropical West African regions. The 1925 Gold Coast Constitution is credited to the diligence, commitment and good interpersonal skills of Sir Guggisberg. The constitution maintained the Governor's veto in all decisions, with an exclusive Eurocentric Executive Council, and official majority in the Legislative Council but provided the bases for indigenous contributions. By 1939, the Gold Coast Legislative Council had been expanded to include 15 official and 14 unofficial members (Price, 1967: 24). Of the 14 unofficial, 9 were Africans, 6 of whom were elected by the Provincial Council of Chiefs and 3 others elected by the Southern cities of Accra, Cape-Coast and Sekondi-Takoradi based on their property franchise. The 5 European unofficial members were representatives of the British Chamber of Commerce, Chamber of Mines, shipping, banking and mercantile interests. After Guggisberg was prematurely relieved of his post in 1927, his successor, Governor Richard Slater[5] introduced development views that were in contrast to his predecessor's as evident in his remark "that it would be difficult to find an African with the necessary independence and strength of character who would be reasonably acceptable to the native population who would be placed in his charge" (cited in Shaloff, 1974).

Guggisberg's main idea were the removal of transportation bottlenecks to open up production and trade in the hinterlands; introduction of cocoa taxes for socio-economic development; agricultural modernization for increased productivity and labour efficiency; promotion of education and social welfare for human capacity development; and review towards democratic governance and increased African representation. Given that the economic predictions of Guggisberg in relation to colonial development had won the admiration of the traditional authorities and indigenous elites, the Gold Coasters regarded as a tragedy for

[5] Sir Alexander Ransford Slater held the office of Governor of the Gold Coast as Governor from 1 April 1919 to 8 October 1919; Sierra Leone from 1922 to 1927; then again the Gold Coast from July 1927 to 5 April 1932.

colonial development his recall by the Colonial Office. A critical examination to the cause of Guggisberg recall suggests that it was an appeasement to the CO, capitalist merchants, and right-wing members of the British parliament. They have argued against Guggisberg's tax reforms and have regarded his ideas of colonial development as extravagant and economically unsustainable. Shortly after Guggisberg had departed from the Gold Coast in 1927, the revenue from cocoa exports decreased due to a fall in cocoa prices even though output increased from 210,000 to 230,000 tons (Frimpong-Ansah, 1992: 28). The removal of Guggisberg from office enabled the CO to retard colonial development. Development in the Gold Coast was reverted in line with the foremost imperialist mind-set that primarily saw the colonies as a resource to, and property of the British Empire. The overwhelming view of colonial development by the British government in the late 1920s was summed up in Parliament in Mr Barclay-Harvey's[6] comment "That this House is of opinion that the pursuit of a vigorous policy furthering Imperial trade and developing Imperial resources is desirable in the interests of the industries of this country and of the Empire" (HC Deb 14 March 1928). Once again a decade has ended with very little to note about the commitment of the colonialist towards the welfare of the colonised. Indeed, even though the colonist and the colonised had viewed colonial development from different perspectives, lessons of Guggisberg's theory within the constraints imposed by the economic management policy of the British Treasury leaves a legacy worthy of emulation by underdeveloped economies. The key exceptionality of Guggisberg was that, even though it was the Colonial Office's doctrine to keep government machinery to a minimum (Sederberg, 1967), he adopted other means to bring development to the Gold Coasters whom he regarded as his own people and believed in their ability to develop when privileged with a fair social relations.

[6] Sir Charles Malcom Barclay-Harvey served as MP for Kincardine and Western in the House of Commons from 6 December 1923 to 8 March 1939.

Chapter 4: The Political Economy of Ghana during the Colonial Era -1930 to 1950.

"The development of every state is intrinsically linked to good trade policies and diplomatic relations with other states" - De Freitas (1963).

4.1 The Evolution of Statutory Development Acts and Protracted Development in the Gold Coast.

This epoch is considered as an important landmark in the annals of colonial development in the Gold Coast because it delineates how Europe redefined her social relations with the colonies from 1930 to 1950. During this period, the capitalist markets in Europe and the United States experienced deep economic crisis and a major war. The simultaneous loss of confidence in the two major stock exchange markets, that became known as the 'London Stock Exchange Crash' and 'Wall Street Crash' of 1929 caused Economical Crisis management in the so-called Advanced West. This was followed by the 'Great Depression' of the 1930s and subsequently the Second World War from 1939 to 1945.

In Europe, high unemployment, low productivity, mass poverty, inter-state conflicts and loss of Britain's market share in Europe, North Africa and parts of Asia offered grounds for the British government to expand their imperialist exploitation by extending a series of restrictive economic stimulus to the colonies for expected returns. During Parliamentary Debate in the House of Lords on 9th December 1929, Viscount Elibank suggested that Britain has lost a significant amount of trade with her Colonies and Dominions to the United States, with the latter controlling 44 percent of global trade. He asked, "…what is being done to remedy this deplorable and dangerous state of affairs?" (HL Deb 09 December 1929). The fragility of the British economy was the key factor for the British government to summon a meeting with her colonies and dominions in the immediate year following the onset of the economic crisis.

In 1930, the Imperial Economic Conference was held to remedy the economic crisis in Britain with possibilities of residual benefits to the colonies. In December 1929 Lord Arnold stated “the object of this Conference is to consider and devise ways of increasing inter-Imperial trade” (HL Deb 09 December 1929). Lord Arnold’s narrative asserts the Empire’s position on trade expansion through a series of economic strategies including but not limited to protectionism trade and Keynesianism. The preferential trade policies of the Empire trade were a series of nepotistic economic strategies with political undertones that allowed the imposition of preferential tariffs on trade between Britain and her interests. The primary objective was to regain the Empire’s market share from the United States and to hold in check the ascension of US global hegemony.

Keynesian economic growth theory teaches us that with all other things being equal, economic growth is attainable through the judicious implementation of state-led strategies that encapsulates increased money supply, lower interest rates and increased government spending. During Parliamentary Debate on Empire Trade in March 1928, Captain Eden suggested, “If we are agreed as to that, then by what means does it lie in the power of the Government and in the power of this House to further Imperial trade? Many methods are open to us. There is, first, the method of preferential tariffs.” (HC Deb 14 March 1928). However, the economic and political challenges in Europe at that time had far reaching implications in the colonies and dominions of the British Empire. The roll back of colonial development in the 1930s was not in tandem with the expectations of the colonies who had begun to seek political autonomy with a view to advance their own development. For example, the protracted underdevelopment and political oppression in the Gold Coast gave cause to travail decolonization by the indigenous elites and traditional rulers. The Gold Coasters had believed that decolonization was necessary to accelerate local development because they saw colonial rule as auspicious to mundane development. As local opposition to colonialism grew, the Gold Coast people became more sensitized that the achievement of their desired form of colonial development lies with an indigenous government rather than the colonial government. The resentments in the Gold Coast as in other parts of British West Africa, resonated with the views held by many locals in the British West Indies. This made it imperative for the British government to take expedient measures with a view to retain her market share for raw materials and finished products, as well as to win their - African and West Indies - loyalty for the war.

Consequently, the colonial government reviewed her approach to colonial development in selected colonies and made accelerated policy reforms in her relations with her colonies through financial assistance as per the provisions of a series of Development Acts. Between 1929 and 1955, the British Parliament enacted six consecutive Colonial Development Acts, with each giving away a small extent of the colonial predation. The issues of contention in the Acts were about who should be the beneficiaries of colonial development, role of the metropolitan government in colonial development, who has rights to make decision, and financial control of development funds were key concerns that required reforms (Wicker, 1958). The concerns and mind-sets of the two key partners involved in colonial development – the metropole and the colonies – resonates with the Marxian class conflict and crisis inherent in capitalist production process. On the one hand, the colonial administration and the capitalist merchants believed that colonial development should benefit the metropole hence did not give considerable thought to the development needs of the colonies during legislation. On the other hand, the colonies presumed that colonial development should result in economic prosperity and development of the local economy. The differences in development thinking and expectations defined the social relations of both parties and the extent of reforms in successive development legislations. Meanwhile, the colonial government took a rather piecemeal approach to resolve these issues, allowing her enough time to consolidate colonial predation and retard colonial development. Even though the Development Acts evolved systematically during the three decades, the development thinking held by the British government and her social relations with the Gold Coast did not shift significantly from the existing exploitation and oppression to development in freedom. The Acts consisted of (i) the Colonial Development Act of 1929, followed by (ii) the Colonial Development and Welfare Act 1940; (iii) Colonial Development and Welfare Act 1945; (iv) Colonial Development and Welfare Act 1949; (v) Colonial Development and Welfare Act 1950; and (vi) the Colonial Development and Welfare Act 1955, with each making some improvement on its predecessor.

The development thinking of the Colonial Government in the affairs of development in the Gold Coast was similar to that in other colonies under the British Empire. The power to, and procedures for, the implementation of colonial development schemes in the Gold Coast were set out as part of the respective Acts of Parliament that evolved during the three decades. The respective Acts delineated the development thinking of the British Government in the affairs of colonial development. The Secretary of State for Colonies with the concurrence of the British Treasury cascaded the development thinking of the British Parliament in the forms of the Statutory Policies, Parliamentary Bills and official correspondences from the Colonial Office in London, for onward implementation through the Colonial Governors in the colonies. This vertical chain of administrative command was generally preferred by the British Government to guide against aberrations in development thinking that were contrary to the objectives of the imperial trade. The Colonial Office sanctioned Local Governors and officials who acted on their own beliefs and development thinking as in the case of Governor Guggisberg in 1927.

The principal cause of this chapter is to unpack the historical facts of the political economy of the Gold Coast during 1930 and 1950, and critically examine the developments that took place in this colony, in order to determine whether the British colonial administration was predatory in her social relations with the Gold Coast or not. It is a fact that the social advancement of a people is dependent on the exploitation of land and labour by capital, however, development as a comparative concept is possible when a reasonable proportion of the derived surplus (from exploitation) is put at the disposal of the people from whom the exploitation has been derived (Rodney, 1972, p. 149) and properly managed by a responsible authority. Given this, the nature of exploitation that was inherent in the colonial imperial trade system, cannot be said to represent the social advancement of the Gold Coasters. The colonial trade itself was marked by a pattern of consistent expatriation of labour surpluses to Europe by expatriate capitalist investors. This explains a paradox of underdevelopment in which the Gold Coast as a society with rich natural resources became underdeveloped relative to European states that were naturally endowed with lesser natural resource.

An overview analysis of this social relationship during this epoch cannot be overlooked in this study, as it brings into tandem the gap between the development resourcefulness of Sir Gordon Guggisberg (Gold Coast Governor, 1919-1927) and of Kwame Nkrumah – Ghana’s first Prime Minister (1951-60) and later President of Ghana (1960-66). A second aim of this chapter is to deconstruct the politicization of development in the Gold Coast, and unravel any misrepresentation of the Gold Coast political economy in the immediate period leading to independence.

4.2 The Colonial Development Act of 1929: An Introductory Statutory Colonial Development Plan

The epoch of expeditious evolutions in colonial development thinking began with the implementation of the first legislated policy of colonial development – the Colonial Development Act of 1929 that replaced the extemporary approach of its predecessor - the Chamberlain Policy. The significance of the Colonial Development Act of 1929, was that it allowed for the scrutiny of colonial development programmes, budgeting of an annual financial assistance to the colonies for colonial development, and served as the key impetus to future development initiatives as evident in the preamble of its successor - the Colonial Development and Welfare Act (1940). Moreover, the 1929 Act made statutory provisions for Parliamentary Appropriation of an amount not exceeding £1 million per annum to be disbursed among the British colonies for development and established an Advisory Committee for consultation on matters related to colonial development (Colonial Development Act, 1929).

In principle, these evolutions in British colonial policy can be argued as improvements in the social relations that characterised imperial production, trade and development between Britain and the Gold Coast from the early 1930s to the period leading to self-government. In practice however, the Colonial Office's commitment to, and capacity for colonial development were two different ideas. Although the British economy had emerged as one of the fastest growing economies by the dawn of 20th century, with the capacity to develop the primary hub of British industries – the colonies, her commitment toward development in the Gold Coast was dormant, with the exception of the Guggisberg administration. The colonial attitude towards colonial development during the nineteen thirties was traditionally right-wing except where the development initiative was generally beneficial to the objectives of the imperial system of production and trade (Crook, 1986). Indeed, prior to the enactment of the

1929 Colonial Development Act, the colonial government had adopted a relatively laissez faire attitude to the role of the state in colonial development and had only shown interest in economic programmes that benefited capitalist exploitation by the imperial colonist (Sederberg, 1971).

Having argued that, there were some changes in attitude, approach and individual initiatives to colonial development during this epoch that are also worth mentioning in this study. The Colonial Development Acts of 1929 made statutory provisions for the establishment of parliamentary committees with powers to make recommendations for colonial development, established the Colonial Development Fund, expanded the development schemes for consideration, and set statutory amounts for allocation for development in the colonies. For instance in 1929, the Colonial Development Act Advisory Committee was able to make recommendations to the British Parliament for the approval of loans from the Colonial Development Fund for the six schemes that the committee had considered appropriate for pursuance. The six schemes were for (i) transportation, (ii) agriculture, (iii) public health, (iv) education, (v) water supply, and (vi) other survey as recommended by the Colonial Development Act Advisory Committee. During Parliamentary debate in November 1929, Mr Lunn, the Under-Secretary of State for the Colonies informed the House that £1,020,310 being part of the £4,400,000 (estimated total cost for the six schemes recommended by Colonial Development Act Advisory Committee) has been disbursed to the colonies (HC Deb 06 November 1929).

However, a critical examination of the wordings in the Colonial Development Act of 1929, gives a misrepresented impressions about the true intent of the British government in the affairs of colonial development. This is because the phrasing of the Act even though seems to promote colonial development rather allowed the colonial administration to directly predate on the Colonial Development Fund through the powers vested in the Treasury. Under Sub-section (4) of the Act, “All sums issued on account of moneys provided by Parliament under this section shall be paid into a fund to be called the Colonial Development Fund" …, however Sub-section (7) of the same Act empowers the Treasury to invest any moneys standing to the credit of the Colonial Development Fund in Government securities (Colonial Development Act, 1929). The essence of this provision is undoubtedly to accumulate interest for the British Treasury, bearing in mind that the Act wilfully disallowed unspent monies to be carried forward into another year for disbursement to the colonies. Consequently, the British Treasury did not disburse the whole allocated amounts that had been voted by parliament for development, and profiteered by investing the unspent amount for interest at a time when colonial development proposals were rejected without recourse to appeal.

Sir H. Young’s comment during Parliamentary debate on 18th July 1929, affirms the Treasury’s position that it was not obliged by the Act to dispense the total amount of £1 million voted for all colonial development. Sir Young stated, “We received the impression that this was to be a true grant-in-aid, and that we were to vote a sum, not necessarily £1,000,000 every year, to the Colonial Development Fund. …it is not to be a Vote to' the Fund, but a Vote for the specific purposes for which the Fund is to be employed. Therefore, unless these specific purposes can be fully advanced in the year, there may be a short issue” (HC Deb 18 July 1929). At the end of the eleven year period, 1929 to 1940, only £6.4 million had been expended even out of the £9 million that had been appropriated by Parliament (Wicker, 1958: 175). The differences being invested outside the colonies for profits by the Treasury was a direct predation on the meagre appropriation for colonial development.

The development thinking related to the Colonial Development Act, 1929, demonstrates the extent of predation and lasses faire attitude of the state in her role to colonial development.

During the debates in 1929, two senior members of the British upper house of parliament - the House of Lords – made corroboratory remarks that give the impression that the Colonial Development Act 1929 was not mainly intended to develop the colonies but rather to resolve unemployment in Britain. Both Lord Privy Seal - who introduced the Colonial Development Bill, and Lord Passfield[7], suggested that the principal motive of the bill was as a measure to resolve the lamentable conditions of unemployment in Britain. The development thinking of Lord Passfield for example, in relation to the Colonial Development Act 1929, was that the Act was a means to imperial interest. Having previously served as the President of the Board of Trade in 1924, and as the Secretary of State for Dominion Affairs, the relatively socialist Labour peer stated "the principal motive of this measure is connected with the lamentable conditions of unemployment in this country, and this is an attempt to stimulate British export trade", (HL Deb 5th Series LXXV, col. 173). The bill was introduced with the preamble "this measure has been introduced by a Labour government, not only because we believe in colonial development and because it is urgent, but because I think it will assist me in carrying out my ideas of dealing with unemployment" (HC Deb 5th Series, CCXXIX, col. 1300). Given these parliamentary narratives, it would be inaccurate for Wicker (1958) to suggest that the Colonial Development Act of 1929 was principally aimed for colonial development because it set into law a system of unbalanced development in the social relations of Britain and her colonies.

As suggested at the Imperial Economic Conference in 1930, the Colonial Office had relied on the economic imperativeness of Keynesian 'multiplier effect' concept to provide funds to the colonies with a view to stimulate economic growth during the 'Great Depression'. This was against the background of negative economic growth in the British economy as world trade

[7] Lord Passfield – Secretary of State for Colonies (1929-31) noted that the principal motive of the Colonial Development Act of 1929 was connected with the lamentable economic conditions in Britain.

fell by a half, outputs of heavy industry by a third, 3.5 million unemployed labour force and overall fall in employment profits. Meanwhile, the magnitude of unchartered developments and the siphoning of statutory appropriation by the Treasury meant that colonial development was inevitably underfunded. In 1933, a Keynesian counter-cyclical public spending approach was cautiously adapted by the Colonial Government in her trade and development engagements with the Gold Coast. In his book 'The Means to Prosperity' published in 1933, Keynes argued for increase in government spending to induce a rise in aggregate demand, with a view to boost economic activity through a 'multiplier effect' concept to reduce unemployment and deflation. The Chamberlain policy, though not part of the 1929 general election manifesto of the Labour party, was hastened for implementation at the onset of MacDonald's administration. However the honest objective of the colonial investment was not for colonial development and the adaptation of Keynesian economics in the colonies was strongly doubted. For instance possibilities of a Keynesian style development in the Gold Coast as in other colonies was contested by many academics at that time. In Schumpeter's (1946) view "Practical Keynesianism is a seedling which cannot be transplanted into foreign soil, it dies there and becomes poisonous as it dies".

Moreover, the operations of the Colonial Development Advisory Committee was influenced by the interest of home industries. The committee to a large extent adopted a 'quid pro quo' attitude whereby it made favourable recommendations for the disbursement of funds to schemes that ordered machinery and capital equipment from British industries. By the same token subsides were introduced to British manufacturers and exporters to reduce the cost of production and make prices of finished products competitive with a view to increase profit, savings, investment and reduce unemployment in Britain. In effect much of the colonial development budget was never transferred to the colonies for the presumed multiplier effects but remained within the British economy. The Colonial Development Act of 1929 Act was thus ‘a means rather than an end’ to the overall imperial objectives.

These suggestions do no negate the possibility that a minority of British politicians, scholars and good hearted public had genuine desires for colonial development in the long term. The facts about the real motives for colonial development has not been fully explored. Whereas (Wicker, 1958), suggests that any benefits that had accrued to Britain out of the 1929 Act were only ‘sequential and subsidiary’ Abbot (1970), points to the rigidity and deleterious character of the 1929 Act with an overall heavy indebtedness to the colonies that militated against any developmental opportunity for the colonies. Despite the complex nature of colonial development, the development thinking of the colonial government and achievements of the Colonial Development Act of 1929 was an improvement of the Chamberlain Policy and established the foundation for statutory mechanism for colonial development with systematic improvements of future schemes. Its main setbacks had been the underfunding of development schemes, limitations it placed on the Advisory Committee to make recommendation for capital projects and tenacity to the predatory objectives.

4.3 Colonial Development Act (1929) and the Gold Coast: Conservative Predatory State

In 1929, the Chamberlain Colonial Development Policy of 1895 was metamorphosed into the Colonial Development Act of 1929 with a ‘conceptual hangover’ as it bore identical characteristics of its predecessor (Abott, 1970). The Colonial Development Act (1929) made provisions for Parliamentary appropriation of an annual development budget of up to £1 million for all colonial development in the British Empire to stimulate production and trade (Colonial Development Act, 1929). Of this amount, the Gold Coast received between 1930 and 1940, only £142,002 for an agriculture scholarship, urban electrification and water supply (Frimpong-Ansah, 1992: 24). This represents a meagre 1.42 percent of the total disbursement for colonial development during this period and represent only a small fraction of government expenditure in the 1920s for any particular year. This elucidates the discriminatory approach to individual nation's development programmes and capacity as well as conservative strategy by the colonial predatory state to retard development through cut backs of budgetary expenditures for colonial development. Budgetary expenditures in the Gold Coast was reduced from £4,252,000 in 1928 to £1,737,000 in 1933 as cocoa export price halved from £49 to £21 per ton for the same period (Ingham and Simmons, 1987). In essence, the Colonial Development Act of 1929 was a change to course of action in relation to the Guggisberg's development programme because it constrained development expenditure. Other factors that led to the contraction were the lack of commitment and interpersonal skills on the part of succeeding governors. These militated against the government's ability to have the local's support for extraction of taxes for development. For instance, during Governor Slatter's administration, the locals demanded for self-government when the colonial administration attempted to introduce an indirect tax.

Moreover, the few development schemes that were recommended by the Colonial Advisory Committee were mainly aimed to generate simultaneous economic benefits for the expansion of imperial trade and industrialisation. In addition to the meagre loan facilities when compared to government expenditure under Guggisberg, the Act lacked a true commitment to colonial development because there was no compelling requirement to develop the colonies except that directed by the imperial interest. The preambles in Part (1) and (2) of the Act – Power to make advances for the purposes of colonial development – did not obligate the Colonial Office to fulfil the objectives of the Act. For example, in Part (1), "the treasury, with the concurrence of the Secretary of State for the Colonies……may make advances to the Government of any colony…." (Colonial Development Act, 1929). The wordings conferred no obligation on the Colonial Office to ensure economic development in the colonies and thus fell short of the expectations of the Gold Coasters. More so, the unhealthy interpersonal relations that transpired between the colonial administration in the Gold Coast and the cocoa farmers did not lend itself for collaboration to proper implementation of micro and macro-economic policies – price stabilization, indirect tax and marketing of cocoa – to yield best economic results for development.

The inadequacies of the 1929 Act and the protracted deplorable conditions in the colonies led to a social force of labour and political unrests that required for the establishment of Commissions of Inquiry by the British government. But after all, there was no intent for a colonial development as reiterated by Mr Glenvil Hall in the House of Commons on 7th February, 1945, where he argued that, "Within a few weeks of the Election held in that year, the then Lord Privy Seal, not in order to help the Colonies, but in order to try and find a solution of the unemployment problem in this country, introduced the first Colonial Development Bill, in the late spring of 1929" (HC Deb 07 February 1945). Given that the Colonial Development Act of 1929 was the first presumptive statutory development plan, it can only be expected that subsequent legislations would bring the needed improvements in colonial development to make better the setbacks of the 1929 Act.

4.4 Colonial Development and Welfare Act of 1940: Consolidation of Colonial Predation

In the early 1940s, the colonies and dominions of the British Empire committed their troops to fight on the side of their colonial master in the Second World War (1939-45). As the war progressed it became imperative for the British government to demonstrate reasonable commitment to the development and welfare of the colonial people. The implications of the war reinvigorated the search for more efficient capital-intensive methods of food production to meet home and war demands as well as enable the redeployment of manpower for the war.

The circumstances that prevailed during this period shifted development thinking of the colonial government from being passive and conservative to find new ways to consolidate her imperial relations in production and trade. The main contributory elements to a rethink and review of colonial development policies during 1940s were the implications of the Second World War and global pressures for decolonisation. Of the influential persons in the Colonial Government during the early part of the Second World War, the most eminent have been Lord MacDonald – Secretary of State for Colonies (1938-1940); and Lord Moyne – Secretary of State for Colonies (1941-1942) whose development thinking of 'dependency' dictated the pace of colonial development and Sir Arthur-Lewis whose 'modernisation' idea was relatively less predatory. But it was the ideological rivalry between Western capitalism and Eastern communism with possibility for colonies to sway their allegiance to the east that compelled the British Empire to set up a commission of inquiry.

The West India Royal Commission – chaired by Walter Edward Guinness, 1st Baron Moyne and Secretary of State for the Colonies (1941-1942), was established to investigate the causes of the unrest and to make recommendations. However, unlike other previous commissions that had concluded that violence in the colonies was 'unprovoked', members of the Moyne Commission asserted that "the resistance that disrupted in the Caribbean was not a spontaneous uprising with lofty cause but rather a demand from the labouring class for better and less restrictive lives"(Basdeo, 1983). The report revealed that the colonial power structure and imposed institutional barriers have reduced the labouring population, to conditions of mere subsistence.

The deplorable economic conditions in the West Indies resonates with the situation in British West African colonies due to their similar economic structure of predominantly agrarian economy borne out of the idea of 'dependency'. Price falls of agricultural produce affected general revenues, wages, industrial profits, employment, provision of social services and general standards of living. Findings of the Moyne Commission were not so different from the conditions in the Gold Coast at that time. The commission learnt that the inauspicious fall of revenue from agricultural exports had rendered colonial governments incapable of funding development, and has therefore contributed to industrial strikes and social upheavals.

The recommendations of the Moyne Commission were incorporated in the Colonial Development and Welfare Act (1940). However this failed to address the general economic problems of the colonies and inspired indigenous political demands for decolonization. The deplorable economic conditions that were evident under the dependency theory of development, created a social force delineated by labour unrest and increased momentum for decolonization. Dependency theory represents the chief development idea of the colonial administration in the 1940s to the effect that resources must flow from the underdeveloped colonies to the metropole to develop the latter at the expense of the colonies. The minimalist approach to colonial development and repressive responses to relatively socialist ideas to development (Lewis et al., 1951), by the British Government rather encouraged indigenous political activism in the Gold Coast. Agricultural policies in the Gold Coast were mainly designed to support the imperial trade system, the establishment of a few secondary industries were to produce items of less monetary value. The metropole was to retain the real value of the sterling to encourage the importation of finished products to the Gold Coast, with strict adherence to the economic management concept of the British Treasury.

During this period the Colonial Economic Advisory Committee (CEAC) rejected the expert advice of Sir Arthur Lewis for a state-led development, agricultural modernisation, industrialisation, proper research and development planning, and change of attitude to colonial development (CO/852/1003.3). The most prominent and feasible colonial development strategy in the late 1940s was postulated by Sir Arthur Lewis, a development economist and a member of the CEAC in the Colonial Office (CO). The two requirements for African development – African participation and foreign investment in agriculture (Lewis et al., 1951: 70-75). As the CO was not obliged by the recommendations of the CEAC, the latter's role was purely advisory. The political and economic effects of the Second World War – economic depression and emergence of the Cold War politics – presented growing challenges to the CO in the management of the colonies. Parliamentary deliberations in London about colonial management was mainly focused on how to appease the colonies with superficial economic development to procrastinate the growing demands for independence and to prevent defections to the East in the aftermath of the Second World War. As many colonial resentments were predominantly economically motivated, the CEAC was charged to advice the CO on the disbursement of a limited Colonial Development and Welfare Fund and to recommend development plans that demonstrated the 'good intent' of the British government to develop the colonies. The Lewis Colonial Development Strategy, though rejected by the CO, consisted of the idea for a radical but systematic agricultural and industrial revolutions. This was to incorporate agricultural modernization and good economic management with expeditious industrialisation of the agrarian economy towards sustainable economic development. His principal idea of colonial development theory was that "in any programme of colonial development, agriculture must come first", (CEAC, 1944: 7-8). But increased agricultural output per se was only part of the solution to the colonial development problem, as price fluctuations of agro exports made it implausible to adopt a unilineal agro-based approach to development in the colonies. Industrialisation of the agrarian economy of the Gold Coast was therefore touted as inevitable to the stability of development capital due to the ability of industrialised economies to withstand the effects of price fluctuations in capitalist markets. Although the prima facie of colonial development is proven by increased agricultural productivity, there was more to achieve through the provisions of infrastructure, modernisation and effective economic management of agriculture (Frimpong-Ansah, 1992: 26-27). Yet even in the event of increased agricultural productivity, development capital could not be guaranteed as it was not feasible to rely on external development funding and unsustainable government revenue. The economic problems in the Gold Coast was exacerbated by the colonial economic management policy that restricted colonial development funding and touted the generation of internal capital for development. In this view, fluctuations in government revenue presented a huge problem to development. To mitigate the negative effects of price fluctuations in relation to development capital, industrialisation was to serve as the buffer to absorb the unpredictable capitalist market of the war era. The colonial government was therefore expected to assist with the enlargement of farms and promotion of greater knowledge through its modernisation and economic management policies. However Lewis' idea of a state-led development approach was resented by the Colonial Office who was not prepared to accept this responsibility due to the financial burden that was attached to it.

Despite the rejection, it became obvious to the British government that an improvement to the provisions of the Colonial Development Act of 1929 was the best way to maintain her economic and political relations with the colonies. This contributed to the promulgation of the Colonial Development and Welfare Act of 1940 that came with a shift in development thinking from the previous approach of colonial self-sufficiency to being more involved in colonial development. The Act provided for the establishment of the Colonial Development and Welfare Committee in the British Parliament to oversee the planning and review of colonial developments. The provisions of the 1940 Act reinforced the role of the Economic Department of the Colonial Office to cater for the expanding responsibilities related to colonial development. The establishment of the Colonial Development and Welfare Fund came with an increased annual disbursement of £5 million (previously £1 million) for the succeeding ten years because low funding had been the primary failure of the previous Act. The fund was to cover for existing and new colonial development initiatives with key emphasis on the expansion of agriculture through research studies. The Act made an additional provision for the appropriation of an annual amount of £500,000 for colonial research (Colonial Development and Welfare Act, 1940). Statutory provision was made for the establishment of an international marketing bureau to aid the contraflow of information in relation to trading opportunities in the colonies, with a view to increase production, trade and revenue. Moreover, there was the inception of a Social Services Department to facilitate the social well-being of the Gold Coast people (Colonial Development and Welfare Act, 1940). Compared to the previous amount of £142,002 as per the 1929 Act, the Gold Coast received an amount of £858,778 over a ten year period under the 1940 Act to cater for electrification, water, education, and agricultural research (Frimpong-Ansah, 1992).

Although an advancement of its predecessor, the provisions of the Colonial Development and Welfare Act of 1940 was inadequate to the surmountable development needs in the Gold Coast; the Act did not amount to any significant change to the prevailing lukewarm attitude of the Colonial Office. The evolution in development thinking of the colonial government in relation to the Colonial Development and Welfare Act of 1940, even though was thought of as an advancement of its predecessor in terms of the amount of colonial aid and projected scope of colonial development, was actually an attempt to consolidate ‘empire predation’. A government-led development approach was not favoured by the Colonial Office because it militated against the economic management principle of the British Treasury. During parliamentary debates in 1942, Sir Edward Grigg expressed his disapproval about how the

Colonial Office had engaged in Empire politics and under resourced colonial development. He argued that "I do not wish to disparage the importance of Scotland. But think of the attention one gave to the 5,000,000 people in Scotland compared with the attention we gave to 75,000,000 in the Colonial Empire… this office is treated as a counter in the ordinary process of English politics, and that, when changes are made they are prompted by the convenience of politics in this country and not by the convenience and welfare of the many millions at stake" (HC Deb 26 November 1942). The politics inherent in colonial development thinking was essentially for the interest of the metropolitan few and not for the interest of the colonial majority.

The politicization of colonial development by the Colonial Office was more apparent in the late 1940s as Britain become even more determined to retain her influence over the colonies during the decolonization era. Being the life blood of a nation's development, colonial politics was vital to the colonial administration to maintain the loyalty of the colonies during and after the war. During the Second World War, the political economy of the Gold Coast became very much influenced by demands of the war as the colony provided for economic supplies, markets for finished products and transit route for British and American troops. The Gold Coast was viewed as the oasis for Western troops travelling to the Far East during the war as economic activities in the cities of Accra and Takoradi were directed towards the crucial needs of the war. This transformed the pattern of agriculture towards the promotion of growth and storage of food crops for the troops in lieu of cash crops for export. This became even more imperative as Britain lost to Japan in 1942, some of her Asian colonies that had hitherto been part of the British Empire's source of food and raw material supplies. Consequently, the Gold Coast colonial administration encouraged the diversification of agricultural production to remedy these shortages. Victory on the other hand, meant that new markets emerged for British products and thus increased demand for agricultural raw materials from the British colonies. In 1943, the West African War Council was established and charged with the responsibility to supervise the complex demands of the war with the principal objective to achieve targets for increased food production for the troops, advice on the general management of each colony, and the overall coordination of colonial development (Frimpong-Ansah, 1992).

On the advent of decolonization, the Gold Coast was offered the option to join the new Commonwealth of Nations (formerly British Commonwealth), to become eligible for financial assistance from the Colonial Development and Welfare Fund, among other benefits. The Colonial Office was faced with the dilemma of being active or remaining passive. Thus whereas an accelerated programme of agricultural modernization and industrialisation was not thought of being in the metropole's interest, being passive to such development gave support for decolonization. However, impediments to colonial developments were discretely encouraged in the areas of industrialisation, science and technology, and human capacity development to procrastinate decolonization. Remarkably, the colonial modernization agenda that was aimed to transform the traditional systems of production through the establishment of import substitution industries, was predicted to instigate unbalanced economic development even in the midst of growth (Lewis, 1954; Hirschman, 1958). Furthermore, the abstract assumption that African political leaders and policy makers would consolidate the expanded agricultural sector for domestic and external markets also failed (Frimpong-Ansah, 1992). This practice of colonial development was part of the general colonial policy implemented across sub Saharan African territories, West Indies and other protectorates but generated economic problems with political implications.

Although the socially constructed presumption of the indigenes was that the Colonial Development and Welfare Act (1940) has come as an improvement of its predecessor, the Act was insufficient to the realisation of satisfactory economic development in the colonies. Inadequate funds for colonial development, exploitation of colonial resources, and inauspicious rent seeking behaviour of the colonial administration contributed to the development gap between SSA and Europe. During a parliamentary debate on 26th January, 1944, Lord Listowell – who later succeeded Sir Arden Clarke as Governor General of the Gold Coast - mooted for increased direct financial assistance to the colonies and a review of the colonial tax system. He remarked that, “There is no doubt that the £5,000,000 a year which was voted by us under the Colonial Development and Welfare Act will be a mere flea-bite. Nor should it be forgotten that the preferential duties which are paid by our 527 Dependencies, even if they do not contravene the terms of any treaty, are, in fact, an offence against the spirit of trusteeship” (HL Deb 26 January 1944).

Moreover, the adaption of the dual-sector or ‘Lewis’ model to neutralise the movement of labour from the agricultural sector and the proposed industries was rejected. The Lewis model aids to redistribute surplus labour between the subsistence and capitalist economies of production. The model determines wages by the marginal returns of labour, so that labour is transferred from where it is overpopulated with zero marginal returns (agricultural) to where it is underpopulated with higher marginal returns (industrial) until the marginal returns of both economies in terms of wages equate to make it unattractive to transfer labour(Lewis,1961).

In effect, the Colonial Development and Welfare Act (1940) was no better than its predecessor with regards to its non-consultative and predatory approach to colonial development schemes. As per Section (1) of the Act, the Secretary of State for Colonies with the concurrence of the Treasury was “authorised to make schemes for any purpose likely to promote the development of colonial resources and welfare of its people” (Colonial Development and Welfare Act, 1940). The CDWA of 1940 was short of a binding concession to obligate the Colonial Administration to allocate a fair percentage of Gross Domestic Product for colonial development, and was not in keeping with development needs of the Gold Coast. For instance, a budgeted percentage of the total revenue generated from the economic activities in the Gold Coast would have ensured that the colony got a fair portion of the extractions from its natural environment for development. That being said, the colonial development loans, repayable with interest to the British Treasury, was sourced from the reserves of colonial exploitation (Rodney, 1972).

Despite the inadequacies of the 1940 Act to meet the rising development expectations of the Gold Coast people, its significance lies beyond the advancement of physical infrastructures in the Gold Coast. During the Second World War, Britain successfully persuaded her colonies for the latter’s collaboration in matters of political and economic nature as the war had put constraints on colonial development. For instance by 31st March, 1945, the British Treasury had disbursed only £150,000 towards the implementation of 51 research initiatives that actually costed of £414,128 (CO/28001/7/50). The limitations of the 1940 Act, rise in anti-colonial activism, and changes to global politics after the Second World War compelled the British government to make far-reaching reforms in her approach to colonial development as enshrined in the Colonial Development and Welfare Act, 1945. Although the 1940 Act was no real improvement of its predecessor for its predatory policies (Frimpong-Ansah, 1992: 25), it made efforts to improve the role of the state in colonial development, and granted increased but not substantial participation of indigenous participation in decision making at the local levels (Ward 1967: 322-323). Post-World War II economic conditions and associated political upheavals in the colonies also contributed to the gradual review of colonial development thinking.

4.5 The Colonial Development and Welfare Act of 1945

By 1945 the Second World War had come to a close with the establishment of a supranational organisation - the United Nations - to foster global peace through diplomacy, promote development initiatives, advance human rights advocacy, and use force as last resort to resolve conflicts. The imperativeness of the restoration of peace was twofold. Firstly, it encouraged the colonial government to increase financial assistance for development with a view to enhance agricultural productivity in the colonies to provide raw materials to meet increased supply needs of British industries. Secondly, it increased the colonial sentiments for decolonization, but the latter was kept at bay. It was also presumed that the colonies would be able to increase their revenue base to defray the cost of colonial development. On 31st January, 1945 Colonel Stanley (Secretary of State for Colonies, 1942 to 1945) first presented amendments to the Colonial Development and Welfare Act of 1940 that was subsequently replaced by the Colonial Development and Welfare Act of 1945.

On 15th February, 1945, J.B.Williams of the Colonial Office wrote on behalf of Colonel Stanley to A.J.D.Winnifrith of the British Treasury to seek the latter's support in making a case to the British Parliament for an increase to the colonial development budget (CO/9275/62/45). This was in response to significant numbers of applications for development received by the Colonial Office from the colonial administrations in the various colonies. In April, 1945, the Colonial Development and Welfare Act of 1945 was enacted by the British Parliament. The Act increased the amount that may be provided by Parliament towards colonial development schemes to £120 million for a period of ten years ending 31st March, 1956 – an improvement from £5million to £12 million annually (CO/28001/7/50). Of this amount, an aggregate expenditure not exceeding £17.5 million was permissible in any financial year for colonial development with additional flexibility to utilize any unspent fund in the following years. This was an improvement to the previous Act that allowed the Treasury to invest unspent monies for interest. In addition, Research funding was increased to an amount not exceeding £1 million per year. The provisions in the 1945 Act replaced the previously fixed sum of £5 million and £500,000. These increases in development funding marked a crucial change in the development thinking of the Colonial Office, and a presumable intent of doubled effort in colonial development initiatives in the colonies. However, the economic management position of the British government was to remain in many respects. Colonial development was to be funded from colonial resources but the metropole reserved the right for ultimate decision making. This was re-emphasised in a despatch from the Secretary of State for the Colonies to Parliament in which there were unequivocal suggestions that the financial provisions of the 1945 Act had been made in anticipation of an improvement in the economic position of the Gold Coast and other colonies.

Colonial development in the Gold Coast was dependent on the improvement in productivity and economic efficiency of the Gold Coast economy, and not by the benevolence of the Colonial Government or a marked change in colonial development thinking. “In the long run”, Colonel Stanley said, “the social standards of a country must depend upon its own resources, must depend upon the skill and energy of its own people, and the wise and full use which they make of their internal wealth” (HC Deb 07 February 1945). In the aftermath of the war the people of the Gold Coast increased their demand for decolonization and political freedom to manage their own resources. However, as the Secretary of State for Colonies had earlier suggested, Her Majesty's Government was convinced that the administration of British

Colonies must continue to be the sole responsibility of Great Britain, the question of Colonial self-government was not a sine qua non for the colonies (HC Deb 26 January 1944). In the Gold Coast economy, the export and producer prices of cocoa have recovered to over five times the 1928 base rate, with gold retaining its status as the dominant non-agrarian export commodity (Frimpong-Ansah, 1992: 64). As cocoa regained its profitability, the interest on loans for agriculture became very expensive to as high as a hundred percent. Moreover, the restrictions imposed by the colonial administration on the use of road transport to sway usage to rail transport (with a view to recoup the cost of railway construction) resulted in higher transportation cost to the farmers. The high interest on loans and transportation cost gradually eroded the profitability of cocoa farming in the subsequent years. Another problem worthy of mentioning was that with increased profits and complacency of the colonial government, the formation of cartels became attractive to capitalists to exploit cocoa farmers (Bates, 1983). To mitigate the impacts of the cartels on the farmers, the formation of the West African Produce Control Board (previously Cocoa Control Board) was timely to avert the demise of the cocoa industry. A key aspect of colonial predation during the latter part of this period was a series of economic management policies - devaluation of the pound, exchange and trade restrictions - that were introduced by the metropole retracted colonial development and improved the exchange rate of the pound sterling (Frimpong-Ansah, 1992). Perhaps the economic management policies had been thought of as an easier option for the British Empire to redeem herself from the debts of the war at a cost to no other entity but the colonies who devoted their lives and money to support the metropole in the war. On 7th February, 1945 Colonel Stanley said “During the course of the war many colonies have built up considerable balances of their own, which in many cases have been lent to His Majesty's Government for the purposes of the war, free of interest” (HC Deb 07 February 1945). These fiscal and trade policies initiated by the Colonial Office offset the gains made by the colonies during the war.

4.6 The Colonial Development and Welfare Act of 1950

The period after the World War II was marked by political upheavals in the colonies for economic development and further improvement to the parliamentary appropriation for colonial development. The Colonial Economic and Development Council (CEDC) established in 1946 was tasked to formulate a ten year development plan with an allocated appropriation of £120 million for disbursement among the colonies. In 1951, the council completed its work and was dissolved. In the early 1950s, the Colonial Empire encountered demands for decolonization and transformation of the global political economy. The Commonwealth of Nations (formerly the British Commonwealth) was charged with new responsibilities to former and existing colonies. This was an era when Imperial Western Powers in Europe gradually submitted to United States hegemony, and a Cold War ensued between the US and the USSR (now Russia). The global political economy was more partitioned into two folds – the West comprised of the US and her relatively Western capitalist allies; and Russia and her relatively Eastern socialist allies.

In the Gold Coast, the struggle for political autonomy was led by the educated indigenes, traditional rulers, wealthy farmers, and ex-combatants of the World War II who had served on the side of the British and were opposed to colonial predation and oppression. Although by this time the people of the Gold Coast had viewed colonial governance as deleterious to economic development, the paradigm and appropriate time for a transition to constitutional self-governance was indeterminate. The constraints to a committed and capable state, required capital investments and appropriate expert advice constituted the three main factors that militated against increased production and development in the Gold Coast during the 1950s. The establishment of the Cocoa Control Board was necessary to stabilise the cocoa producer prices and sustain the industry from collapse in the face of uncertainties in the European money market. However, the Colonial Office politicized this initiative by awarding honours to indigenous lobbyist who acted in the interest of the imperial government (Bauer, 1984 as cited in Frimpong-Ansah, 1992).

On 6th December 1950, Arthur Creech Jones - the Secretary of State for the Colonies, motioned for the early establishment and development of Colleges and rapid Africanisation of the Public Services to develop the human capacity of the Africans. He remarked that "development of Colleges in West Africa is a matter of paramount importance on both political and economic grounds. In these days of full employment in this country the recruitment of such people from here is a matter of great and continuing difficulty… We should set University Colleges….. It is only in this way that we can find the Africans who will be qualified to fill the big gap which now exists" (Colonial Office circular, 97357/50). This narrative confirms that the Africanisation of the colonial public services was inextricably linked to full-employment in Britain and the need to reduce the rising high current expenditures of colonial employees in the colonies at that time. This fed into the narratives for self-government as economic conditions in the Gold Coast deteriorated.

Though the idea for self-government had been touted by the people of the Gold Coast, it was the arrival and radical ideas of Kwame Nkrumah (First Prime Minister and President of Ghana) that gave impetus to the attainment of self-government from British colonial rule in the Gold Coast. Nkrumah had accepted an invitation from the United Gold Coast Convention (UGCC) – led by J.B. Danquah[8] - to join the party as its general secretary in 1947. During his time on overseas studies, Nkrumah had devoted his time to African Studies in the fields of Pan-Africanism and De-colonisation, and had favoured the relatively socialist approach to

[8] Dr Joseph Kwame Kyeretwie Boakye Danquah, affectionately called JB (18 December 1895 – 4 February 1965) – A founding member of the UGCC, a lawyer, politician, Pan-Africanist, scholar, brother of Nana Sir Ofori Atta I, member of the Legislative Council, one of the 'Big Six' and great-grand uncle of Ghana's current president – Nana Addo Dankwa Akuffo-Addo. He was detained at the Nsawan prisons on charges of subverting the CPP government and died of heart attack whilst in detention. He is revered by many Ghanaians.

socio-economic development with a strong belief that the African is capable of governing and developing herself when free from foreign oppression. During his membership with the UGCC party, Nkrumah advanced his intense dissent to colonial subjugation and advocated for radical reforms towards self-government. The tremendous charisma of Nkrumah and his developmental visions for nascent Gold Coast led to the formation of mass based political movements that socially engineered the struggle for immediate self-government. The dissent between the UGCC's proposal for 'self- government when possible' and Nkrumah's idea for 'self-government now' contributed to Nkrumah's resignation from the UGCC. Nkrumah's development thinking somewhat resonates with Lewis', that the success of Western Colonial statesmanship in Africa – to control and guide the forces of nationalism and social revolution towards political autonomy and economic industrialization – would be far-fetched unless it acts with rapidity in response to social forces in the colonies (Lewis et al.,1951: 11-12). To Nkrumah, political independence was a means to economic autonomy and development. In January, 1948, a two-month organised boycott against goods imported by the Association of West African Merchants – a consortium of capitalist merchants - popularly referred to as 'AWAM' which literally means 'dishonesty', was supported by the UGCC to compel the consortium to reduce the prices of imported goods. The post war economic conditions in the Gold Coast were made worse by high inflation, unemployment and low wages. On 28th February, 1948, a group of Gold Coast veterans marched to petition Sir Gerald Creasy (Governor of the Gold Coast, 1948 -1949) at the Christiansburg Castle about the lamentable conditions of service. In the event three veterans were shot dead from six shots fired by Superintendent Colin Emery – British police officer. The tragedy stirred up civil disobedience and looting of shops in the capital, Accra and rapidly spread across other regions. In March of the same year, Creech Jones - Secretary of State for the Colonies- confirmed to the British Parliament that the movements of Nkrumah and five founding members of the UGCC - ‘the Big Six’ - be restricted under the Emergency Powers Order in Council of 1939 for public safety (HC Deb 24 March 1948). The other five of the ‘Big Six’ were Ebenezer Ako-Adjei, William Ofori Atta, Edward Akufo-Addo, Joseph Boakye Danquah and Emmanuel Obetsebi-Lamptey. All six were put in solitary confinements at different locations across the southern and northern parts of the Gold Coast. They were freed in April, following several demonstrations by the locals. In the midst of the unrest a Commission of Inquiry, the Watson Commission, was set up by the Colonial Office to investigate the causes of the disturbances in the Gold Coast and make recommendations (CO/964). However, during its hearings, Nkrumah felt betrayed by his colleagues with particular reference to alleged socialist sentiments within the UGCC, and therefore decided to exit the party as he became inconsolable to efforts to retain him. The committee recommended for the urgent formation of a multi-party political system to facilitate democratic elections. In 1949, the Conventions Peoples Party (CPP) was formed with Nkrumah as its leader.

Sir Charles Arden-Clarke, (Governor of the Gold Coast, 1949 – 1957) implemented the recommendations of the Watson Commission but precluded Nkrumah from important political deliberation due to the belief that Nkrumah had maintained his radical approach to self-government. In response, Nkrumah initiated a ‘positive action’ of general strikes to oppose the imperialist economy in the Gold Coast. He was incarcerated in January, 1950 and released in February, 1951 after the CPP had won a landslide victory in the first universal adult suffrage held in SSA. Nkrumah accepted the position of ‘Leader of Government Business’– in lieu of prime minister in the Legislative Assembly, but was relentless for immediate self-government. His ardent views of political freedom as a necessity for economic development was key in his campaign. That political autonomy would usher in economic transformation was evident in his remark “we prefer self-government with danger to servitude in tranquillity” (Biney, 2008). Nkrumah hypothesized that government investment in capital infrastructure and human development were the basis for rapid industrialisation and economic development. Yet the crucial problems at that time were the constraints to development capital and his contestation to capitalist forms of production. These would be unravelled in the next chapter as Nkrumah made initiatives to develop the Gold Coast economy.

SECTION THREE: THE RISE AND FALL OF THE VAMPIRE STATE

Chapter Five: The Vampire State in the Politicisation of Development in Ghana (1951- 1966)

"Seek first the political kingdom, and all else will follow" - (Kwame Nkrumah, 1972: 25)

5.1: Introduction

The vampire state is a metaphorical concept of a rent-seeking state that 'sucks' the life source of the economy to its own obliteration. This resonates with the political economy of Ghana from the late 1950s to mid-1960s. In critically examining the role of the 'vampire' state in the development of Ghana, it is appropriate to recap the politics and economics of the cocoa industry during the 1940s and 50s to interpret the shifting relations in development thinking from the colonial dependency model of Adam Smith's market self-regulation to the state-led development model of Karl Polanyi's embedded market economy. By challenging the traditions of mainstream economics Polanyi developed his own Western Marxist analysis of capitalism. His critique of market self-regulation is recognised as a major breakthrough in the fields of economics and international political economy (Block, 2003). Polanyi argued for a society whereby the state takes an active role to harmonise the interests of productive forces - land, capital and labour - with the social relations that regulate their interactions. Polanyi's formulation is important for this study because it shifts the argument from the determinist capitalist abstractions to realistic formulation of Ghana's attempt at industrialisation (1951 to 1966). Moreover, although there have been secondary writings to Frimpong-Ansah's 'vampire state' there has been little effort to critically examine the political economy of Ghana from Polanyi's orientation. The focus of this chapter is to critically examine the political economy of Ghana during the era of Kwame Nkrumah[9] to interpret his development thinking and efforts at development. In doing so, the historical timing of the political developments of Ghana are important but secondary to the main argument here, which is primarily about the search for a market system and political establishment that provide the most powerful formulation in the search for a developmental state model for Africa in general, and Ghana in particular. In this direction the researcher sets aside the definitional discourse of developmental state to focus on the primary task. The discourse related to commitment and capacity (Vu, 2007); development without economic growth (Mkandawire, 2010); standard of living and legitimacy (Routley, 2012); government and bureaucracy types (Johnson, 1982; Evans, 1995; White, 1998); and human flourishing (Routley, 2014) would be considered in another chapter.

In the immediate post-colonial period, the Gold Coasters presumed that constitutional democracy had come to replace colonialism to enable indigenous development to advance but they were wrong. Indeed, "the essence of neo-colonialism is that the State which is subject to it is in theory independent and has all the outward trappings of international sovereignty, but in reality, its economic system and thus its political policy is directed from outside" (Nkrumah, 1965: 239). The implications of the 'Report of the Commission of Inquiry into the Disturbance in the Gold Coast, 1948' presented to Sir Gerald Creasy[10], and the 'Gold Coast Report to His Excellency the Governor by the Committee on Constitutional Reforms, 1949'

---

[9] Osagyefo Dr Kwame Nkrumah, affectionately called 'show boy' (21 September 1909 – 27 April 1972) – A politician, Pan-Africanist, socialist, scholar, General Secretary of the UGCC, one of the 'Big Six', leader of the CPP, first Prime Minister and President of Ghana, founding member of the Organization of African Unity. Nkrumah dedicated his life to a free, united and developed Africa, and is revered by many people globally.

[10] Sir Gerald Hallen Creasy (1897 - 1983) was the Governor of the Gold Coast from 12th January 1948 to 15th February 1949. He is remembered for the 28th February Christainborg Castle cross-road shooting of ex-servicemen, the Gold Coast Disturbances and the detention of 'the Big Six' leading members of the United Gold Coast Convention Party.

presented to Sir Arden-Clarke[11] fed into the Nkrumah administration. Yet, the reforms did not go far enough to ensure development 'for the people' because of internal and external factors. Others sources of importance consist of colonial office correspondences, personal diaries, newspaper publications, archival documentaries from the British Pathé and contemporary debates related to possibilities of developmental states in Africa. The critical examination of the political economy of development in Ghana was assisted by expert ideas of specialist studies undertaken by Seers and Ross (1952), Lewis (1944; 1953; 1959) and Frimpong-Ansah's (1992) seminal analysis of the 'vampire' state.

The remaining of this chapter is organised in five sections. Section 5.2 considers colonialism and underdevelopment – it is shown that colonialism impeded development in the Gold Coast but aided colonial exploitation through price fixing by European magnates with the support of the British government. Section 5.3 outlines nationalists' reactions to colonial exploitation through political activism – it demonstrates the emergence of political parties and the politics of development. Section 5.4 sets forward a critical analysis of Watson's Report into the disturbances in the Gold Coast and how cocoa farmers influenced politics. Section 5.5 critically examines the recommendations of the Coussey Commission that set out the 1951 Constitution and the institutional framework necessary for self-government. Section 5.6 considers Nkrumah's attempt to create a modern industrialised state through depoliticisation of development that rather fed into the prism of a 'vampire state' because the government overtaxed cocoa farmers when capital constraints, exogenous pressures and Nkrumah's own determination for rapid industrialisation were not moderated. It concludes by addressing the opportunities, challenges and outcomes of his development programmes.

[11] Sir Charles Noble Arden-Clarke (1898 - 1962) succeeded Sir Creasy from 11th August 1949 to 6th March 1957. He quelled the 'positive action' revolt by imprisoning Nkrumah for his part in the unrest but released him to form a government in 1951 after the CPP won the general elections.

5.2 Colonialism - the inroad to capitalist exploitation and underdevelopment in Ghana

Colonialism was the integration of Ghana into a global capitalist economy that defined her underdevelopment but restricted her potential for economic growth and development (Rodney, 1972). It survived on the back of a dependency model of development designed by the colonial establishment to exploit colonies with comparatively disadvantageous terms of trade[12]. The dependency model encouraged the exportation of primary products such as cocoa, gold, bauxite and timber from Ghana to European markets at relatively lower prices – as determined by European capitalists and colonial administration – and importation of household manufactured products such as alcohol, candles, textile, tobacco, sugar, corned beef, Quaker oats, Cadbury chocolate products, and canned fish at relatively higher prices. The implications of the dependency model was that it facilitated colonial exploitation and denied the Gold Coasters the opportunity to learn through 'trial and error' the scientific and technological skills necessary for industrialization and economic development at independence (Rodney, 1972). Indeed, while we do not know and perhaps may never be able to know the actual extent of colonial exploitation, for reasons of inaccurate statistical data (GNA,Adm.5/3/63)[13], what we know is that the imperial trade was very beneficial to resolve economic problems in Great Britain (HL, 5th Series, LXXV, Col. 173). Although the colonies were essential to Great Britain for her pre- and post-war economic recoveries the colonist acceded to the decolonisation of Ghana in the full knowledge that so long as Ghana

[12] Terms of trade is a measure of a country's export prices in relation to its import prices, in other words the amount of imported commodities an economy can purchase per unit of export commodities.

[13] Watson Commission Report, S.28. The administrative machine was weak for the purpose of modern economic planning with an almost complete lack of the statistical essential to the intelligent formulation of development schemes or the essential administration of a complex social organization.

was tied to the British sterling and heavily indebted, the former colony was not economically sovereign from British influence.

In the 1950s, the CO contemplated on her future trade relations with emerging sovereign states for its own political and economic interest. Lessons drawn from archival sources about the development trajectory in British colonies, suggest that Africa's development reflects the socio-economic and political conditions in the developed states. The implications of the Cold War (1947 to 1991) were not limited to the warring factions in the Western and Eastern blocs, but extended into politicisation of development in Africa in general, and Ghana in particular during the period.

The greatest concern to Britain in her relations with the colonies was the spread of communist propaganda in Africa during the immediate post-war era and its implications to the Empire trade. Given this, the colonial government made astute concessions to the colonies in a series of Colonial Development and Welfare Acts to maintain influence over the colonies. However, these developments failed to meet local expectations and engendered nationalists' agitation for political autonomy. Leaders of cocoa farmers associations, intelligentsia groups consisting of lawyers and teachers, traditional chiefs, African merchants and ex-servicemen were all drawn into grass root politics to increase political pressure on the colonial government to grant independence to the people.

Additionally, the political implications of the swollen shoot disease, the ex-servicemen resettlement, political oppression, economic exploitation and trade discrimination against African merchants added momentum to nationalist sentiments for self-government (Ghana National Archives, Adm. /5/3/63.). Weaknesses identified consisted of fall in prices of export, rise in prices of imports, high interest rates on borrowing, unemployment, poor public services, discriminatory trading practices, political oppression, and the overall philosophy of dependency development. The inroad to colonial exploitation and underdevelopment in Ghana were built upon British economic and colonial hegemony. It was under these conditions that Western capitalists lobbied the British government for discriminatory economic policies with threats of sanctions – economic sabotage and regime change – to emerging states that resented British interest. Ghana was a peripheral nation with economic value for the home economy and was therefore introduced to new markets of exports and imports that restrained its potential to industrialize. The grand plan of colonial system was aimed at exerting political, economic and social control over the Gold Coast to preserve British interest in production and trade. In this sense, colonialism was a well-orchestrated ideology of immeasurable success to exploit the colony through the imposition of economic policies that reinforced 'oligopolization of commerce' (transport, banking, and insurance) owned by foreign capitalists (Rodney, 1972). These practices contributed to the underdevelopment of the economy of Ghana because foreign investors took advantage of the might of their government over the peripheral nation and indulged in trading practices that contributed to underdevelopment in Ghana. Some of these practices consisted of ethnocentric issuance of import licences to favour Europeans, high investment capital requirements, huge collaterals for investment loans to alienate local investors, unfair tariffs on preferential goods, and exclusive right of membership to Europeans on 'influential' boards of trade such as the Chamber of Commerce.

5.3 Nationalists reactions to Colonialism

The Ghanaian example resonates with Marxian exposition of class conflicts in the capitalist production process and demonstrates that after a protracted period of colonial exploitation and underdevelopment, the people were able to form a strong opposition to colonialism and pressured the colonial administration to succumb to their demand for self-government to advance a new paradigm of development – industrialisation. However, the path to self-government and industrialisation was fraught with the travails of power struggle, mismanagement of the economy, neo-colonial interferences and related lessons. It is important to recap the reactions of the nationalists in the late 1940s because the response from the colonial authorities in the early 1950s reshaped Ghanaian politics and development. On the advice of Ebenezer Ako-Adjei[14], the United Gold Coast Convention (UGCC) in 1947, invited Kwame Nkrumah to join the party as its General Secretary to help organize the people in preparation for 'self-government in the shortest possible time'. Nkrumah had favoured 'self-government now' but accepted the position with reservation. Although he was concerned about how he would reconcile his vision for African unity with the rather conservative and 'parochial' interest of the UGCC, he accepted the position as a means to an end. He stated "… the time had come to come to grips with imperialism on the soil of Africa, and by working for the UGCC I would at least be actively engaged in the national liberation struggle to end colonial rule. I knew, however, that it might not be long before the basic differences between our long term objectives might make it impossible for me to continue to work for them" (Nkrumah, 1973: 51). Nkrumah was well-known to Pan-Africanists in the diaspora for his role in organising anti-colonial activities during his days in the United States and Britain, but in doing so he became a person of interest to Western intelligence agencies - the Central Intelligence Agency (CIA) and M16 (Biney, 2009). Nevertheless, Nkrumah was relentless and focused on his beliefs in African unity and development. In an introductory letter, C.L.R. Jones[15] wrote of Nkrumah to George Padmore, "This young man is coming to

[14] Dr Ebenezer Ako-Adjei (17 June 1916 - 14 January 2002) was a founding member of the UGCC and later joined the CPP. He was trained as a legal practitioner at the University of Pennsylvania where he and Nkrumah became friends. Ako-Adjei recommended Nkrumah to the UGCC leadership for the position of General Secretary but was later imprisoned by Nkrumah and released in 1966.

[15] Cyril Lionel Robert James (1901 – 1989) was an Afro-Trinidadian journalist, scholar, politician and sportsman. He devoted his socio-political works to Pan-Africanism and argued for a socialist approach to emancipate the African continent from the shackles of colonial rule.

you. He is not very bright, but nevertheless do what you can for him because he's determined to throw Europeans out of Africa" (Sheerwood,1996: p.114). Nkrumah's vision for a United States of Africa was disfavoured by the West at a time when Victor Hugo's[16] vision for a federal Europe was vigorously pursued by Europeans because Nkrumah's idea threatened Western interest. Unlike Nkrumah's dream of African unity, Europe on 25th March, 1957 (a few days after Ghana's independence) signed the Treaty of Rome to establish the European Economic Community that metamorphosed into present-day European Union.

5.4 The Gold Coast Disturbances and Cocoa Politics

The Gold Coast disturbances consisted of a series of political resistance against the colonial establishment to demonstrate societal opposition to the manner in which colonial exploitation and oppression engendered underdevelopment in the colony. The disturbances were significant interface of a chained reaction against colonial economic exploitation and political oppression. Of all the economic resistances against the colonial establishment in the Gold Coast, the solicitation by Nii Kwabena Bonne II (a traditional chief of the Ga tribe in the Greater Accra) in January 1948 to boycott all European imports to protest against inflationary prices was key. Although the boycott was originally intended for economic purposes – to pressure the colonial government and expatriate businesses to reduce prices of imported goods – it gained political prominence following the Christainborg Castle shootings.

In March 1948 the Secretary of State for Colonies, Arthur Creech Jones, assured the British parliament of setting up a Commission of Inquiry "to inquire into and report on the recent disturbances in the Gold Coast and their underlying causes; and to make recommendations on any matter arising from their inquiry to investigate the causes of the political unrest and make

[16] Victor Hugo - a famous French novelist and legislator who presided over the International Peace Congress in Paris (1849) and introduced the concept of a United States of Europe. He is also remembered for his contributions to the arts especially for les Miserable and Notre-Dame de Paris.

recommendations" (Ghana National Archives, Adm./5/3/63). The membership of the commission consisted of Andrew Aiken Watson[17] as chairman, with Andrew Dalgleish and K. A. H. Murray as members. It commenced work in April 1948 and presented its findings and recommendations on 9th May 1948. The report revealed important evidences of conflicts between the material productive forces of society and existing relations of production at that time, but it did not go far enough to indict the colonial administration for its failure to bring development to the people. The key issues that captured the Commission's interests are categorised under economic, political and social.

On the economic level were five main issues: (i) the colonial government's response to the Cocoa Swollen Shoot Virus Disease (CSSVD)[18]; (ii) the unfair distribution of imports; (iii) nepotistic appropriation of import license; (iv) ethnocentric trade discrimination, and the unfulfilled gratuities to ex-servicemen. In 1911, Ghana was the world's leading producer of raw cocoa to Western chocolate companies for decades (currently second place to Cote d'Ivoire) and with this her reliance on revenue from cocoa for development (Howard 1976; Hymer 1969)[19]. Economic policies related to agriculture in general and cocoa in particular had always come with implications to the legitimacy of the government. With an annual export revenue of about £5.3 million representing 98 percent of agricultural exports and 63 percent of overall total exports in the five-year period preceding the Second World War (Watson Report 1948), cocoa was undoubtedly the 'pole-de-croissance' and centre of gravity

[17] Andrew Aiken Watson (KC) was a legal practitioner. Andrew Dagleish, and Dr. K.A.H was the Rector of Lincoln College, Oxford.

[18] CSSVD- is a viral disease that affects trees with notable symptoms of swollen stems, nodes, shoot tip, blotches on leaves, smaller pods and red vein banding. It is not pollen transmittable to seeds.

[19] In 1911 the Gold Coast exported 41,000 metric tons, and by the early 20th century productivity was increased to between 165,000 and 213,000 metric tons. However, this position was lost to neighbouring Ivory Coast.

of the Gold Coast economy (Hymer, 1969: 9). Paragraph (259) of the Watson Report suggests that, "… the prosperity today of the Gold Coast depends on cocoa. The menace to that prosperity is the 'Swollen Shoot'. Upon cocoa, so far as yet seen, depend the plans for a better country – better education, better medical attention, better housing and all those things which spell social improvement and which the people long for" (Ghana National Archive, 5/3/63).

The CSSVD, first known in the Eastern Region of Ghana in 1936 (Steven, 1936; Postnette, 1940) had by August 1945 affected about 1,450 trees (Watson Report, 1948), and contributed to a decline in cocoa production from its highest of 300,000 tons in 1936/37 to about an average of 200,000 tons after the war (Beeton Report, 1948)[20]. Given the decline in productive capacity of about 70 percent and reduction in the life span of affected trees to between two and three years, the scientific evidence at that time had favoured the obliteration of the infected trees through the cutting out method to control the spread of the CSSVD (Muller 2008). However, failures of the colonial government to adequately compensate the cocoa farmers created space for negative political propaganda by nationalists against the colonial administration.

Next, the use of traditional chiefs as stooges in trade negotiations was rejected by the indigenous intelligentsia. The colonial government deployed this strategy to enter into binding contracts and trade to their advantage. In his evidence before the Watson Commission of Enquiry (1948), George Grant[21] bemoaned the practice of 'ethnocentric

[20] W.H. Beeton, C.M.G. - Chief Regional Officer of Ashanti, Department of Agriculture, under the Governorship of Sir Charles N. Arden-Clarke, G.C.M.G.

[21] George Alfred Grant (Paa Grant and founder of Gold Coast politics) - was a founding member and President of the UGCC. He was an educated nationalist and wealthy timber merchant. Died on 30th October 1956, five months before independence.

nepotism' in trade and the exclusion of native intelligentsias in policy making in his remark, "… we were not being treated right, we were not getting licences for import of goods, and also we were not pleased with the way our Legislative Council handled matters, because we do not have the right people there" (Ghana National Archives, Adm./5/3/63).

Furthermore, the nationalists were concerned that the problems of inflation, under-representation of cocoa farmers on the Cocoa Marketing Board and the measures imposed by the colonial government to limit farmers' access to financial reserves from cocoa exports seemed to have gone unnoticed by the authorities. The state had alienated cocoa farmers to the arbitrariness of merchant loans at high interest rates with hardly any surplus left for the farmer to accumulate capital. The cocoa industry though developed through local investment, technology and enterprise contributed more to government revenue than the colonial government's contribution to the cocoa industry (Hymer, 1969: 9).

Moreover, the social stratification of occupation during the immediate period to self-government depicts an ethnocentric bias in employability. Europeans occupied top positions in the colonial administration and owned businesses that were more profitable. Examples are Elder Dempster Shipping Company, F. and A. Swanzy, Patterson and Zochonis, W. Bartholomew, John Holt, United African Company, Messrs G.B. Ollivant, Cadbury Brothers and many more. The indigenous capitalists in the Gold Coast of mainly farmers competed in economic ventures with minimum outcomes because many were illiterates and with limited capital could hardly take advantage of market conditions as their European counterpart were able to do. Africans who worked in public administrations were denied top positions either for reasons of racial prejudice or fear of being undercover employees on the payrolls of nationalist movements.

On the political causes, the Watson Report identified six factors related to the unrest. These consisted of: (i) the grievance of the African soldiers; (ii) frustration among the educated Africans; (iii) spread of liberal ideas and wane of chieftaincy: (iv) suspicion of wilful impediments to Africanisation; (v) suspicion of the colonial government's intentions; and (vi) resentment at increased concentration of lucrative trade to foreign merchants.

By the early 1950s increased political sensitization about the detriments of colonial development and international pressures for the recognition of the sovereignty of colonies reinvigorated the tenacity of Gold Coast nationalists to advance for self-government. The desire for the introduction of constitutional democracy in Ghana was with the belief that development flourishes under freedom (Nkrumah, 1957). However, in reality democracy is not necessarily a guarantee for economic development but that it is the least destructive among other forms of government. The power struggle and conflicts of interest within the UGCC leadership affected their strength to withstand the enormous powers vested in the colonial administration. The Governor had powers to subvert parliamentary decisions in consultation with the Secretary for the Colonies; veto decisions of the Executive Council; and exercise the Governor's Emergency Powers. Moreover, as head of the Executive Council he had powers to restrict access to development funds, indirectly appoint and dismiss members to the Joint Provisional Council and Executive Council. Such arbitrary powers conferred on the Colonial Governor and for that matter the colonial system the trappings of despotic democracy.

On social causes, the setbacks to social development in the Gold Coast during the colonial period drew interest among the Gold Coasters but the outcome of the Report came as little consolation and of no surprise to the people. The commission's recommendations for urgent improvements in public services (health, social housing, education), land reforms, legal powers to restrict speech designed to incite violence, and deal with bribery and corruption were linked to the identified problems but their implementation was a challenge (GNA Adm. /5/3/63). Ghana was ill-prepared to adapt the archetypal Weberian bureaucracy for three main reasons: (i) lack of essential human capacity; (ii) system of government; and (iii) working culture necessary for the Weberian system. This current study discovers that although the policies of the Colonial Office deprived British colonies from acquiring industrial science and technology for fear of secession, the issue of tribalism was in line with the traditions of the people and any adaptation would have required the will of the people. Moreover, the people were aggrieved because they realised that the Colonial Development Acts although purported to improve living conditions in the colonies had been successfully used as an economic weapon by the British government to legitimise colonial exploitation in so far as it served imperial objectives (Ghana National Archives, Adm./5/3/63). But among its feat, the Korle-Bu Teaching Hospital (founded in 1923 by the Governor, Sir Guggisberg) continued to serve as the premier health facility in the West African sub-region with good outcomes.

In the end, the Watson commission found the UGCC complacent of Nkrumah's socialist convictions because the UGCC benefited from Nkrumah's socialist activities in organising the people against the colonial administration. However, the commission's findings of Ako Adjei's connivance with Nkrumah and alleged foreknowledge of Nkrumah's vision for a Union of Socialist African Republics was more circumstantial than evidential because the two had only known each other during their studies abroad. That apart, the findings misled the British Parliament to believe that the disturbances were primarily politically motivated but without economic causations. In 1952, Lord Rennel referred to these findings during parliamentary debate to disprove the notion that the disturbances were primarily caused by the difficult economic condition and underdevelopment in the Gold Coast. He stated that, on the other hand, “but it is quite clear that The Watson Commission considered that the riots were not a spontaneous expression of dissatisfaction at economic conditions” (HL Deb 31 July 1952). On the other hand the commission made important recommendation as set out in paragraph (122) for the urgent establishment of a representative committee to decide on the modalities for constitutional and political developments. However, the report was circumspect to fault the colonial administration on crucial issues such as colonial exploitation, apathy towards industrialisation of the colony, high unemployment of Africans and Afro-scepticism of the colonial establishment. In effect the social recommendations did not go far enough to restore trust and economic development. On balance, it was another interface in a series of imperialist strategy to calm social unrest and prepare the trajectory for another phase of exploitation.

On the ethical level, Paragraph (17) of Watson’s Report suggests that the most serious problem faced by the colonial administration was the mind-set of suspicion that surrounded government activities of all sorts and the challenges of restoring healthy relations between government and the governed (Ghana National Archives, Adm. 5/3/63). By the dusk of colonization the Gold Coasters realised with great disappointment and mistrust that the ‘trickle down’ theory of the capitalist system was ineffective in the redistribution of surplus values from production. The theory holds that as the rich expend their ‘super normal’ profits on consumer goods it causes ‘trickle down’ economic benefits to society by means of an invisible ‘multiplier’ effect. The Gold Coasters viewed the whole idea of colonial development as a deception to superintend the exploitation of colonial resources to develop Britain with disproportionate benefit to the very society from where resources were extracted. This sentiment was strong with the people and did influence the disturbances.

Furthermore, this study discovers that the psychological manipulation of Africans as an inferior race negatively affected the way Africans projected themselves in the competitive world. The colonial authorities made great efforts to subvert the culture of the people through Westernization with the hope that it would mitigate revolt against the colonial rule but they were wrong. The Colonial Office discreetly placed obstacles to programmes in education, science and technology, Africanisation and democratization that could have contributed to the intellectual development of 'backward' nations (Rodney, 1972). And even though the local people contributed immensely to production of raw materials to European industries, they were hardly commended for their achievements to diminish their sense of importance. For instance in his address to the Legislative Council in the Gold Coast, the then Chief Justice Willliam Brandford Griffith[22] commended European merchants for the manner in which they conducted trade but ignored the immense contributions of the local farmers. He stated "… thanks to the European traders that we now have this flourishing Colony ….what would the Colony have been without the traders to depot and to ship its produce" (Gold Coast Legislative Council Debate, 1908). Yet the sad truth was that the colony would have developed had the colonial administrators been genuinely committed to its development. The unrest was therefore an expression of the people's will to emancipate themselves from the psychological oppression and redefine their future. The Report itself tactically shielded the colonial administration from recrimination and was discourteous to the people whom it described in paragraphs (39), (43) and (44) as group of gangs, lawbreakers, and evilly disposed persons (Watson Report, 1948). These remarks delineate the extent of psychological prejudice and negativity of mind-set held against the colonised people and militated against

[22] Sir William Brandford Griffith, CBE was a British legal writer and Chief Justice of the Gold Coast (1895-1911). He was the eldest son of William Brandford Griffith, KCMG, and former Governor of the Gold Coast (1880-1881 and 1885 - 1895).

uncovering the whole truth behind the disturbances. In spite of the limitations, the Commission's Report unravelled important economic, political and social causes related to the disturbances and contributed to the formulation of the 1951 Constitution.

5.5 The Constitutional Reforms of 1949 and the 1951 Constitution of Ghana

Following the submission of Watson's report in May 1948, a Committee on Constitutional Reform was established in December 1948 in accordance with paragraph 122 of the report. As the campaign for independence spread across the colony, Sir Creasy on the advice of the CO in early 1949 made an unprecedented proposal to the Legislative Council for the formation of a representative committee to discuss the need for Constitutional Reforms. And it was by this reform that the Nkrumah government was initiated into office in March 1952. The Coussey Committee was chaired by Justice James Coussey[23] with wide terms of reference to examine proposals for constitutional and political reforms with regards to the views expressed on them by His Majesty's government, and to consider the extent to which they can be accepted, and the manner in which they should be implemented (Watson Report, 1948). The introduction of multiparty democracy and increase of African representatives in the new Legislative Assembly were its most remarkable achievements. The reform was a landmark improvement to the 1925 and 1946 constitutions because it recognised in particular the role of chiefs in economic development. In Ghana, the chieftaincy institution is de jure and de facto recognised. Given this Judge Coussey wrote in his Report, "Contrary to the view expressed in the Watson Report we believe that there is still a place for the Chief in a new constitutional set-up. Indeed, in 1946, the Gold Coast made in constitutional law the most important advance that a Crown Colony can make before it reaches the frontiers of responsible government" (Colonial Office, 1949; HL 24 July 1952). However, the

[23]Justice James Henley Coussey was a Gold Coast judge and chair of the Committee on Constitutional Reforms in 1949.

committee's composition, its wide terms of reference and exclusion of Nkrumah for his dissenting views undermined the principles of representative democracy. Despite the challenges, the Coussey Report sets out the constitutional provisions for the new state. These provisions consisted of governmental powers, functions, safeguards, and composition as under Section 2 Parts (IV, V, VI) – The Legislature, Executive, and Governor's Reserve Power respectively. Moreover, in Paragraph (364) the working modalities – the composition of, qualifications for, tenure of, and powers of office - of the legislature, executive and governor - were clearly delineated.

5.6 Legislature

On the advice of the Committee, a bi-cameral Legislative Assembly similar to the Anglo-American system was introduced to replace the Legislative Council. However, the Assembly was not sovereign from European influence by means of its composition and powers. In paragraph (373) of the submitted Report in 1949 a recommendation for a 78 member assembly was increased to 84 members in 1951 to accommodate European trade representatives for British interest. Out of the 84 members of the Gold Coast Legislative Assembly in 1951, 38 were directly elected; 37 were indirectly elected to represent the territorial councils, 6 European officials represented commercial interests and 3 ex-officio Europeans were appointed by the Governor. A quick glance at the composition suggests an African majority but the overriding powers of the Governor undermined the sovereignty of parliament. Of the 37 senators, 9 were elected by each of the 4 regions - Colony, Northern Protectorate, Ashanti and Trans-Volta Togoland – with no less than one-third of the 9 elected members being chiefs. However, the implications were that even though the composition drew traditional chiefs into frontline politics the chiefs lacked the expertise needed for comprehensive trade negotiations and formulation of public policies at that time. The traditional chiefs were familiar with law-making and governance but their participation in the legislative assembly exposed them to the challenges inherent in the democratization process in Ghana.

5.7 The Executive

After the electoral victory of the CPP in 1951 (which won 34 out of the 38 contested seats), the colonial government invited Nkrumah from prison to form a government and conferred on him the portfolio of Leader of Government Business in 1951 and subsequently Prime Minister in 1952. Yet, the constitutional arrangements did not confer autonomy on the new government because the British monarchy continued to function as the ceremonial head of state until 1st of July 1960 when Ghana became a republic. Nkrumah used the transitional period to negotiate with the British government on self-government, trade and development but his proposition for social development conflicted with the capitalist development of the colonial government.

The transitional executive was a hybrid of elected and unelected officials. It consisted of an unelected Governor as chairman, the leader of the House of Assembly as its elected leader, three European officials – Chief Secretary, Financial Secretary and Legal Secretary – a minimum of 5 legislators with ministerial portfolios and 2 non-ministerial senators. The Chief Secretary retained monopoly on matters of external relations and defence whilst the British Secretary of State for Colonies in collaboration with the Governor and Chief Secretary exercised enormous influence on international trade and development. Moreover, the replacement of the old Executive Council (with governmental responsibilities conferred on the Governor) with the new Executive Council (with governmental responsibilities conferred on the legislative assembly) did little to transfer power to the elected officials because of the governor’s overriding powers. For instance, contrary to the assertion in paragraph (401) of the executive amendment being ‘the most important change’, the study notes that the countervailing provisions in paragraphs (385, 393 and 394) of powers to prorogue the House, assent to bill, and disallowance of bills by an 'unelected' Governor and Secretary of State for Colonies respectively defeat the idea to transfer power to the elected as in western democracy. Thus the unelected executive council retained their constitutional power to derogate decisions of the democratically elected representatives of the people.

5.8 Governor's Reserve Powers

The governor was the representation of the British monarchy in the Gold Coast. His reserve powers had the trappings of a democratic despot because he had powers to derogate the will of an elected government. In accordance to section (6) (2) of the Watson Report, the Governor continued to exercise all the powers reserved by the 1946 constitution including the powers of Certification and Veto. By this, the Governor was beyond reproach in so far as he had the approval of the Secretary of State for colonies (in non-emergencies) and permitted to act unilaterally in emergencies. For instance, Arthur Creech Jones[24] justified the Governor's decision to use tear gas against peaceful demonstrators in the Gold Coast in 1948. He defended the action as "one of the most effective and humane weapons available against rioting crowd is tear smoke" (CO/537/2712). Meanwhile, the use of tear gas on humans was prohibited and thus never used in Britain until the late 1960s. Even before it was first introduced in Britain in 1965, Sir Edward Dodd (the Chief Inspector of Constabularies) reassured the British public that tear gas would not be used for crowd control but only 'against armed criminals and dangerous individuals'. In effect, Creech Jones justified the

[24] Arthur Creech Jones (1891-1964) was a British trade unionist who served time in prison for his objection to conscription into the army during the First World War. He later became a Labour Member of Parliament for Shipley and Secretary of State for Colonies (1946- 1950). Creech Jones is a Fabian known to W.A. Lewis.

decision of Gerald Creasy[25] to use excessive force on peaceful demonstrators in the Gold Coast as though the demonstrators were in retrospect armed criminals and dangerous individuals two decades before Britain sanctioned such use of force in the homeland.

It is therefore unsurprising that the unarmed demonstrators were described by the Watson Commission as ‘gangs’, ‘body of evilly disposed persons’ and ‘law breakers’ (Colonial Office,1948). A critical examination of the constitutional reforms reveals that although it was an advancement of its immediate predecessors of 1925 and 1946, it did not go far enough to transfer power to the elected representatives until several years later. The political achievements of Watson and Coussey therefore consisted of the promulgation of the Gold Coast Constitution by an Order in Council No. 2094 of 1950, the creation of prime ministerial office, increased African representation in parliament and the enlargement of administrative powers to local authorities (Ghana National Archives, Adm./5/3/69).

5.9 The role of the ‘vampire’ State in the development of Ghana

It is comprehensible that at Ghana’s independence on 6th March 1957, the nascent state was seen as a beacon of hope by many Ghanaians, and indeed Africans, with high prospects to achieve rapid industrialisation, better education and healthcare, full employment, higher income and welfare because it was the first colony in SSA to attain independence from British colonial rule with a relatively large number of educated persons and educational institutions (Aryeetey and Kanbur, 2017: 3). This expectation resonates with the personal ideas of Nkrumah in 1949, when he said “if we get self-government we’ll transform the Gold Coast into paradise in ten years”, and in 1957 “The independence of Ghana is meaningless unless it is linked-up with the total liberation of the African Continent” (Nkrumah, 1968).

[25] Gerald Hallen Creasy (1897 – 1983) was the Governor of the Gold Coast (January 1948 – February 1949). He was also known as ‘crazy Creasy’ by the Gold Coasters for his role in the Christainborg cross-road shooting that killed many, including unarmed ex-servicemen who had marched to present a petition for resettlement.

Central to Nkrumah's plan was the construction of the Volta River Project (Akosombo dam) to produce enough electricity for a state-led import substitution industrialisation development that would transform Ghana into a modern industrialised state, improve standards of living and catalyse the decolonization process in Africa at that time. However, what Nkrumah did not anticipate was that the purpose of the dam placed his development ambitions in direct conflict with the objectives of neo-colonialism in a way that he could not control (Biney, 2007: 81-100).

Nkrumah believed that colonialism and capitalism were the main nemesis to socio-economic development in Africa hence political power was necessary to advance centrally-planned socio-economic development. During his 15 years in office as head of government (1951-52), prime minister (1952-1960), and president of the first republic (1960-66) Nkrumah initiated three major development programmes. These consisted of the First Development Plan (1951-57); Consolidated (1957-59); and the Second Development Plans (1959-64), aimed at modernization through high capital intensity industries of rapid industrialisation and the diversification and modernisation of agriculture. There were also some ad-hoc programmes for specific development goals. Nkrumah touted the ideas of national identity, patriotism, pan-Africanism and 'big push' development. However, he was not infallible to errors of judgements in his social relations with the West and local opposition, as well as his underestimation of macroeconomic implications of his development policies. Nkrumah publicly criticised Western foreign policies during international conferences (Organisation of African Unity summit in Addis Ababa and UN General Assembly in New York) for holding back the economic development and political freedom of Africa. Nkrumah's open declarations about his antipathy against colonization and western capitalism placed him in a difficult position to attract development loans. His famous declaration on the eve of Ghana's independence in which he said "our independence is meaningless unless it is linked up with the total liberation of the African continent" was a clarion call for the rapid decolonisation of Africa and formation of an eco-political union of free states to harness African resources for the benefit of Africans. This line of thinking threatened western interest and with it their determination to deter other colonies from seeking independence by frustrating Ghana's attempt to become a modern industrialised state and beacon of development in Africa. That apart, Nkrumah had challenges at home in forming the much needed embedded autonomy with the opposition and private enterprise to advance national development. Consequently, the lack of cohesiveness between the ruling CPP and the UGCC, contributed to subversive attempts and incarcerations of J.B. Danquah and other members of the opposition. In addition, Nkrumah personalised the modernisation of Ghana and therefore ignored expert advice that challenged his dream. For instance in 1965, Frimpong-Ansah, then working as a deputy governor of the Bank of Ghana, advised Nkrumah about Ghana's limited reserves of only £0.5 million to suggest a need to balance the pace of development with the country's ability to fund, but this advice was ignored.

5.10 The Ghana industrial revolution - 1951 to 1966

The historical and political events of the late 1940s and early 1950s engendered political reforms for Ghana's first industrial revolution of import substitution. Arthur Lewis's (1955) formulation of industrial revolution is that "all the countries which are now relatively developed have at some time in the past gone through a period of acceleration, in the course of which their annual rate of investment has moved from 5 percent or more to 12 percent or more" (Lewis, 1955: 208). Yet, the secret to industrialisation was within the rapid and systematic growth of agriculture with priority to food agriculture to ease migration of excess labour from agriculture to industries and attract capital investment (Lewis, 1953: 8). According to declassified archival documents, Ghana's foreign exchange reserves as at independence in 1957 was well over £200 million (FCO 65/128). However, the experience of Ghana was such that the projected accelerated development was constrained by a hybrid system of capital intensive mining sector and peasant agriculture that could not advance with investment capital from within existing resources or borrowing (Lewis, 1953). This posed a serious challenge to Nkrumah because his source of finance - private investment, taxation, external reserves and borrowing could not match his development ambitions. Available evidence suggests that Ghana's industrial revolution was primarily financed by export taxes and external reserves for obvious reasons with less efforts to attract private investment and borrowing (Frimpong-Ansah, 1992). Nkrumah believed that economic surpluses from projects financed through taxation and state reserves were retainable by the state for development, but those financed through private investment and borrowing accrued to private individuals. Given this development thinking, the objectives of the industrial revolution were set against cocoa tax revenue which accounted for 62 percent of total export earnings and revenues from mining and imports (Frimpong-Ansah, 1992: 88). However, the implementation of this development thinking was fraught with many problems and dissent particularly in relation to the proportion of the tax burden on cocoa producers, the extent of direct state investment, fall in private investment and anti-capitalist policies.

In 1951, Dudley Seers[26] and Claud Richard Ross arrived in the Gold Coast at the invitation of the Colonial Office to study and advice on the organisation and cost of building resources needed for development (Frimpong-Ansah, 1992). The following year, Seers and Ross (1952) submitted their 'Report on financial and physical problems of development in the Gold Coast' with 3 key recommendations to the Colonial Office, specifically on the trajectory to

[26] Dudley Seers was a British Development Economist and a critic of the neoclassical approach to social development during the early post war period. He lectured at Oxford University, served in many capacities in the UN and was the Director of Institute of Development Studies, Sussex.

economic growth and development at the eve of decolonization. The report highlighted the challenges posed by (i) rising prices and inflation; (ii) lack of capital formation; (iii) and technological improvements, migration of labour from agriculture to industries (Seers and Ross, 1952). The CO and Nkrumah agreed on the overall findings of the report but also had their differences. The CO criticized the Report for its focus on pro-Keynesian ‘anti-austerity’ development models because it favoured spending to stimulate economic growth, but the office agreed for restrictions on cocoa producer prices to mitigate inflation. On the other hand Nkrumah disagreed with the report for being inadequate to his vision of accelerated economic development but favoured the idea for mobilisation of development capital through the implementation of cocoa producer price controls. In the period leading to independence, Nkrumah adopted a model of development similar to William Arthur Lewis[27] idea that had been previously rejected by Colonial Office except for its rapidity, anti-privatization and capital constraints. Nkrumah advanced these ideas in anticipation of a sustainable cocoa tax revenue and foreign capital investment. However, the government’s economic policies generated resentment from foreign investors and cocoa producers.

The analysis suggests that cocoa producer prices were restrained to the rate of price increases of imported commodities to mitigate inflationary trend for economic stability during periods of accelerated economic development. Given the lessons of the cocoa boom in 1948-49, Seers and Ross argued that as Ghana’s agro-based economy was fragile and prone to inflation, cocoa prices must be bridled to stabilize development efforts. This economic management was rational to avert inflation however, the depth and rapidity of its implementation was inappropriate because by over expropriating from the cocoa industry -

[27] Professor Arthur Lewis was a West Indian expert in Development Economics. He obtained his doctorate at the London School of Economics and a Fabian. He lectured at the LSE and University of Manchester. After Ghana’s independence, Nkrumah appointed Lewis as Ghana’s first economic advisor to help draw up the first Five-Year Development Plan.

the main economic sector - Nkrumah's government missed the opportunity to establish the 'embedded market' necessary enough for a developmental state. At the peak of this vampirism, cocoa farmers lost about 60 percent of their revenue to the state as export duties increased by 10 folds compared to 1950 figures. According to a state-owned newspaper (The Daily Graphic published on 2nd April 1951: 1) under the caption "1951 Budget, no increase in taxation", the government planned to generate 80 percent of its estimated £20 million revenue from import duties, export duties and income tax. This high reliance on cocoa taxes for government revenue militated against the expansion of agriculture because it reduced the profit margins of the peasant farmers and made it difficult for them to accumulate surpluses for capital formation and reinvestment. Rodney (1972: 27) suggests that taxes per se do not provide for national wealth and development but the needed wealth for development has to be produced out of natural resources – agriculture, mining, exploration of energy and conversion of raw materials into finished products for human consumption. In his attempt to convince the farmers, Nkrumah argued that "we had to think of the general public as well as the cocoa farmers', 'the funds that accrued to the government would be used on expanding the economy of the country as a whole with special reference to agriculture" (Nkrumah, 1957: 179). Although this appeal did not find favour with the cocoa farmers particularly in the Ashanti region, it did so with those in the Brong and Ahafo region who by tradition owed allegiance to the Asantehene (paramount chief of the Ashanti kingdom). To supress Ashanti resistance, Nkrumah introduced the Cocoa Duty and Development Funds (Amendment) Bill in 1954 after only three days of deliberation in parliament. The bill imposed a five-year producer price ceiling of 72 shillings per 60 pounds load of cocoa. This infuriated the Ashantehene who led by his chief spokesperson, Bafuor Osei Akoto, demanded for a devolved administration for his jurisdiction. As tensions escalated, Nkrumah sought the support of the people of Brong and Ahafo to publicly support the bill. In return for their loyalty Nkrumah assisted the people of Brong Ahafo to secede from the Ashanti hegemony by creating for them a new political region. The Ashantis retaliated by lending support to the National Liberation Movement (popularly known as ‘mati mihu’ translated from Akan language as ‘I have alienated myself’) consisted of members of the UGCC, defectors from the CPP and majority of Ashantis. The NLM opposed centralised authority and lent support to the coup that overthrew Nkrumah’s government about a decade later.

Available evidence suggests that given the resistance by cocoa producers Nkrumah focused on withdrawals from Ghana’s external reserves instead of promotion of private investment. However, there are several inconsistencies in published figures on the financial standing of the Gold Coast (Killick, 1978: 102). According to the Daily Graphic (28th June,1951: 4-6) the Gold Coast’s balance sheet as prepared by the Bank of British West Africa acting as the Central Bank for the period ending 31st March, 1951 stood at a cash holding of £5,223,419; Money at call of £25,600,000; and an Overall balance of £65,595,347. But from 1956 to 1961 the International Monetary Fund (IMF) estimated a net loss in reserves of US $ 176.5 million which when compared to Killick’s estimates of loss in external liquidity amounted to US $ 109.5 million in 1961 (Killick, 1978: 102).

Factors accounting for this financial standing consisted of huge expenditures on development projects, a £10 million Pan-African solidarity gesture to Guinea; and a £5.5 million government acquisition of British-owned gold companies on the London Stock Market. Given the financial standing of the Gold Coast, Nkrumah sought to attract foreign loans to mitigate the over-reliance on cocoa tax revenue but his relatively socialist political convictions was a setback to his efforts. Although the Russians and Chinese provided assistance it could not march that from the West. Foreign investors were alarmed about nationalisation of capitalist’s investments in socialist states following Lewis’s Report (1953) on British sensitivities to possibilities for nationalisation of a large British – French shareholdings (the Suez Canal Company) by the Egyptian government of Abdel Nasser[28] which eventually occurred in 1956.

Nkrumah made other initiatives to secure foreign assistance for development including a meeting with George McGhee[29] in June 1951 to discuss possibility of financing the Volta hydro-electrification project but the visit ended without any concrete agreement. Everywhere Nkrumah went he was asked including, Trygve Lie[30] to give reassurance that the CPP was free from communist influence. For instance, while introducing Nkrumah to Constantine Zichanko[31] at the UN in 1951, Lie remarked humorously to Nkrumah "I expect he is the first Moscow agent you have ever met", Nkrumah replied, "the suggestion was an imperialist bogey" (Daily Graphic, 8th June, 1951). Nkrumah was well known to the British and American intelligent agencies for his socialist disposition (Biney, 2009) and undoubtedly this guided the business advice given to potential investors at the high commissions and consulates. Moreover, under the 1951 Treaty of Paris, European states in alliance with the United States proscribed development assistance to nations with political connections to the East. Given this, the attitude and ambitions of Ghanaian leadership and its relations with other states were crucial to the success of the state-led economic programmes.

[28] Gamel Abdel Nasser was the president of Egypt and a Pan-African. As a socialist, he advocated for Arab unity and social justice. Nasser nationalised the Suez Canal and fought in the Arab-Israeli war. He served as the chairperson of the Organisation of African Unity (succeeded by Nkrumah), and Secretary General of the Non-Aligned Movement.

[29] George McGhee was the American Assistant Secretary of State for African and Near Eastern Affairs in Washington in 1951.

[30] Trygve Halvdan Lie was a Norwegian politician, author diplomat and socialist. He joined the Norwegian Labour party and served as its foreign minister whilst in exile in London. He helped in drafting the provisions of the UN Security Council and was elected as the first United Nations Secretary-General (1946 - 1952).

[31] Constantine Zichanko was the Russian Assistant Secretary-General to the United Nations in 1951.

This was evident when Nkrumah proposed a five-year development programme (1951-1956) to modernize agriculture and set up local agro-based industries to process agricultural products for value added exports. Furthermore, the government's efforts to establish state-led commercial ventures to compete with expatriate firms to accumulate economic surplus to the state rather than foreign capitalists did not appeal to the latter and their respective governments. Notable among the state's initiatives were the Ghana Gold Mining Corporation, State Insurance Corporation and Ghana National Trading Corporation to compete alongside foreign companies. The effect was that although the State Owned Enterprises (SOEs) expanded into various regions of the country for mass political support, the expatriate companies were more efficient (Frimpong-Ansah, 1992). This idea caused anxiety to the colonial administration who had all along harboured the premonition that Nkrumah would one day nationalise foreign businesses to curtail the accumulation and repatriation of economic surpluses abroad. Objectively, it was impossible for Ghana to 'eat her cake and have it' because even though foreign investment ends up in the repatriation of economic surpluses to mother nations, it is indispensable to the development of Ghana and hence Nkrumah could have reconsidered how Ghana accommodated investors' interests to those of Ghanaians. With the benefit of hindsight, Nkrumah's capitulation to the idea of a mixed economy in negotiations with western investors for the Volta River hydroelectric project was to reassure foreign investors of his willingness to partner with the West in development but his innate antipathy towards western policies was too evident for the West to ignore.

With large deposits of bauxite in Ghana, the British government in the 1920s thought of a scheme to construct the Akosombo dam to boost the Empire's aluminium supplies. Albert

Kitson[32] first conceived the idea of the dam to smelt bauxite deposits from the Kwahu plateau in the Eastern region for export. In 1951, Nkrumah revived this idea to the British but concealed his comprehensive economic plan about the dam. According to Kojo Botsio,[33] Nkrumah had for some time kept his real convictions about the dam from the British government because he feared that the British would sabotage the project to undermine the decolonization process. Sadly, the opposition party criticised the project as a dangerous trap by the British, over-ambitious and extravagant. The UGCC lobbied the British government to abandon the scheme and discourage the Americans from giving assistance. In a British Broadcasting Corporation (BBC) documentary interview entitled 'Black Power', Kwesi Lamptey (UGCC member of parliament) summed up his party's argument on the Volta Project when he stated with reference to the Akosombo dam, "as a long term scheme it is excellent but as a short term scheme, Mr Speaker it is suicidal, I would say no nation which is beginning to free itself puts its neck in a position in which it will find itself in economic slavery". Nkrumah was indignant about the UGCC's attitude towards the project and in defence remarked "we are not boys, do you think I am a fool to enter into a project like this blindly? I am not so damn silly to put my nose into something that is detrimental to this country". In the end, the British government abandoned the project in 1956 citing financial constraints but it was clear the Volta project was politicised by Britain because its feat was deleterious to the Empire trade.

In March 1952 Nkrumah invited Professor Arthur Lewis to the Gold Coast to assist in the formulation of an accelerated industrialisation programme that reflected the aspirations of the

[32] Sir Albert Ernest Kitson KBE, CMG (21 March 1868 – 8 March 1937) was a British - Australian geologist of world-wide repute. He was the first to recommend the Volta River Dam to the British government in 1915.

[33] Kojo Botsio (1916-2001) was a Pan-Africanist, diplomat, politician, and a confidant of Nkrumah. He served as the treasure of the West African National Secretariat and studied in Britain. On his return to the Gold Coast he served in many ministerial offices throughout Nkrumah's administration.

CPP. The 'Report on Industrialisation of the Gold Coast' suggests an intensive agricultural programme aimed at adequate food production and capital for industrialisation, improvement of skills in the public services, and removal of inflationary bottlenecks (Lewis, 1955). In this report Lewis's idea a decade earlier for a simultaneous stimulus of agriculture and industrialization was watered down to an agricultural programme that would act as the catalyst to industrialisation. The Report nevertheless supported the idea for improvements in road infrastructure to reduce transportation cost of agricultural products and make agriculture more profitable. Lewis's theory holds that the expansion of a productive sector of the economy (agriculture) provides resources for industrialisation until equilibrium is attained to make agriculture as efficient and lucrative as related industries. However, Nkrumah's vision for the 'Big Push' development had required perhaps his own theory of development, one that is distinct from the expert advice of Ross, Seers and Lewis.

5.11 Colonial Dependency to Import Substitution Industrialization Development (1957-1966)

On 6th March 1957 Ghana attained independence from British colonial administration and adopted import substitution industrialisation (ISI) development strategy to transform her economy into a modern industrialised state. The period of the post-independence Nkrumanist state is 1957-1966. It consisted of a quasi-independent state (1957-1960), republican state (1960-1964) and one-party state (1964-1966) with each delineating the powers vested in Nkrumah and its implication to development. Under the quasi-independent state the governor represented Her Majesty the Queen of England as the ceremonial head of state with Nkrumah as Prime Minister. On 27th April 1960, Ghanaians voted for a presidential executive alongside a referendum to abolish the monarchy system. The CPP won almost 90 percent in the elections. On 1st July 1960 Ghana became a republic by a new constitution. After a series of opposition to his ideas and assassination attempts on his life, Nkrumah sought for a constitutional amendment to introduce a one-party state in 1964 and won a disputable 99 percent to become an authoritarian president.

Under the leadership of Nkrumah the government introduced a series of integrated but overlapping development programmes. The primary objectives of the Consolidated Development Plan (1957/58-1958/59); Second development plan (1959-1964) and the Seven - year Development Plan for National Reconstruction (1963/64-1969/70) were to eliminate (i) imports of consumer goods; (ii) support import substitution industries; and (iii) shift control of the economy from private expatriate to state-directed control. These objectives were to be achieved through (i) Quantitative Import Restrictions; (ii) Import Tariffs and (iii) Domestic Price Controls policies. However, these models were unsavoury to British interest because a successful outcome would have served as precedent for emerging states to replicate and reinvigorate their travail for independence. Nkrumah was relatively socialist and emerging sovereign states suspected of communist inclinations were unattractive to foreign capitalists for fear of nationalisation and expansion of communist ideology (CO/554/202). Therefore to tame emerging states, Europe deeply politicised and held back development through neo-colonial policies.

On 31st January, 1957, the House in Committee of the British Parliament chaired by the 10th Earl of Drogheda[34] debated the Ghana Independence Bill and made consequential modifications to Clause (3) without consulting the Ghana government. The amendment proscribed newly independent states from having access to colonial development assistance. Paragraph (3) (1) : states that “No scheme shall be made on or after the appointed day under the Colonial Development and Welfare Acts, 1940 to 1955, wholly or partly for the benefit of

[34] Henry Charles Ponsonby Moore, 10th Earl of Drogheda was an Anglo-Irish official of the Foreign Office, London. He served as Speaker of the House of Lords (1946 -1957) among other distinguished capacities.

Ghana”. Furthermore, amendments to the Ghana Independence Bill paragraph (3) (2) directed that “Any scheme in force under the said Acts immediately before the appointed day which was made solely for the benefit of Ghana or any part thereof shall cease to have effect on that day without prejudice to the making of payments in pursuance of that scheme on or after that day in respect of any period falling before that day; ....” (HL Deb 31 January 1957). However, Lord Ogmore bemoaned the parochial attitude of the British government towards Ghana with the proverbial narrative of a Victorian father’s farewell to his son that states, "Well, my boy, you are twenty-one. Here is £50 and a gold watch. Just take yourself off and make your own way in the world" (HL Deb 31 January 1957). The researcher alludes that the urgency to curtail development assistance to newly independent states such as Ghana rendered communist states and ideologies attractive to nascent states in SSA. The sensitivities of Nkrumah about politicisation of development was vindicated. In particular, the rejection of an application made by Kojo Botsio (Minister of Trade) to the Colonial Development Corporation (hereafter abbreviated as CDC) for a cement clinker factory in partnership with a well-known British cement company caused indignation in parliament. In response to the CDC’s action, the representative of the cement company expressed in parliament, “We are amazed at your news that you have been instructed not to proceed with any new Gold Coast scheme during the period of six months preceding independence. It is galling that the Gold Coast authorities and the others concerned in this scheme can justly feel that they have been let down because of the close association of the British Government with your Company” (HL Deb 31 January 1957). In his effort to depoliticise development assistance to Ghana, Lord Ogmore asked the British parliament "Why not leave this matter to the Colonial Development Corporation?" (HL Deb 05 February 1957). Being astute but hypocritical, the British government replaced the CDC with the Commonwealth Development Finance Company Limited to insulate itself from criticism and to put in place stricter directives by which the company could provide development finance to private enterprise. Geoffrey De Freitas[35] suggests that since independence Ghana had only received £2.25 million Commonwealth Assistance Loans for the Black Star Line and £5 million Assistance Loan for the Volta River Project (De Freitas, 1963).

Given the position of the British government, Nkrumah approached the United States and reached a deal with Kaiser Aluminium, a major American aluminium company for the construction of the Akosombo hydro-electric dam. Under the agreement the Volta Aluminium Company (VALCO), a subsidiary of Kaiser would use electricity from the dam to smelt its aluminium and Ghana would have the rest of generated hydro-electricity. Burke Knapp[36] suggests that electricity was a necessary condition for development in Ghana and in June, 1960 the World Bank approved a £30 million loan but cautioned against the low tariff rate Kaiser paid to Ghana as inadequate for the proposed take-off. Nkrumah wanted the dam for industrialisation and Kaiser was the means to build the dam because with Kaiser's letter of intention the IMF would advance the loan for the project (a win-win scenario). This researcher finds out that Kaiser and Nkrumah had concealed their individual intentions to outwit each other in the negotiations. Nkrumah had anticipated that subsequent to the deal VALCO would rely on Ghanaian bauxite to generate additional revenue for the government. However, according to Ron Sullivan and Lloyd Cutler (Kaiser's solicitors for the Volta Project) Kaiser had been very concerned that Nkrumah could easily nationalise VALCO if the company became profitable out of using local-based bauxite hence their decision to import bauxite for its aluminium production (Pandora Box, BBC documentary).

---

[35] Geoffrey De Freitas (1913-1982) was the Labour MP for Nottingham Central (1945-50). He was trained as a barrister and served in the army before entering into the diplomatic service and served as the British High Commissioner to Ghana (1961-1964).

[36] Joseph Burke Knapp Senior was the Vice President of the World Bank (1956-78) and a career economist. He graduated from Stanford and Oxford Universities.

5.12 The Decline of the Vampire State

The four main factors related to the economic decline in the 1960s consisted of (i) bad macroeconomic management policies; (ii) fall in cocoa prices; (iii) the attitude of Nkrumah; and (iv) external sabotage. First, as part of the ISI development the government introduced a series of policies to discourage imports and encourage exports. Import licencing, trade legislations, competition and nationalisation were to mention a few introduced by the Nkrumah government. Imports were subjected to licencing requirements but the restriction was ineffective because public officials were corrupted by capitalist merchants to engage in public procurements of inferior goods at under costs. In addition, the strong demand for foreign goods in the absence of homemade quality products resulted in demand-pull inflationary scenarios. While attempts to nationalise foreign industries were populist-motivated, they were unsuccessful because the extractive, banking, insurance, civil engineer, and construction sectors, as well as petroleum imports from BP and Shell all required intensive capital investments that were unfeasible for the Ghana Government to unilaterally handle (De Freitas, 1963). In 1962, the government legislated restrictions to limit the area size of extractive concessions with special powers to the Minister of Justice to summon violators to appear before a tribunal. However, with lack of proper legal safeguards for foreign investment, Ghana became unattractive to foreign capital. To restore confidence in the economy the government legislated the Capital Investment Act in 1963 to set out and legitimise the criteria for, protection of, and incentives for investors. This Act was a model effort by a developing state to open up opportunities for private investment and development. In the estimation of De Freitas (1963), "it meets every test that I have ever discussed for protection for investors from the developed countries in the developing counties" (De Freitas, 1963: 293). Ghana needed foreign investment to save her economy from decline and develop because there was hardly real possibility of transforming the economy of Ghana from its peasant state to an industrialized one without the existence of foreign capital resources generated out of savings or loans (Lewis, 1953).

Second, the fall in cocoa prices was not anticipated during the 1960s. On 29th May 1963, a state-owned newspaper in a glimpse of hope published that the IMF was optimistic of Ghana's economic recovery to reduce its trade deficit from £23 million in 1962 to £4million in 1963 (The Times, 1963). However, in 1964 the world market prices of cocoa fell whilst the Akosombo dam was still under construction and other programmes were suspended to provide funds to complete the dam. The price fall caused the export ratio of cocoa to gross domestic product almost to half from its 1957 level of 13.8 percent to 7.7 percent in 1966, and the net reserve to GDP for the same period to decrease from 25.9 percent to -1.8 percent (Frimpong-Ansah,1992). It would be recalled that during a cabinet meeting with senior officials of the Bank of Ghana in 1965, Frimpong-Ansah, then Deputy Governor of the Bank of Ghana, personally informed Nkrumah that Ghana's reserve was at its lowest with only £0.5million, to draw the president's attention to the capital constraint to the accelerated development ambitions.

Third, Nkrumah was a person of interest to western intelligence agencies for his relatively socialist stance and anti-capitalistic sentiments. In the events of the cold war, Nkrumah resented British expectation for political support from her colonies with his famous rhetoric "we face neither east nor west, we face forward". Yet, being non-aligned implied the substitution of Western contacts with Eastern ones consequently had economic implications (De Freitas, 1963) but this did not happen because aid from the East were not sustainable at that time. Indeed the political dictum of Nkrumah reignited western sensitivities about his admiration of socialist leaders hence the economic and political retributions against his government. However, Lewis, et al, (1951: 28-29) had urged the British government to demonstrate real understanding to the main problems of Africa, and distinguish African nationalism from Communism, as failure to do this effectively compounded the problems. This was the case in many African colonies where nationalist movements were mistaken for communist sympathizers. By 1965, Nkrumah's relations with western governments took a turn for the worse. A US $35 million aid package was cancelled for the publication of his book 'Neo-colonialism the last stage of imperialism' in 1965 (Nkrumah, 1965; Sherwood, 1999; Biney, 2009). This was followed by complicity of America, British and French governments in the assassination attempts in 1964 and the February 1966 coup. In a BBC archival documentary, 'Black Power – Pandora Box', Bill Mahoney (US Ambassador to Ghana, 1962-65) narrated how Nkrumah had wept while asking him why the Americans were doing this (sponsorship assassination attempts, cancellation of aid, and support for the opposition) to him (Nkrumah). In addition, John Stockwell (CIA officer in West Africa, 1966) asserts that Howard Banes (CIA Station Chief in Accra, 1966) was recalled to Washington and promoted for engineering the overthrow of the Nkrumah government (Stockwell, 1984). According to John Stockwell – the former head of CIA, Angola Task Force, the position of US foreign policy in Africa during the late 1960s was aimed to sabotage activities of African liberation movements because the movement's success reverberated in another parts of the colonies (Stockwell, 1978: 285). Nkrumah was not exempted from this policy as declassified CIA information confirms how the United States, British and French intelligence agencies provided support to senior officers of the Ghana Army and Police to stage the coup that overthrew Nkrumah. June Milne, the executrix of Nkrumah, who provided unmediated narratives of the political and personal life of Nkrumah (from his days of exile in Conakry to his death in Bucharest on 27th April, 1972) confirms the complacence of the West (Biney, 2009: 84).

Basically, no state can make claim to its sovereignty when other states control its industries, trade and social relations with other states. The 5-Year Development Plan (1959-1964) aimed at infrastructural development and agricultural modernisation while the 7-Year Development (1964 – 1970) also referred to as 'Work and Happiness' aimed to develop Ghana into a self-reliant modern industrialised state in which everyone would have sufficient for their needs but these were politicised. At the heart of this programme was the Akosombo hydroelectric dam project inaugurated in January 1966 just a month before Nkrumah's overthrow. This ended the industrialisation ambitions and reverted Ghana into a global capitalist system of trade and underdevelopment. Killick (1978) suggests that while the Volta Project proved economically viable, many state owned ventures were run on political rather than economic importance.

In summary, the historiopolitical events of the late 1940s was in response to the economic crisis brought into being by a protracted period of colonial underdevelopment. Nkrumah had the best opportunity to transform Ghana into a modern industrialised state and was genuinely committed to this but failed to properly place the interest of capitalists alongside the interest of the people of Ghana for socioeconomic development. In so doing, Ghana missed her greatest opportunity so far to become a model developmental state for Africa. Nevertheless, the experiences of the 'vampire state' provide important lessons for African opinion leaders, politicians, development enthusiasts, policy makers, development actors and donors in the search for an African development model.

Chapter Six – Developments in the immediate post Nkrumah era of 1966 to 1972

Of the seeming and real innovations which the modern age has introduced into the practice of foreign policy, none has proven more baffling to both understanding and action than foreign aid. – H.J. Morgenthau, 1960 (foreword to G. Liska).

6.1 Introduction

It is conspicuous from the previous chapter on Ghana's development that while the motive and passion of Nkrumah for development were authentic, the final outcome of his policies and economic strategies deepened the economic problems that was inherited. In furthering the development ambitions of Nkrumah's government it exhausted Ghana's foreign reserves of about £200m (as at independence) and incurred external debts of about £400m as at 1966 (FCO 65/130). The contributory factors to the financial situation consisted of: (i) the rapid industrialisation programme of the early 1960s; and (ii) sharp decrease of the world cocoa market price (Frimpong-Ansah, 1992). Given the economic conditions that followed, successive governments became reliant on the UK Official Development Assistance (ODA), literally called AID, as supplementary to government revenue for development and with it came the opportunity for the conceptual Western influence to government policies and control Ghana's resources from abroad. The aid discourse is broad, in-depth and beyond the scope of this chapter. It concerns the concepts, definitions, types, ideologies, myths, critics, contradictions, realities, goals, motives, benefits, harms, ownership, control, formulation, implementation, responsibilities and series of unanswered questions (Bauer, 1981; Bauer, 2004; Easterly, 2006; Moyo, 2009; and Foreman, 2012). The relevance of aid in this chapter is limited to as far as it helps to understand the political economy of decline and development in Ghana from 1966 to 1972.

In critically examining the economic development of Ghana during the immediate post-Nkrumah era, it is natural to expect the British government to have led in mobilising aid, grants and technical assistance from the industrialised states known to have benefitted from the imperial trade system. Such initiatives could have mitigated the effects of colonial exploitation and assisted Ghana's economy to take-off in expanding industries and promoting good governance. However, this was not the case because the development thinking of London and Accra were at opposing ends.

This chapter focuses on a critical examination of the development efforts and challenges of the National Liberation Council (NLC) and Progress Party (PP) governments. I argue that although Ghana attained political freedom on 6th March 1957, it was not economically independent from the control and influence of the West. The development thinking and purpose of aid donors guide the formulation of public policies funded by foreign loans and by this reshapes the implementation of development in Ghana. This resonates with the suggestion of David Dacko[37] at the Organisation of African Unity (OAU) in May 1963 that Africans must recognise that the colonial power has not departed from Africa and would deploy every means to influence policies in Africa because it had not left willingly (www.nepad.org). I put forward that aid in its various forms are used as economic tools by developed states to influence the economy and politics of underdeveloped African states balkanised by Anglo and Franco prefixes. Accordingly, the chapter is structured into three main sections. The first section takes a constructive look at the aid and development

[37] David Dacko - the First President of the Central African Republic (14 August 1960 – 1 January 1966) and third President (21 September 1979 to 1 September 1981).

discourse with particular reference to underdeveloped states. The second and final sections provide critical examinations of the economic and political developments under the NLC military-police regime (1966-1969); and the PP constitutional government of the Second Republic (1969-1972) respectively. The politics of aid is relevant to the development of Ghana during 1966 and 1972 because by and large, all heads of governments in Ghana (except Rawlings) travelled to the UK and allies for development aid within the first few months of assuming office.

The post-Nkrumah period commenced with the overthrow of Nkrumah's government in a military coup by the NLC on February 24th 1966. The coup, the first of its kind in sub-Saharan Africa was executed with the complicity of the British, American and French governments who at that time were very concerned about Nkrumah's affiliation with the Eastern bloc and the possibilities of the spread of communism in Africa (Biney, 2009). Although many scholars consider the politics of aid as a novel phenomenon (Morgenthau, 1962; McKinley and Little, 1977), it has been used centuries ago, especially by rival states to reward or punish allies and defectors respectively. The timing of the coup (barely a month after Nkrumah had commissioned the Akosombo hydroelectric dam, the hub of his industrialisation programme) supports the argument about Western determination to maintain control of Ghana's resources and punish governments that cause obstacle to imperialist objectives. It could be argued that given the economic prospects of China and East Asian states (Hong Kong, South Korea, Singapore and Taiwan) Ghana would have adapted the East Asian development model and transform into a developmental state had her sovereignty been respected by the regime changers.

6.2 Perspectives on Official Development Assistance in Ghana

By the mid-1960s the development thinking of many Ghanaians had shifted from dependency to modernisation idea of import substitute industrialisation. However, the industrialisation dream was stalled by lack of domestic capital due to fall in the prices of the main exports and the government's inability to raise enough income taxes for development. Granted this, foreign aid (loans, debt rearrangements, technical assistance) became indispensable for development, and with it was the control of Ghana's economic resources and internal politics by creditor states - donors. As a former British colony, Ghana received much of her aid from the UK. This was organised through the Oversea Development Administration, currently Department for International Development (DfID) under the Foreign and Commonwealth Office (FCO).

Basically, the politics of the ODA is grounded in three main competing schools of thought beginning with those who argue that: (i) aid is beneficial to the development of underdeveloped states; (ii) to aid is destructive to development; and (iii) finally the need for alternative ways to make aid more effective and beneficial to donors and beneficiaries. First, the Development Economist, Jeffrey Sachs (2005), in his book; 'The End of Poverty: How can we make it happen in our lifetime' argues as many African leaders would do, for a redoubling of aid efforts to help developing states out of underdeveloped conditions. Sachs believes that economic development requires investment capital and given the economic conditions in many developing states, it is nearly impossible for developing states to achieve economic growth without initial assistance from developed states. Granted that Sach's proposition is accepted, one could argue that the politicisation of foreign aid by donors negatively affected Ghana's development in the immediate post-Nkrumah period. However, the pro-Sach idea is challenged for its implication to poverty and imperialist control. Thus as the underdeveloped states become dependent on aid, donor states seize the opportunity to control the latter's resources and internal politics in subtle ways. The second perspective, as authored in William Easterly's (2006) 'The White Man's Burden: why the West's efforts to aid the rest have done so much ill and so little good'; suggests that aid is part of the economic problems of developing states because it has proved ineffective. Recipient states remain in poverty in spite of the many initiatives taken to address the problems of underdeveloped states. Easterly argues for policy makers and development planners to revisit the subject to mitigate the protracted problem of poverty. The third perspective as in Moyo (2009), argues for alternative means of financing economic development and growth without overreliance on aid. Moyo suggests that the absence of stronger and appropriate safeguards within the aid industry, has submitted aid to corruption, conflicts and protracted poverty. Similarly, Riddell (2007) recognises the benefits of aid but argues for reforms in relation to the way aid is delivered to make it more effective. While Sach and Easterly seem to share the same object of reducing poverty in underdeveloped states their ideas and approaches are converse to each other. The last group, the centrists, to use the proverbial saying avoid throwing away the baby with the dirty water, argue for aid to genuinely focus on development in underdeveloped states. In spite of their distinct but related ideas the trilogy of ideas have not provided us with straight answers to the dilemma that confront development planners, policy makers, donors and recipients in decision-making and implementation of aid and development.

The philosophy, goals and purpose of aid, help in shaping aid policy and its implementation (Van Der Veen, 2011). For instance, development aid influences government decisions to improve standards of living whilst educational grants and humanitarian aid are assigned to improve knowledge and provide relief respectively. On the other hand, aid can engender conflicts of interest in cases where the donor's objectives are different from the interest of the beneficiary. In addition, aid contributes to conditions of economic dependency, external indebtedness, societal conflicts, corruption, political instability, poverty and expansionism. Moyo (2009) suggests that “Aid has been, and continues to be, an unmitigated political, economic and humanitarian disaster for most parts of the developing world”. While this is true in some cases, aid has also provided short-term relief in many developing states. Therefore, the aid discourse needs not be confined to whether aid works or not, but rather about the circumstance and reforms needed to make aid more effective for developing states such as Ghana. As an important economic tool of political influence, foreign aid has reshaped the political economy of Ghana in many ways.

Contrary to the notion that aid represents a benevolent act by one state to the other, in reality aid is a form of loan. Aid consists of debt renegotiation/reschedule/relief, technical assistance, and trade concessions. Its forms and roles are relevant to the understanding of the political economy and development trends because it determines the state’s capacity to perform its roles effectively. As Busia rightly stated at the 24th session of the UN General Assembly, “It seems clear to us that the international strategy for development, which is being so carefully worked out for the coming decade, should be backed by firm undertakings in the area of international cooperation in trade and finance.…The multilateral organisation and co-ordination of aid had established its merits beyond doubt and it is our hope that it will be reflected in the aid policies of the donor countries” (FCO 65/129). The three main types of aid are: the humanitarian or emergency (mobilised and distributed through the state and recognised bodies to mitigate the effects of disasters and human suffering); charity (sourced and disbursed mainly by non-governmental organisations to help underprivileged individuals and groups); and systematic aid - payments made to the recipient state from donor states or supra-states such as the World Bank (Moyo, 2009). While aid represents the aggregate of concessional loans and grant, the latter does not attract repayment of capital or interest because it is ‘free money’.

Through an in-depth content examination of official correspondences and declassified documents on foreign aid to Ghana, this study discovers that all the regimes in Ghana have depended on foreign aid from the West for development and legitimacy since independence. This undermines the sovereignty of Ghana as donors use subtle ways to interfere in local politics and control resources to their advantage within the context of neo-colonialism (Nkrumah, 1965). Sovereignty, according to John Stuart Mills (1865) requires ‘non-interventionist’ relations among states that allows free states the liberty to initiate their own change without external ‘unsolicited’ interference. He wrote, “In fact, of course, not every independent state is free, but the recognition of sovereignty is the only way we have of establishing an arena … As with individuals, so with sovereign states: there are things that we cannot do to them, even for their own ostensible good” (Mill, as paraphrased in Walzer, 1977: 89). Thus sovereign state must have the right to self-determination based on their own political structure, culture, social and development. However, since ‘absolute’ sovereignty is an abstraction rather than actual, there is the need to balance the competing interests of donors and recipients in the spirit of Karl Polanyi’s treatise ‘The Great Transformation’ (1957).

This study recognises the challenges of this approach because while it is difficult for the West to shift from the dependency idea there is the need for donors and recipient states to politically engage as equal partners in addressing the problems of underdeveloped states. Aid to Ghana was owned and controlled by donor states. Johnson (2005) suggests that the ownership and control of aid relate to a particular state’s right to choose the policies to implement; and acceptance to take responsibility for its implementation. Against this background, Whitley (2008: 27-44) defines 'ownership' as "the degree of control recipient governments are able to secure over implemented outcomes". By this, the three dimensions of deciding aid and assuming ownership and control are structured into aid decided by recipient state without donor interest; aid decided in collaboration with donors; and aid prescribed by donors for recipients. Despite the contesting perspectives (Whitfield, 2009; Van der Veen, 2011), it is important not to be detained here by the puzzles of aid politics but to take a brief view of aid in Ghana.

6.3 The first military government of Ghana under the NLC - 1966 to 1969

On 24th February 1966 some senior officers of the Ghana Armed Forces and Police Service cited the economic setbacks to the Nkrumah government as reasonable excuse to overthrow the CPP government. The coup was plotted by two comprador bourgeoisies - Lieutenant General (then Colonel) E. K. Kotoka[38] and Brigadier (then Major) A. A. Afrifa[39]- and carried out by a small section of the army and police with the full knowledge of Western intelligence agencies. Thereafter, Afrifa and Kotoka invited Lieutenant General J. A. Ankrah to head the NLC. Membership of the NLC was limited to four senior military officers and four senior police officers[40]. By 1965, a few senior military and police officers were under investigation

[38] Lieutenant General Emmanuel Kwasi Kotoka hails from the Ewe tribe of the Volta region. He served in the army from 1947–1967 and was the Commander of the 2nd Infantry Brigade (now Northern Command) in Kumasi, Ashanti Region. Kotoka and Afrifa were the main architects of the 1966 military coup nicknamed 'operation cold chop' meaning an easy operation. In April 1967 Kotoka was killed by Lt. Moses Yeboah at the forecourt of the Kotoka International Airport (KIA) in an abortive coup attempt possibly to re-instate Nkrumah.

[39] Brigadier Akwasi Amankwaa Afrifa, aka 'okatakyie' the Akan version of 'hero' – a royal title awarded to him by the Asantehene for his bravery in the military coup. Afrifa served as the Staff Officer in charge of Training and Operations of the 2nd Infantry Brigade under Colonel Kotoka; member of the NLC and the third head of state (2 April 1969 – 7 August 1970). He was executed on 26th June 1979 by firing squad in the June 4th uprising on charges of corruption, and suspicion of inciting a countercoup.

[40] NLC membership - Lt. Gen. Joseph Arthur Ankrah - Chairman of the NLC and Head of State (February 24, 1966 – April 2, 1969). Mr. John Willie Kofi Harlley (Inspector General of Police) - Vice Chairman of the NLC. Brigadier Afrifa - Chairman of the NLC and Head of State (April 3, 1969 – October 1, 1969).Lt. Gen. Emmanuel

for corruption. Yet, the integrity of the aforementioned officers and their true motives for the coup need not detain us here.

6.4 Political freedom without Economic independence

After the overthrow of the CPP, Ghanaians revisited the discourse about the sequence and substance of political independence and economic sovereignty. While some question the benefits and implications of political freedom without economic independence, others argue that the political is an imperative antecedent to the economic. For instance, in May 1963, Nkrumah made a public pronouncement to the effect that "African unity is, above all, a political kingdom which can only be gained by political means. The social and economic development of Africa will come only within the political kingdom, not the other way round" (www.nefad.org). The independence of Ghana, like other former colonies, was a shift from the colonial to the neo-colonial project and by this the control over African resources and development policies changed hands from being under the direct control of the conceptual West to its proxy establishments. Through the Bretton Woods establishments – International Bank for Reconstruction and Development (IBRD, also known as the World Bank), the International Monetary Fund (IMF) and the International Trade Organization (ITO) powerful states have accorded unto themselves the 'divine' obligation to interfere in the affairs of underdeveloped independent states and influence policies to control resources. Whether by the Colonial Development and Welfare Acts or the activities of Bretton Wood establishments, the British government have acted as though Ghana is under her tutelage.

From the Bretton Woods institution agenda of the 1940s; to the Marshall Plan of the 1950s for Western Europe and Japan reindustrialisation effort; the industrialization decade in the

---

Kwasi Kotoka (February 24, 1966 – April 17, 1967). Mr. Bawa Andani Yakubu (Deputy Commissioner of Police). Lieutenant General Albert Kwesi Ocran. Mr. Anthony K. Deku (Commissioner of Police, Criminal Investigations Department). Mr. J.E.O. Nunoo (Commissioner of Police, Administration).

1960s; to the aid-poverty dictum of the 1970s; to the economic recovery and stabilization through structural adjustment program of the 1980s; to democratization and good governance of the 1990s, the World Bank, IMF and ITO have maintained control of the economy and politics of underdeveloped states through aid, trade policies, and debt management (Moyo, 2009). Though the actual roles of the World Bank and IMF were to facilitate capital investment for reconstruction and management of the global financial system respectively, they have come to occupy centre-stage in the development of African states in general, and Ghana in particular. That the political independence of Ghana was not attained in its true sense is the logical claim of this chapter because the stability of every post-colonial government in Ghana has depended on its subservience to former colonialist and proxy establishments.

With an average economic growth rate of 6 percent and a foreign reserve of about £200 million as at independence, Ghana was in a better position for economic prosperity. But by 1966, the growth rate of GDP had fallen from its 1960 level of 8.8 percent through to 1.4 percent in 1965 to zero in 1966 (Attafua, 1972; Aryeetey and Kanbur, 2007). Given this, external debts increased and eroded investors' confidence. This was as the result of a combination of economic factors – fall in world price of cocoa, corruption of public officials, overreliance on suppliers' credits and mismanagement – during the early 1960s that almost grounded the economy to a halt. By 1965, national debt was estimated at £400 million, with the balance of payment deficit well above £80 million (Aluko, 1975).

Following the February 1966 coup the NLC attempted but failed to repudiate contracts entered into by the Nkrumah government. It may be recalled that Nkrumah's administration accumulated huge debts out of unscrupulous contracts characterised by invoice padding systems and shoddy products. For instance in 1964, the Government of Ghana under

Nkrumah entered into contract with a Glasgow firm (Yarrow and Company) for the construction of ten frigates at a total cost of £4.l million (revised to £4.75m in 1968). Of this amount the Ghana government was required to pay ten percent deposit while the UK government provided a ten year loan for the remaining ninety percent (FCO 65/128). When the NLC government attempted to repudiate the contract in 1966, the British government cautioned the NLC of the consequences thereof - including a £3million cancellation fee (almost 75% of total cost). The subject of repudiation nearly evoked diplomatic tension between the two governments in 1966 though the construction was projected to complete in June 1968. This thesis discovers that the vessels were of substandard quality because Yarrow and Co. informed the Ghana Government few months before completion that it would cost over £50,000 initially plus annual charges to remedy deterioration and maintenance of the vessels. In spite of this, Yarrow and Co. relied on the British government to enforce a contract that was not value for money.

On realising the consequences of repudiation, the NLC government made political and economic shifts to attract foreign investment from the West. In doing so, the NLC suspended the 1960 constitution, dissolved the National Assembly, proscribed the CPP and affiliate organisations, severed diplomatic relations with the East, shutdown uneconomic state-owned commercial and industrial ventures, promoted private enterprises, liberalised the external sector, implemented monetary policies as directed by the IMF, devalued the Ghanaian cedi to promote trade and attract foreign investment, and introduced a Two Year Development Plan in 1968 primarily to reverse the Nkrumah legacy (Frimpong-Ansah, 1992).

In response, the UK government influenced creditor states to restore trade relations, raise world cocoa price, offer food aid, and approved the 1966 and 1968 debt rescheduled agreements to give a buffer to the economic crisis. For instance on 22nd October 1966, David Williams, a correspondent of The Times (a Ghanaian newspaper), reported that there was no doubt the NLC government was assisted in its development programme by the average increase in world cocoa prices of more than £200 per ton. Furthermore, the rise in cocoa prices in the immediate years that followed reached well above £400 per ton, as compared to £120-£130 in the 1965-66 Nkrumah period. Cocoa fob price in cedis per tonne rose from £262 in 1965 to £818 in 1969 (Frimpong-Ansah, 1992: 184). However, these fortunes and the strategies adopted by the NLC did not go far enough to improve foreign capital investment for development, create adequate jobs or stabilise inflation. Hence the enthusiasm with which the NLC was welcomed withered. Developed states have enormous influence in determining the prices of imports and exports of developing state, the economy and politics in furtherance of imperialism. The notion that trade is an economic weapon that is relied upon by dominant states to control and influence the policies of less dominant states renders underdeveloped states vulnerable to neo-colonialism.

6.5 Industrial relations and legitimacy of the NLC government

The NLC regime attempted to address the external debt issue at home by resetting its relations with organised labour to increase production but their authoritarian approach suffered a setback. After the overthrow of Nkrumah, the NLC reversed the existing industrial relations between the state and unionised bodies. The regime incarcerated some leaders of the Trade Union Congress because of their close relations with the CPP. In doing so, the leadership of the TUC and its activities were placed under surveillance and fear. To further assert its authority over the working class, the NLC appointed its favoured candidate, Benjamin A. Bentum, as the Secretary-General of the TUC and tasked him with the reorganisation of unionised labour. Bentum superintended over all workers union and ensured that changes were made to their constitutions and bye-laws to put pressure of national unions in taking key decisions such as amendments of their constitutions to favour government policies (Arthiabah and Mbiah, 1995). Within some of these constitutions, union leaders were prevented from engaging in partisan politics. In 1967, the TUC was further weakened by the annulment of the Civil Services Act of 1960 that hitherto conferred automatic membership of the TUC on all civil servants. The restrictions reduced their membership and source of funding their activities. Meanwhile, the conditions of the external debt rearrangement implied that the NLC commit workers to austerity programmes even though it negatively impacted on its embeddedness with the working class. The implications of the austerity were that many middle and working class employees of state-owned enterprises set up during the Nkrumah era were retrenched, external trade was liberalised, and employees bargaining power diminished because of the high unemployment exacerbated by decrease in government recurrent and capital expenditures. The austerity resulted in physical tensions and ideological deadlocks between the NLC and unionised workers to the extent that lives were lost through clashes between industrial workers and law enforcement agencies. For instance, an antagonistic industrial relations between the NLC and unionised labour during 1966 and 1969 led to a record number of 158 strikes involving about 94,741 employees (Arthiabah and Mbiah, 1995). While some of these strike proved fatal - three (3) miners were killed during industrial strike action involving some 6,500 miners in March 1969 – others resulted in severe trauma, decreased productivity and loss of confidence in the state's ability to engage constructively with the unionised labour. With this trend, the TUC formed the opinion that unlike the CPP government, the NLC was focused on serving the interest of the IMF at the detriment of the working class. But more importantly was the fact that the NLC did little to create jobs for the people.

In February 1966 the CPP government left behind 47 non-agriculture state owned ventures and four large private-public joint ventures in the production of cement, textile and tobacco

(Frimpong-Ansah, 1992). Of this number, the NLC sold off the commercial interest of the state in a few but retreated from the blanket privatisation trajectory because of resentment from the universities and other pressure groups mainly in the urban areas. Consequently, the NLC watered down its ambitions and established four state-owned economic ventures in the areas of produce, marketing and exports. The liberal market initiatives of the NLC aimed at the liberalisation and stabilisation of the economy rather left behind series of economic burdens that had to be resolved by the Busia administration. In doing so the NLC could not reverse the big-push theory of the Nkrumah government and populist dream. This resonates with the rapid industrialisation aspiration of the people to make up for the protracted period of colonial underdevelopment. In 1967, Afrifa alluded to this truism when he wrote with hindsight that "the irony of the present situation in Ghana is that it is quite possible that President Nkrumah and the CPP would command the support of a majority of the electorate … in genuinely free elections" (Afrifa,1967: 124).This present study puts forward that the development plans of the NLC government did not necessarily result in the realisation of its economic objectives because the economic development of Ghana is intrinsically linked to, and determined by western economies. Nevertheless, the NLC with the connivance of the British, American and French governments succeeded in ending Nkrumah's political career but not his dreams of economic development.

6.6 Political and Constitutional trajectories towards the 2nd Republic of Ghana

In November 1966 the Ankrah-led NLC military government appointed a 17 member Constitutional Commission[41] under the chairmanship of Justice Edward Akufo-Addo[42]

---

[41] The other members were: High court judge Adumua-Bossman; Dr Hilla Limann; Dr EVC de Graft-Johnson; Adam Amandi; A.S.Y.Andoh, M.K.Apaloo; Nene Azzu Mate Kole; Barrister WEA Ofori-Atta; Barrister Saki Sheck; Barrister Akua Asabea Ayisi, B.A.Bentum; J.A.Briamah; A.Karbo; Dr F.K.Fiawo; B.D.G. Forson; and D.J.Buahin;

[42] Edward Akufo-Addo - Father of the current President of the Republic of Ghana, Nana Addo Dankwa Akufo-Addo. Edward married Adeline Y. Akufo-Addo (née Nana Yeboakua Ofori-Atta), daughter of Nana Sir Ofori-

(Twumasi, 1968: 44) to prepare a draft constitution that reflects 3 main democratic concepts – (i) views of the public; (ii) separation of powers of the arms of government; and (iii) inalienable rights of the individual. In submitting the draft in January 1968, the commission recommended for a National Assembly of 140 parliamentarians and a ceremonial president. In November 1968, the NLC set up a 150 member Constituent Assembly. Of this membership, 140 were either elected or nominated from 49 administrative districts and identifiable organisations such as the Ghana Bar Association. This was because direct election was not feasible at that time due to the heavy expense and lack of reliable logistics. It is the position of this study to recognise the good intent of the initiators of the constitution although the assembly was not fully representational. However, this study contests the neutrality of the NLC in its role during the transition to civilian rule because the hierarchy of the NLC pressured the Constituent Assembly to include a constitutional provisions for the establishment of the Presidential Commission to consist of Afrifa as Chairman with Harley and Ocran as members. The parochial object of the NLC compromised the democratically elected government and put pressure on the latter to operate under the shadows of a military-police presidential commission.

In January 1969 the Assembly convened and endorsed the recommendations put forward by the Constitutional Commission except for a controversial clause in Article 71 that barred anyone found guilty by a Commission of Enquiry on the grounds of abusing office, illegal acquisition of wealth or defrauding the state. However, investigations conducted by this researcher leads to an incontrovertible conclusion that the real motive of this clause was an orchestrated attempt by the PP with the complicity of the NLC to disqualify Gbedemah of the

---

Atta, niece of Dr J.B. Danquah, and mother of Ghana's current president. Edward was a founding father of the UGCC and one of the Big Six. He was trained as a lawyer and became the Chief Justice, 1966-1970; ceremonial president, 31 August 1970 - 13 January 1972.

NAL party. Sensing the detrimental implications of this ploy to good governance, the UK government impressed upon Busia to refrain from such politics. In a confidential letter from John Wilson of the Foreign and Commonwealth Office (FCO), West African Division to Horatio K. Matthews, the British High Commissioner in Accra, Wilson submitted updates of political developments in Ghana that he had obtained through his informant, Bill Peters[43]. Bill had gathered this information during a conversation between Arnold Smith[44] and Busia at the Commonwealth Secretariat in London on 30th October 1969. In this conversation, Busia reassured Smith that he (Busia) hoped to find a way round the present difficulties to "let Gbedemah off the hook" (FCO 65/130; The Times, 1969). The outcome of the 1969 general election was obvious given the restrictions imposed on CPP functionaries and uncertainty of Gbedemah's political career.

At the general elections on 29th August 1969, the PP won 105 out of 140 seats to form a majority government of wholly Akans. The NAL won 29 seats to form the official opposition of wholly Ewes. After the elections Busia, appealed for national unity in his address to the nation. He stated "Let us build a brotherhood that transcends the boundaries of tribe, creed or political party …" (Williams, 1969). However, he acted in contrast by choosing ministers of state on ethnic lines. One major limitation of the 1969 Constitution was that, it permitted the Prime Minister to choose ministers of state from outside the National Assembly without anti-ethno safeguards to guard against discrimination on ethnic, religious or gender orientation. In spite of its shortcomings, this study credits the NLC for its role in the formulation of the 1969

[43]William 'Bill' Peters was a British diplomat. He studied at the London School of Economics, and School of Oriental and African Studies. Peters served as Head of Central Africa Department, F.C.O., 1968 -1969. Peter worked for the Colonial Government in the transition to Ghana's independence and was well-known to many Ghanaian politicians and by this he had access to high-level gatherings.

[44] Arnold Cantwell Smith was a distinguished diplomat and 1st Secretary General of the Commonwealth of Nations (1965 – 1975).

Second Republican Constitution and transfer of power to the democratically elected PP government of Prime Minister Busia in September 1969, though Busia remained restrained by the de facto power and influence of the presidential commission.

6.7 Formation of the Progress Party and problems of ethnocentrism to development

Though the history of the PP draws us back in time, it is relevant to the understanding of the thinking and structure of Busia's administration. The leaders of the Progress Party owe their political thinking and formation to the Danquah-Dombo traditions of the UGCC. Following the dissolution of the UGCC by its leaders for its poor performance in the 1951 general elections, the conservative members of the party and dissatisfied members of the CPP reorganised in 1952 to form the Ghana Congress Party (GCP) led by Busia. The GCP was an elite party that represented the interests of the intelligentsia and conservative traditional chiefs, and therefore died its natural death after it won only 1 out of the 104 seats in the 1954 general elections. Thereafter, Danquah and Baffour Akoto, the linguist of the Ashanti king who had earlier on led a group of cocoa farmers to resist Nkrumah's Cocoa Duty and Development Funds Amendment Bill (1954), mobilised disaffected Ashantis and CPP defectors to form the National Liberation Movement.

The NLM was led by Danquah and later joined by Busia. The NLM pioneered the formation of a federal system of government that allowed for the devolution of administrative powers to traditional leaders. This parochial idea favoured the Akan traditionalists but placed the overall national interest at risk. It must be noted that before the discovery of oil in Ghana in the 1970s, the bulk of Ghana's main exports – cocoa, gold, timber – were strategically endowed in the Ashanti region and akan dominated areas. Therefore a federal system would have favoured the Akan dominated landlocked areas to the neglect of other regions. This would have caused tribal and political tensions because the exports and imports would require access through the southern areas.

After winning 12 seats in the 1956 general elections, the NLM merged with the second largest party, the Northern People's Party led by Dombo, the traditional chief of Duori in the Upper region, to form a coalition opposition. However, shortly after independence both parties were outlawed by the promulgation of the Avoidance of Discrimination Act (1957). The Act banned all political parties that gave cause to ethnic, racial or religious prejudice and called for national unity. Given this, all the ethnic and religiously oriented opposition parties such as the Muslim Association Party, National Liberation Movement, Northern People's Party, Ga Shifimokpee (GS), Anlo Youth Organisation (AYO) and Togoland Congress (TG) merged to form the United Party (UP) in 1957 under the leadership of Busia. Their main object was to oppose and possibly oust the CPP and the Nkrumah ideology. However, in 1964 the ruling CPP by another Act of parliament banned all oppositions and ushered Ghana into a one party system. After Nkrumah's overthrow by the military in 1966, the NLC maintained the status quo until 1969 when it lifted the ban to allow for the formation of political parties except the CPP and all its functionaries. Having been the main opposition from independence in 1957 to 1964, the PP became the base to source the pro-UGCC Akan intelligentsia. In collaboration with his colleagues from the UP, Busia - moderate politician and reformist by Ghanaian standards - led the Progress Party and won the 1969 general elections.

However, in sharp contrast to the demographic structure of the CPP and NLC, the Busia administration did not bear the characteristics of national identity as it predecessors. According to the FCO, Harley favoured Gbedemah and the Ewe dominated NAL, while Afrifa, on the other hand, was an ally of the Akan dominated Progress Party of Busia.

Reasons for the ethnic and ideological polarization lies in the formation and historical traditions of the PP. It is of interest to note that although the origin of the Ewe and Ashanti rivalry dates before independence, the aetiology was deepened during the Nkrumah era. In 1956, Nkrumah supported the Ewes to acquire part of the Trans Volta Togoland (the relinquished German territory in post-war era) to expand the Volta region, but legislated for the people of Brong and Ahafo to secede from the Ashanti kingdom in 1959 as a subtle retribution to the Ashanti opposition to the Cocoa Duty bill. In addition, the Akan dominated PP despised the CPP for Nkrumah's apathy to the inhumane treatment and death of a leading member of the UGCC, J.B. Danquah in the Nsawan Medium Security prisons. Consequently, in the 1969 general elections all PP parliamentarians were Akans whilst all NAL parliamentarians were Ewes.

The Second Republic came into existence on the basis of the 1969 Constitution. The supreme law of the land made an unusual provision in the creation of the executive arm of government. The executive consisted of a president and prime minister aside the presidential commission chaired by Brigadier Afrifa (FCO 65/126). However, the essence of a veracious transition of power from the NLC military government to the democratically elected PP government was undermined by the installation of Afrifa as head of state from 3rd September 1969 to 7th August 1970. Thereafter, Nii Amaa Ollennu[45] succeeded Afrifa for a rather brief period and handed over to Edward Akufo-Addo who served as interim-president from 31st August 1970 to 13 January 1972. Busia served as the Prime Minister of the Second Republic under the shadows of the NLC top echelons (FCO 65/126; FCO 65/130; Frimpong-Ansah,

[45] Raphael Nii Amaa Ollennu was born on 21 May 1906 at La in the Greater Accra Region of Ghana. Ollennu became a Supreme Court judge and served in many distinguished roles such as the Acting President of Ghana (7th – 31st August 1970) and Speaker of Parliament. Ollennu was a member of the UGCC and a political ally of Busia. Ollennu was the brother-in-law of PM Busia - he married Busia's sister, Nana Afua Frema (Queen mother of Wenchi, the hometown of Busia).

1992). It is unsurprising that after almost three years of military rule the NLC bequeathed to the Busia administration more debts than it had inherited from the past administration. With his overwhelming majority in parliament, Busia focused on renegotiation of Ghana's internal trade and external debt rearrangements to facilitate foreign aid for development. However, there was ideological tension between the Busia government and the UK government on the appropriate strategies for development in Ghana.

6.8 The development thinking of Busia and the United Kingdom government

Busia believed that the IMF stabilization programme implemented by the NLC government had excessively contracted the economy and therefore the need to revisit Keynesian economics to invest for expansionary and developmental effects (Frimpong-Ansah, 1992). Meanwhile, there were concerns about the 'low credit' standing and 'fragility' of the Ghana economy to withstand the effects of huge capital investment. With about 37 percent of Ghana's external debts owed to the UK, the latter was key in any attempt to resolve Ghana's external debts situation. Therefore Busia decided that his best option to development was to convince the UK government to take a lead in renegotiating Ghana's external debt. However, the UK government had already committed to two debt reschedule agreements with the NLC government in 1966 and 1968 and was therefore not impressed to initiate a third without allowing time to assess the prospects of the two earlier agreements. The UK government explained that all parties involved in the 1968 debt re-arrangement understood that the agreement represented a final settlement because it was designed to fit into Ghana's capacity to pay. Therefore, it was premature to reconsider a further debt arrangement when there has been no material changes to the 1968 position and with more than two and half years still to run. Busia argued that the implications of external indebtedness and economic decline on development necessitated a kind of debt reschedule agreement that corrects the balance of payment deficit and allows for development budgeting to promote democracy and prevent military interventions. While the Ghanaians were convinced that the debt problem was short term and resolvable by short-term loans and debt rearrangements, the UK government thought of the debt as long term problem that required austerity fiscal management. This line of thinking would suggest that the key obstacle to development that needed attention under the Busia administration was how to overcome Ghana's debt to attract foreign investment for development. The Ghanaians were wrong because capitalists' states do not extend systematic aid out of benevolence but on the basis of rational choice of maximising interest.

6.9 Ghana's debt problem

In a confidential supplementary dated on 11th November from John Wilson[46] to the question by Mr Hornby[47] for answer on 17th November 1969, the IMF put the total indebtedness of Ghana world-wide (principal and interest) up to 1969 at about £350 million. The historical background of Ghana's external debt suggests that, of this amount the creditors granted a total medium-term debt relief of £108 million to Ghana in accordance with the re-scheduling agreements of 1966 and 1968 (FCO 65/130). Out of which the UK, the largest creditor and trading partner of Ghana, agreed on a debt reschedule of £37 million with a repayment schedule of less than £3 million per year (£2.4 million in 1969/70). This was in addition to a Capital Aid of £4 million in 1967/68; £4.8 million in 1968/69; and £5 million in 1969/70 financial year repayable over 25 years with a 5-year grace period (those from 1969 were interest free). Moreover, in line with the modernisation development trajectory at that time, the agreement granted a Technical Assistance of just over £1 million per year in addition to

[46] John Wilson worked with FCO, West African Department and wrote on behalf of the Secretary of State for Foreign and Commonwealth Affairs.

[47] Richard Phipps Hornby was the Conservative Member of Parliament for Tonbridge (June 1956 to February 1974).

Export Credit Guarantee (ECG) facility. However, the two debt agreements settled by the NLC did not go far enough to make Ghana credit worthy to attract foreign investment for production, trade and development.

Shortly after assuming office on 3rd September 1969, Prime Minister Busia embarked on a series of foreign visits to the United States of America, the UK, France, Canada and West Germany with the central object to convince the donor states to agree to further debt reschedule. Given Ghana's external indebtedness of about £350 million as at 1969, Busia believed that the most effective way to sustain Ghana's democracy was through socio-economic development preceded by further debt reschedule. At the 24th session of the United Nations General Assembly in the United States, Busia put forward his submissions. Busia cited the risk to liberal democracy in the event of continued economic stagnation and huge debt servicing obligations. In his keynote address to the UN General Assembly on 17th October 1969, Busia set out the case for further debt rearrangement as one of the most viable trajectory to economic development and democratic governance. According to a state-run media, The Times dated 22nd October 1969, under the caption 'Ghana, Freedom and Justice', Busia drew on the conceptual connections between the economic and political that "… Ghana will be carrying into the next decade a load of debts the servicing of which will constitute a grave impediment to our prospects of national development. … We cannot bear it unless we are prepared to deny essential commodities to our people … These are conditions which a democratically elected government cannot afford to accept. National Development in Ghana has been virtually at a standstill for about five years now" (FCO 65/128).

A critical examination of Busia's narrative suggests that he was genuinely concerned about the challenges to development and democracy in the event that creditor states rejected Ghana's request for further debt rearrangements. Busia further argued that "It seems that under the existing practices our Government, which has been expressly elected by the people of Ghana to end these economic difficulties, might be required to continue servicing these past debts and to forsake our mandate. I hope our creditors … cooperate in arrangements for debt repayment which make it possible for our new government to respond to their needs" (The Times, 22nd October, 1969).

The logical extension of Busia's analytical formulation was that Ghana's debt burden hindered her prospects of becoming a democratic-developmental state. And that the development of Ghana must begin on a level playing field that had been hitherto unparalleled by colonial exploitation and mismanagements by indigenous governments. Moreover, Busia lamented about the unfair trade practice of the neo-colonial project that has reduced the efforts of Ghana to piecemeal rewards. He stated that "In the case of cocoa, which is of vital interest to Ghana, we have had many resolutions expressing support of the principle and declaring the intention to cooperate in working out an international agreement". However, "After more than ten years of negotiation there is still no international cocoa agreement" (The Time, 22nd October, 1969). Without such trade agreements it is difficult for cocoa producer states such as Ghana to improve her export earnings to plan and implement the much needed development.

With cocoa's domination in the agricultural economy of Ghana, the concerns of cocoa farmers were politically sensitive. For instance in 1971, the Akan dominated cocoa farmers who brought Busia to power did not shield him from criticism when the PP government halved cocoa producer prices from its 1969 level of $1,217 per ton to $548 per ton in 1971(Le Vine, 1987). The reduction in cocoa producer prices was a chained reaction to the trend in the world market price of cocoa. Its impact was felt locally by loss in revenue, jobs, hindered development and threated the legitimacy of the government. There is a general feeling among developing states that developed states are not enthused to enter into international economic cooperation agreements that give developing states access to fair trade in order to help the developing states to help themselves. This study recognises the implications of the politics and economics of the cocoa industry in particular and agricultural industrialisation in general to any efforts of development and democracy in Ghana. Busia's appeal for action on the cocoa agreement could not have been timelier to the outcome of Bateman's study on the prospects of the cocoa industry in Ghana. According to Merrill J. Bateman, given the existing conditions "the guaranteed producer prices of eight cedis per load over the next five years will not stimulate the country's long run productive capacity" (Bateman 1971: 1-5). The contributions of cocoa to government revenue and employability was compelling enough for the developed states to have reconsidered Busia's position on international cocoa agreements if Ghana was truly earmarked to free herself from the shackles of external indebtedness to develop. After the UN session, the Ghanaian delegation headed to the UK to engage in bilateral diplomacy to secure debt renegotiations.

The outcome of the official visit to the United Kingdom from 22nd to 28th and 30th to 31st October, 1969 was what sealed Busia's fate. The feedback from the visits to France (28th - 30th October 1969), Canada and Germany were relevant to the extent of the UK outcome. Basically, the decision of the UK government determined the overall outcome. Busia appealed for sympathetic response to Ghana's debt problem. Evidences from confidential documents of correspondence (letters, telegrams, personal messages and meetings) between Prime Ministers Harold Wilson[48] and Busia suggest that among other things, the UK

[48] Right Honourable James Harold Wilson (11 March 1916 – 24 May 1995) also known as Baron Wilson of Rievaulx was a social democrat and Prime Minister (1964-70 and 1974-76). He had served as the Secretary for Overseas Trade Secretary (1947); Shadow Chancellor of the Exchequer (1955-61). Wilson had taught Busia at the University College, Oxford in 1941 and felt privileged to support Ghana under the leadership of his former student.

government considered Ghana as an important player in seeking peace in Nigeria to facilitate UK's oil interests, hence Ghana used the Nigerian case as a leverage to discuss the debt problem (FCO 65/128; FCO 65/130). But more importantly, Busia had thought that since majority of Ghana's debt was owed to the United Kingdom, other donors were likely to pursue the British position to resolve the debt crisis but he was wrong. In a confidential letter from the Office of the Prime Minister dated 13th November 1969, Busia had made a passionate appeal to his former tutor, Harold Wilson, to assist on the debt problem facing Ghana at that time. Busia wrote, "the debt problem in Ghana is a very serious one, and I am counting on you to take personal interest in this matter, and do all you can to ensure that I get a meeting with the creditors to arrange terms that will enable us to meet the repayments, as well as tackle the very serious problems of unemployment and high cost of living that we have to cope with here" (FCO 65/130). In reply, Wilson wrote in a confidential telegram (number 527) dated 2nd December 1969, "We will look at this sympathetically and as we have agreed we shall contact our fellow creditors with a view to a meeting in the middle of 1970" (FCO 65/130). However, Roy Jenkins[49], said "he could not guarantee any particular outcome and the Ghanaians should not be too optimistic" (FCO 65/130). Although Wilson seemed to have good intentions and sympathy for Ghana he was restrained by the timing and uncertainty of the UK general elections in 1970 of which the predictions seemed to be in favour of Edward Heath[50]. True to the election predictions, the Conservatives won and with this the hope of flexible debt repayment evaporated.

[49] Sir Michael Roy H. Jenkins was a British intelligence officer, politician, and diplomat. As Home Secretary (1965 to 1967) was instrumental in the extradition attempt of Nkrumah but stalled the extradition of Kwesi Armah (Ghana's High Commissioner to the UK) who later became the private eye of the British authorities in the 1970s. As Chancellor of the Exchequer (1967 -1970).

[50] Right Honourable Edward Richard George Heath was the Prime Minister (Conservative, 1970-1974). Heath shifted from austerity management after the 1970 strikes and later became a critic of Thatcher. He is

6.10 The Lost Hope

The outcome of the official visits was a sign of giving away the hope and trust that the Ghana government had in her relations with the United Kingdom. Prior to his visit to the U.K., Busia had the premonition that a successful unilateral loan agreement with the U.K. was feasible. Instead, the U.K. government managed to convince Busia to accept a multilateral arrangement. Busia agreed, thinking that the U.K. government would keep to its commitment by taking the lead to convince the other creditor states, but he was wrong. The two countries agreed on a proposed meeting by which Ghana was to set out her case in a document for consideration at the multilateral conference in June 1970. Under the arrangement, the U.K. government was expected to consult other creditor states and hold further discussion with Ghana's Finance Minister, J. H. Mensah[51] in April/May 1970. This arrangement was to enable the Ghana government to use the outcome of the conference to prepare the 1970/71 budget scheduled for presentation to parliament of Ghana in July 1970. On return to Ghana, Busia expressed optimism to the media but his personal convictions about the UK government changed. Busia knew by the contents and attitude of the UK officials that the multilateral approach was a subtle way of alienating his development idea and therefore his political career.

Primary evidences gathered to critically examine the position of the U.K. on the external debt issue points to a stark truth. That the U.K. government was unwilling to take the lead in convincing the other creditor states but was reticent about this. While the French expressed

remembered for the Industrial relations Act 1971 (repealed 1974); controversial legislation to curb union power; and peace in Northern Ireland.

[51] Joseph Henry Mensah served as the Executive head of the Planning Commission of Nkrumah's Seven Year Development Plan; Chief Economist and Principal Secretary (1961-65); Commissioner for Finance (1966-69), Minister for Finance and Economic Planning (1969-71), MP for Sunyani East (1997 to 2007), and as member of the Council of State. Mensah was considered by the FCO as being of high reputation among economists and a good appointment.

willingness to participate in further negotiations, the United States and Canada were sympathetic to Ghana. The new German government gave strong indications to follow the path of the UK government but the latter was less enthusiastic. In a confidential official correspondence from W.J. Watts[52] to Roy Jenkins the Chancellor of the Exchequer, Watts contested Busia's assertion that the United States government had given positive indication to assist Ghana. In this document, Watts circled "and the Americans" in the last paragraph accompanied by a handwritten footnote that read "Dr Busia said so, but since then the US has denied that they discussed it!" (FCO 65/130). However, in a publication by the Guardian, a London-based newspaper, under the caption 'Ghana Premier arrives for talks on £500 million debt' dated 24th October 1969, Patrick Keatley, the Commonwealth Correspondent weighed in on the hypocrisy of the UK government. Keatley corroborated Busia's fear that the great burden imposed on Ghana and the difficulty of servicing the huge national debt inherited from the Nkrumah government made it unfeasible to develop and sustain democracy without resolving the debt problem (FCO 65/128).

In response, the FCO contested Keatley's assertion and argued that the 1966 and 1968 debt arrangements were favourably set to suit Ghana's balance of payment prospects based on the projections by the creditor states. On 3rd November 1969, Keatley wrote, "Ironically the penny seems to have dropped in Ottawa, Washington and Paris. … . In all three cases there was a straight, unhesitating commitment to the idea of convening a round-table conference of Ghana's main creditors – the thing that was first done in 1966 after the fall of Nkrumah and repeated in 1968.

[52] W. John Watts served in the West Africa Division of the Foreign and Commonwealth Office for the Secretary of State for Foreign and Commonwealth Affairs.

Only in London was there fuzziness, elusiveness and prevarication" (FCO 65/130). On 4th November 1969, the West African Division of the FCO contested Busia's claim that the French had offered £2.5m and the United States had expressed her willingness to participate to discuss the debt re-scheduling if the UK gave her approval. In a further publication dated 5th November 1969, Keatley described Busia's visit to the United Kingdom as yielding "precious little in their political luggage to show for that visit" but the FCO further refuted Keatley's assertion in a letter dated 14th November 1969 (FCO 65/130).

From the forgoing, it is clear that even though all the creditor states expressed intent to adapt a flexible position to Ghana's intractable debt problem, the UK government had other thoughts because it was owed a greater proportion. Thus to free Ghana from the shackles of indebtedness was a risk too colossal to adventure under the neo-colonial project. This is because a state that has no plan to overcome its indebtedness is enslaved to the influence and dominance by her creditors and this is relevant in the grand strategy of imperialism. However, as the former colonialist and major trading partner, one would have expected that the UK should have been more sympathetic because "… to whom much is given, from him much is expected" (Luke 12:48).

Many Ghanaians had thought that the strained relations between the conceptual west and Nkrumah had been due to his socialist-style approach, and that the era of Busia was a restoration of good relations. This was a mistaking belief because in capitalism maximising self-interest is a rational choice. Busia felt let down in his attempt to develop the Ghanaian economy to sustain democracy because all the other creditor states followed the position of the UK government. With his fate in the balance, Busia took an audacious but politically perilous initiative to implement the IMF and ODA strategies that consequently led to his political demise. The implementation of the neoliberal economic strategies of austerity, deregulation, devaluation, trade liberalisation, privatization, tax reforms, and reduction in government spending were a stark shift from the social development ideas of the initial 1970/71 budget. But with the austerity, came further extractions from the economy that resonate with the vampire state thesis.

6.11 Strategies adopted to resolve Ghana's debt problem

The causes of Ghana's indebtedness have been undertaken in some detail but the solution is uncommon to derive. Among the options - repudiation, refinancing, rearrangement and austerity - advanced to deal with the external debt problem the Ghana government had argued for the first three but had to implement the fourth. In considering their options it is important to take a quick look at the reasons for the choices made.

6.12 The threat of repudiation

On 1st November 1969, the Economist newspaper quoted E. Omaboe, former Ghana's Economic Affairs Commissioner, to suggest that about £400m of Ghana's debt to suppliers' credit were incurred during Nkrumah's era. Like their predecessor, the PP government thought of repudiation to reset the balance of payment deficit. Having cited a series of superfluous government expenditures to formulate a case against the creditors, no action was pursued because of the consequences of unilateral repudiation. It would be recalled that the outstanding debts in respect of the procurement of a £4.7m naval vessel from a Yugoslavian company; 800 tractors from Germany, Britain and Soviet Union; a £4million prestigious airport in the northern region; Ilyushin aircrafts later resold to Russia; 33 state factories of which only 2 became profitable; and the £4.75m Frigate scandal were considered for repudiation but the idea was shelved because of threats from creditors supported by their governments (Guardian, 3rd November 1969).

On 17th October 1969, Her Majesty's Treasury compiled for the attention of the Chancellor of the Exchequer on ways to respond to questions from the Ghanaian delegation. In this confidential document the UK government presented a convincing case to support the consequences of debt repudiation. The government emphasized that Ghana was solely responsible for the size of her debts and its serviceability. Therefore a breach of contractual rights and obligations would attract serious response from creditors. The UK government further emphasised that any attempt by Ghana to unilaterally repudiate her external debts would attract the revocation of ECGD services and export insurance that could affect about 80 percent of Ghana's import from Britain. Under such conditions, UK exporters would demand cash payments to trade with Ghana. The exporters would receive advice to accept only irrevocable letters of credit from London which the banks would be reluctant to issue. Moreover, with inadequate foreign reserves Ghana would be unable to finance her essential imports as she had done before with ECGD arrangements of £33m in 1968 and £35m in 1969. Given this, repudiation could cause significant harm to Ghana's credit worthiness, jeopardise her political and diplomatic relations, discourage bilateral and multilateral aid donors, prejudice continuation of loans from international organisations, and weaken support from the IMF. In addition, the confidential documents suggest that the NLC government had wilfully signed the bilateral debt negotiations under the terms agreed at the multilateral conference and therefore, Ghana should not "claim that the rate of moratorium interest applied by the UK during the bilateral debt negotiation – averaging just under 6 percent – was savage and beyond their capacity to pay" (FCO 65/130). In any case, Busia was convinced that repudiation was riskier but was more concerned about the growing public pressure on the government for economic development and employment.

6.13 Short-term development strategies

On return from the donor nations visits, Busia came under intense public pressure to address the economic problems facing Ghana. In response, J. H. Mensah proposed a deficit budget in the 1970/71 financial year to implement a one-year development plan in the hope that the US government would assist in securing short-term loans from American banks (Frimpong-Ansah, 1992). The main objective of the 1-Year Plan was to consolidate development in the rural areas and extend economic activity in the urban areas to mobilise electoral support. In defending the budget, Busia argued that it was impossible to improve agriculture, create jobs, expand amenities and increase food production under the level of indebtedness. However, the initiatives, including letters to President Nixon and William Rogers – Secretary of State, were futile because the Americans refused to provide the loans with the simple reason that they did not want to undermine the austerity management suggested by the UK government. But resolving Ghana's debt problem through the austerity management idea was socio-economically more complex and politically unsavoury. By the IMF austerity measures 13 percent of export earnings must be set aside to service debt under conditions of only 1 percent annual economic growth rate matched by 2.6 percent population growth rate. Meanwhile, the change of government from Labour to the Conservatives in the 1970 general elections, few days before the proposed multilateral debt renegotiations, did not change the determination of the Busia government.

In negotiating with the creditors, Busia proposed a 50 percent cut in debt repayments and extension of the repayment period to between 30 and 50 years, to enable the government to honour all debt obligations by previous regimes irrespective of errors in accepting responsibility. So where did Busia's government go wrong? The strategies for economic development and of democratic governance are highly relevant to this question because they focus on the economic problems and the three main strategies adopted to revive the economy from decline. The strategies consisted of a reversion of state industrialisation to correct the imbalances between agriculture and local industries; implementation of fiscal policies to accelerate development; and finally a neoliberal economic management approach of the external sector to correct balance of payment[53] deficit to attract foreign investment. In doing so this study offers political economy interpretation to the policies and strategies that the PP government advanced to attract public support and foreign investment.

As public expectation mounted against the PP government, Busia knew that he had to assert his legitimacy through economic development to avert a return to military dictatorship. The government had hoped that given his advocacy for democratic governance, the West would have supported Busia's economic development ideas to consolidate democracy in the former British colony, but he was wrong. Faced with the stark reality of public opinion against austerity, the PP government retracted its previous criticism against state-led rapid industrialisation programme of the CPP and took three decisions. First, the Minister of Finance and Economic Planning, J. H. Mensah, a pro-industrialist had served as the Executive Head of the Planning Commission in the CPP government, and as Commissioner for Finance under the NLC. In all the development plans that had received his contributions – Seven Year Plan (1963/64-1969/70) under the CPP; Two Year Plan (1968) under the NLC; and One Year Plan (1970) under the PP government, the distinguished minister of state and a Keynesian Economist never concealed his attachment to the idea of rapid industrialisation. In doing so he revived the idea to increase the role of the state in economic development through the promotion of state owned commercial ventures and public-private business partnerships (PPBPs) to ameliorate the economic conditions. The establishment of the Ghana

[53] A statistical statement that summarises the periodic economic activities of residents and non-residents of a nation. It consists of the goods and services accounts, primary and secondary incomes accounts, and capital and financial accounts. Though the statement provides a framework for a range of economies, it recognises that some items may be irrelevant in some analysis (IMF).

Industrial Holding Corporation (GIHOC) to coordinate activities of state ventures, and a Special Task Force for the effective distribution of foodstuff are a few examples of direct state interventions in the business sector during the Busia era. These, together with the construction of feeder roads mitigated the fragmentations between rural-urban markets to increase food productivity and strengthened the agriculture-industry connectivity, however, the increase in industrial productivity was assigned to fiscal expansion and trade liberalisation. By June 1971, the Busia administration had increased Ghana's short-term debts by $65.1m (excluding trade debts not yet matured) and was apprehensive about the expansionary effects of the 1971/72 budget.

Second, in introducing the 1971/72 budget, J.H. Mensah favoured a Keynesian-style economic growth idea. He argued that "... after so many years of economic stagnation, the government should not, even in the face of considerable difficulties, take any action which would kill the trend towards economic expansion that has begun to emerge in Ghana in the past two years. We have many years of neglect to make up" (Frimpong-Ansah, 1992: 103). However, Busia who was more aware of the politics embedded in debt problem drew the attention of his finance minister to the importance of narrowing the revenue-expenditure gap to address the deficit problem. Busia's concern was justified because by adopting the expansionary method his government was getting on a similar trajectory as the CPP government that led to economic decline and overthrow. The increase in government expenditure from ₵468m to an estimated ₵543m for 1970 and 1972 respectively as against decrease in government revenue from ₵437m to an estimated ₵420m for the same period, supports Busia's concern (IMF, 1988). With this evidence Mensah's proposition for deficit budget was unsustainable without aid. The Busia government put forward cogent arguments to justify increased capital expenditures for feeder roads extensions to ameliorate the fragmentations in the rural-urban marketing of agricultural outputs. However, the fragility of the economy to respond to foreign capital investment within the structural constrains of the industrial sectors was underestimated. Busia was in dilemma as to who to please, the conceptual west or the electorates.

The third strategy was supposed to be in keeping with basic economic management approach of correcting balance of payment deficits, restructure of external debts and improvement of exchange rate to revive the external sector. The conventional approach to correct such deficits suggests that the fiscal budget must demonstrate feasible attempts to restrict government expenditure while improving government revenue through increased production, diversification of exports and widening of the domestic revenue tax net. However, the PP government argued that the conditions of the Ghanaian economy made it impossible to develop on a surplus budget in the short-term. In what became a rhetoric of resentment to austerity, 'kafu-mpo-didi' (an Akan translation of suggesting that 'even the debtor eats'), was well received by the people but placed the Busia government in a difficult position with the creditor states. The creditors disagreed with the government's line of thinking and suggested immediate fiscal strategies to keep the deficit within manageable proportions. Busia had hoped that his personal relations with President Nixon and Prime Minister Heath, and the threats of the economic difficulties to liberal democracy would persuade western leaders to be more lenient, again he was wrong. With the $65.1m increase in national debts, Busia made unsuccessful attempts to secure a $45m loan from American commercial banks and a long-term concessional loan of $360m to set aside $100m for short-term debt management and invest the remaining (Frimpong-Ansah, 1992). But the British government responded negatively to the idea of unilateral funding and counselled Busia about the impossibilities of unilateral financing of development. The creditors likewise opted for a multilateral approach under the auspices of the United Nations subsidiaries to ensure that loans advanced to the Ghana government attracted enforceable conditions. Busia had to consider internal corrective measures rather than external benevolence to manage the debt situation. By the same token as Nkrumah, Busia's ambition for accelerated development through external sector finance was dented and the consequences of repudiation was enough to deter Ghana from taking that course of action.

6.14 Medium-term development strategies

In mid-1971, the Ghana government succumbed to the IMF and ODA recommendations to finance the Medium Term Development Plan. In his inaugural address to the sector committees for the medium-term plan on 2nd September 1971, Busia remarked that development and democracy were not only a matter of economics but also politics. The government needed to focus on external borrowing as a short term measure to stimulate economic growth and promote development. The shift in policy of the Busia government was guided by new trends in its negotiations with the UK government a month earlier.

On 26th August 1971, Peter Moon[54] forwarded to N.B.J. Huijsman[55] a copy of a document entitled "Background Paper for the Medium Term Plan", which Busia had presented to Prime Minister Edward Heath for the latter's comments and advice. In this document Busia outlined Ghana's major economic challenges, their effects and draft strategies. The document prepared almost entirely by the Harvard Advisory Group within the Development Planning

[54] Peter James Scott Moon was a British diplomat. Moon served as Private Secretary to Secretary of State for Commonwealth Relations, 1963–65; First Secretary, UK Mission to UN, New York, 1965–69; Counsellor, FCO, 1969–70.

[55] Nicolaas Basil Jacques Huijsman was a retired British army personnel and diplomat, of Dutch ancestry. He served in the Colonial Office, 1948–62; Principal Private Secretary to Secretary of State for Commonwealth Relations and Colonies, 1962–64; Assistant Secretary, Minister of Overseas Development, 1964–70, and 1974–75, Overseas Development Administrator of the FCO, 1970–74.

Secretariat outlined five major economic problems that required foreign financial assistance. The problems consisted of (i) the effects of the economic stagnation in the 1960s; (ii) balance of payment constraints; (iii) relatively large and escalating share of resources for infrastructural and welfare services; (iv) high unemployment in a rapidly ever growing population; (v) and inequitable distribution of income between the rural and urban populations (OD 30/393).

A critical content analysis of archival documents suggests that the main object of the background document was to propose strategies and solicit for advice from the UK government on ways to address the economic problems. By this, it would have proved the submission of the Ghana government to the formulation of the UK government to encourage capital inflow to Ghana. This present study puts forward that in subtle ways the political freedom of an underdeveloped sovereign state is undermined by her economic dependence on developed creditor states. For instance in the second paragraph of Huijsman's letter to Mr Deare in September 1971, Huijsman wrote "… the Prime Minister would wish to be brief in his comments and would prefer not to be drawn into a position in which HMG were suggesting to the Ghanaian Government what detailed policy decision they should take" (OD 30/393). Yet, in the letter from J.C.H. Morris (Official Development Assistance, F.C.O.) to Huijsman, Morris made it clear that the British government would only consider funding of Ghana's medium-term plan and urge other donors to do likewise if Busia's government adhered to the choices suggested by the Official Development Assistance (ODA).

The seven point recommendation by the ODA consisted of the need for a rapid shift in resource allocation to economic services; the control of government consumption to a 4 percent growth rate per annum; improvement in the efficiency of new investments; increase in non-cocoa exports; increase in domestic savings; provision of detailed policy to improve balance of payment through increase in import prices and review of tariffs; and creation of jobs. Furthermore, in the sixth paragraph, Morris wrote that “If Ghana were to make the choices indicated above and to devise a medium-term plan based on these policies then she should be a good candidate for additional aid. Also, that we would endeavour to press the other donors to do likewise … but that given current policies Ghana would not be eligible” (OD 30/393). Morris noted that while he was in broad agreement with the problems identified by Busia, he would have included as a major concern, the continued increase in government spending as a percentage of GDP from 10.4 percent in 1960 to 18.9 percent in 1969 (OD 30/393). In doing so, Morris indicated his conditional optimism of aid to Ghana subject to adherence of the ODA advice. Much as the recommendations might appear on the face value to address the debt problem, they did not. For instance, increase in import prices, downward review of tariffs and the percentage of debt servicing to GDP were not in the interest of Ghana. First and foremost, a reduction in export tariff does not necessarily guarantee a proportionate increase in export revenue unless the export commodities prices are guaranteed. Additionally, the reduction in export tariff could only yield a proportionately higher export revenue if the price elasticities were conducive such that the reduction in the cost (price) of the exports to the foreign state would yield more that proportionate increase in quantity demanded of the exports. The impracticality of the ODA’s conditions were evident in the pessimism expressed by Morris in his concluding paragraph even before the project was to begin. He stated that “This ‘background’ Paper seems to present not background but uncertainty. Is the government going to control recurrent expenditure? Are exports to be further encouraged and import prices to be raised together with a review of the tariff structure?” (OD 30/393). Moreover, Huijsman’s caution to the FCO to refrain from discussing the value of the cedi raises a lot of questions if indeed there was a genuine commitment to assist in finding solution to the debt problem. After all, with a falling cedi, it was cheaper for developed states to import from Ghana and profitable to export to Ghana (the reverse is true). This makes it impossible for Ghana to escape from the cyclical trend of deficit balance of trade whereby her import expenditures exceeded export revenues, with implications of over dependency on aid. The logical extension of Huijsman's point is that since in international trade, nations stand to benefit from a fall in the exchange rate of their trading partner's currency, it was prudent to avoid arousing interest about the falling cedi because the depreciation of the cedi was to the advantage of the UK and other foreign donors.

Meanwhile, in almost all the engagements that transpired between the two countries on the debt issue, the UK government took an astute view of Busia's proposal for the debt reschedule but cautioned his inevitable predisposition. According to Huijsman, a shift in the UK government's position for further debt reschedule could only materialise if Busia took "some unpalatable but necessary Government action" (OD 30/393). Busia was disappointed but not despair because he had all along hoped that the long-standing cordial relations between the United Kingdom and Ghana would have persuaded the donor states to assist in nurturing Ghana's democracy through a more sympathetic economic assistance. Although the economic development management proposals of Busia had better prospects of bringing into fruitfulness the benefits of Ghana's Medium Term Development Plan its implementation depended on the outcome of the debt refinancing initiative. A favourable outcome would have redirect the economy towards the trajectory of developmental state, but for obvious reasons the initiatives were stalled. Even though Busia was apprehensive that the implementation of the ODA economic management proposal could result in political instability, he took his chances by concordance with the donor's idea. Busia's ambitions to advance development and nurture democracy simultaneously was evidently unsustainable, hence he yielded for difficult options.

Le Vine[56] (1987: 174) suggests that given the constraints, Busia took an audacious decision in December 1971 to correct the deficit in fulfilment of the conditions by the ODA, but in doing so, that risked his political career. It is inconceivable that after several years of studying the economies of Ghana the IMF and U.K. government would have thought that the devaluation of the cedi[57] by over forty percent could have corrected the balance of payment deficit without arousing political instability. Nevertheless, Busia adhered to the donors plan to devalue the cedi but also increased cocoa producer prices by 20 percent; raised the minimum wage; proscribed import surcharges to obscure the effects of the austerity measure and insulate the government from political censure. Yet, the 42 percent devaluation of the cedi was the primary reason that accounted for Busia's overthrow because it reduced real incomes and deepened the economic hardship. In classical economics devaluation is presumed to decrease export prices and increases import prices, with all other things being equal. However, the propensity to increase aggregate revenue as a result of manipulation in the prices of exports and imports is dependent on the respective price elasticity of demand and supply[58] of the commodity in question. This in effect relates to aggregate export revenue and import expenditures of the state. Therefore, the price elasticities of a country's exports and imports require careful consideration in the planning and implementation of trade policies to keep government revenues and expenditures at desired levels.

---

[56] Professor Emeritus Victor Theodore Le Vine was a German political science professor and a Fulbright lecturer. He was the Head of the Department of Political Science at the University of Ghana (1969-71, during the Busia era). He revisited Ghana in 1992 as part of the election monitoring team that ushered in the 4th Republic.

[57] Cedi has been the unit of currency in Ghana since 1965 when it replaced the British Pound at a rate of ₵2.40 to £1. It was renamed from 'New Cedi' to cedi (1967) and further to Ghanaian cedi (2007). Its tremendous lost in value since 1965, has attracted debate on Nkrumah's decision to leave the British pound system that many believe could have rescued the cedi from depreciation.

[58] Price elasticity of demand and supply refers to the proportionate changes in quantity demanded and supplied as a result of price variations.

With the benefit of hindsight, the elasticities of demand and supply of Ghana's main exports and imports should have been central to determine the effects of the devaluation. The use of the devaluation policy to rectify Ghana's trade deficit would have been effective if the price elasticity of demand for Ghana's exports and imports were elastic enough to increase aggregate export revenue and decrease import expenditures. By this, a reduction in the value of exchange rate (prices) of Ghana's exports could have resulted in a more than proportionate increase in quantity demanded to yield increased aggregate export revenue, whilst with increase in import prices consumers with weak habits were more likely to switch to alternatives products to mitigate aggregate import expenditures.

On the other hand, the devaluation policy could have been effective if the price elasticity of supply for Ghana's exports and imports were elastic. By this, home industries could easily shift factors of production to more profitable sectors of the economy within the shortest possible time in response to a decrease or increase in the prices of particular commodities to maximise aggregate export revenue, whilst importers would be able to supply more as price increased to avoid demand-pull inflation. It is however true that in the real world it is difficult for policy makers to determine with utmost certainty the price elasticity of a nation's imports and exports but it was obvious that the Ghanaian case was bound to engender political unrest. In the 1970 to 1972 budget period cocoa revenue decreased as total cocoa sale fell from ₵343million in 1970 to ₵279million in 1971, and finally to ₵328million in 1972. During the same periods the public revenue from cocoa reflected a similar trend from ₵201 to ₵118 and ₵146 (Stryker, 1988).The decrease in real producer price resulted in more than proportionate decrease in quantity supplied and therefore government revenue from cocoa tax fell.

6.15 End of the Busia era

The implications of implementing the ODA/IMF austerity strategies were that the cocoa farmers, military, and trade unions were aggrieved about the economic contractions. First and foremost, the decrease in the real incomes of cocoa farmers caused Ashanti cocoa farmers in particular to withdraw their support for the PP government; the military and police lost their occupational privileges, trade unions and universities went on protests. Against this background, Harlley (former IGP), accused Busia of ruthlessness and abuse of his positions, while others accused him of failing to provide tough leadership and accepting bribes from the French via the former Ivorian President Felix Houphouet Boigny. Moreover, the withdrawal of fringe benefits and allowances to the military infuriated the rank and file of the army. Strikes organised by Trade Union Congress added to the chaos. Besides, Busia did a great disservice to himself by the manner in which he handled politically sensitive issues such as the ill-health of Edward Akufo-Addo; reproach and indictments of senior military officers; Alien Registration Compliance Order; the 10 Soviet Trawlers sold by the NLC; the Purge of 568 civil servants in 1970; and the weak leadership over the ineptitude in public administration. Although there were, admittedly other aspects of the Busia administration, such as tensions with the TUC and university students, which this study has not dealt with, it is evident that Busia was genuinely committed to democracy and economic development in Ghana. But by the end of the Busia administration it became apparent that the opposing ideological orientations of the TUC and PP government contributed to unhealthy confrontations. Consequentially, the PP government dissolved the TUC in 1971 by the Industrial Relations (Amendment) Act 383. The following day the TUC head office in Accra was raided by the police and official documents of the TUC were confiscated. The national unions forming the TUC were required to change their constitutions and to re-register within six months (Asamoah, 2012). It is clear that the effects of the devaluation of the cedi fed into the egocentrism of the military to give cause to the General (then Colonel) I.K. Acheampong-led military coup on 13th January 1972. Indeed, the military takeover was well anticipated and therefore did not attract the attention with which the 1966 coup received.

Analysis of the development initiatives during the NLC and Busia periods have been undertaken to critically examine the economic and political challenges faced by each government and the effectiveness of their respective development strategies in the immediate aftermath of the Nkrumah era. It came out from the results of the development efforts that the IMF's neoliberal economic management policies had been oblivious to the destabilising effects of economic developments in Ghana. First of all, it must be understood that after the protracted period of economic exploitation and political oppression, Ghanaians were not in the mind set to appreciate austerity development. The intractable economic problems were not mutational to the IMF neoliberal strategies. In essence, austerity policies were extensions of economic hardship at a time when political liberation was associated with economic development. Moreover, the IMF-supported monetary reforms, liberalization of the external sector, devaluation of the currency, and other fiscal discipline measures implemented by the NLC resulted in contractions of the economy that the Busia government aimed to reverse. Second, it seemed to be the case that given the financial constraints on internal resources, the success of the Busia government was more dependent on development assistance from external donors than internal sources. Granted this, Busia would have needed the patience of Ghanaians and commitment of the UK government to realise his developmental state ambitions.

Chapter 7: Developments by the Military and Limann Governments (1972 to 1981)

7.1 Introduction

This chapter unpacks the development attempts of the regimes that followed in the immediate post-Busia era of 1972 to 1981. It aims to investigate, unravel and critically analyse the economic and political impulses that collectively gave birth to the 31st December Revolution at the end of 1981. In the 1970s and 1980s, neoliberalism dominated and reshaped development thinking in underdeveloped states. The idea, popularly referred as the Washington Consensus was initiated by the World Bank, IMF, and the United States Treasury as an economic policy for economic reforms and structural adjustment in underdeveloped states.

The ten-point 'prescriptive' economic policy formed a paradigm shift from state-led to market-driven conceptualisation of development, measured in terms of economic growth and good governance (Hobden, 2008). In pursuit of this idea, debtor states were required by their creditors, mainly from the conceptual west to adopt austerity, privatization, trade liberalisation, deregulation, reduction in government expenditures and market-based ideas to qualify for development loans. Policies based on these ideas favoured creditors and did not promote fair and reciprocal trade to help debtors out of their indebtedness.

The cause and effect of neoliberalism was that it contributed to the indebtedness and underdevelopment of Ghana, to the extent that development became highly dependent on foreign aid. The dependency on foreign aid for development in underdeveloped states is an extension of the neo-colonial project of exploitation and inequality (Kothari 2006). Inequalities exacerbate existing economic decay and causes military interventions and political instability. Much as the UK prides herself as the head of the Commonwealth and major trading/development partner of Ghana, archival documents suggest that the UK stands to, and indeed benefited more in periods of economic crisis in Ghana. Thus under UK - Ghana aid agreements, Ghana was required to purchase UK products and sell her exports at prices that it had little or no control over. This revelation questions the authenticity of commitment to the economic and political development of Ghana, and partly explains the recurrence of military interventions in the decade of January 1972 to December 1981.

7.2 Background

The political economy of Ghana in the immediate decade following the overthrow of the Busia government was dominated by military interventions, economic anarchy and suppression of democracy. During the first seven years (13th January 1972 to 24th September 1979), the military having suspended the constitution of the second republic governed by decrees. The remaining three years was made up of a short-term government of the third republic, interrupted by another military intervention.

The economic excuses cited for military interventions in Ghana were similar but their political motivations were distinct. On 13th January 1972, the Acheampong-led National Redemption Council (NRC) cited the burden of servicing of external debts incurred by his predecessors - the Convention People's Party (CPP), National Liberation Council (NLC) and Peoples Party (PP) governments - and their ramifications on Ghana's economic decline as the main rationale for the military intervention. While the NLC inherited external debts of about £400 million from the CPP government, it could not service the debts but agreed with the external creditors to postpone repayments under the 1966 and 1968 debt payment re-arrangements. However, this present study discovers that under the re-arrangement deal, Ghana's original debt increased by about £35 to £40 million (FCO 65/130). In addition, the Ghana government was by the re-arrangement obliged to implement the austerity policies of neoliberalism by the IMF with implications of economic contractions (Bennett, 1973; Frimpong-Ansah, 1992).

The Busia government exacerbated the debt problem by raising Ghana’s internal debts made up of treasury bills, central bank loans, cocoa marketing board (CMB) loans, and national development bonds to N₵626.2m. Additionally, short-term loans of commercial credits and arears of dividends to foreign investors rose to N₵200m in 1970/71 (United Nations Economic Commission on Africa, cited in Bennett, 1973). During the same period, Ghana’s external debt was valued at almost N₵80million less than her internal debt (at 1969 exchange rate of N₵2.4=£1). In acknowledging the inability of Ghana to service her debts to attract further credits, Busia proposed to the creditors a composite refinancing plan to extend the repayment period to 50 years and reduce the moratorium to 2 percent, but the creditors rejected this proposal and opted for the IMF neoliberal economic development policy of austerity.

Given, the decline in the world cocoa market price, the government could not simultaneously (i) repay the debts; (ii) correct the balance of payment deficit; (iii) undertake economic development investments; (iv) liberalise trade; (v) create jobs; (vi) balance the budget; and (vii) undertake social development investments. It had to make difficult and unpopular choices that satisfied the creditors but carried the risk of legitimising military intervention. With little space to manoeuvre, the Busia government accepted the IMF/ODA plan of austerity management to correct the balance of payment deficit. This consisted of the removal of subsidies on agricultural inputs, ban on importations of autos, televisions, cigarettes, fruits, poultry, aluminium sheets, crude rubber and soda. In addition, the government proscribed vehicle maintenance allowances for civil servants and the military, increased petrol duty, enforced the national development levy, and introduced cuts in government expenditures including the defence budget which was resented by the public. Although neoliberalism seemed to be the conventional trajectory in some developed states, the same needed not be prescribed for underdeveloped states where the economic and political conditions were not ready to withhold the effects of austerity. For instance, after it assumed power in 1969, the PP government consistently introduced cuts in military expenditure from N₵49.1m in the 1969/70 to N₵45m in 1970/71 and finally to N₵40.4m in 1971/72 budgets. Such financial discipline was in fulfilment to the demands of the external creditors but rather gave the military the motivation to intervene in the face of its own slashed budgets. Bennett (1973) suggests that while there is no clear relation between political decay and military interventions, there is strong connection between economic decay and military interventions to the extent that forms of government are relevant to development. However, this does not suggest that there is no linkage whatsoever between political decay and military intervention but rather highlights the likelihood of military intervention given the two situations of political decay and economic decay.

While the role of the state under military authoritarianism or civilian democracy is being debated in the search for developmental state model for Africa (Routley, 2014), the external powers that remotely control the development of underdeveloped states need not be ignored. In some instances, however, short-term military interventions have been positive for development. Samuel Finer suggests that though societies express concern about how much separation is necessary between the civil and military, an efficient civil government should be capable of maintaining good relations to keep military interventionism to its barest minimum (Finer, 1962).

This chapter argues that fluctuations in the world market price of cocoa, Ghana’s number one export at that time, had direct impact on government’s internal revenue generation, indebtedness, ability to develop, legitimacy, and political stability. At the UN General Assembly, Busia stated that "In the case of cocoa, which is of vital interest to Ghana, we have had many resolutions expressing support of the principle and declaring the intention to cooperate in working out an international agreement". However, "after more than ten years of negotiation there is still no international cocoa agreement" (The Time, 22nd October, 1969: 9-10). In essence, the absence of an effective international cocoa trade agreement rendered increase in cocoa production to the vagaries of the price mechanism and inequality in the distribution of income. This therefore made it difficult for Ghana to improve her external revenue for development as cocoa production increased but falling prices wiped off the benefit of increased production. For example, as a result of increased cocoa production to 567,000 tonnes in the 1964-65 period, world cocoa prices dropped from its 1958 price of $840 to $204 per tonne in July 1965 (Bennett, 1973). Similar fluctuations in world cocoa market price and the five-year gestation period of cocoa cultivation made international cocoa agreement even more relevant to efforts at economic development in Ghana.

Given cocoa outputs of 414,300 tons in 1969; 396,200 tons in 1970; and 404,000 tons in 1971, prices fluctuated from $790 in 1970; $470 in 1971; to $360 in 1972. It is suggested that the price fluctuations and distortions could have been ameliorated through exchange rate adjustment to provide fiscal resources for higher real producer prices (Frimpong-Ansah, 1992: 113). However, the effectiveness of this approach raises questions because devaluation has been tried several times in Ghana's history. On the other hand, the absence of an effective international cocoa trade agreement enabled the buyers, mainly from the developed creditor states, to manipulate the price mechanism. And as a result of this, influenced the export revenues to Ghana, her economic development and political sovereignty. In essence, while underdeveloped states lack control over the prices of their primary exports, it is proper to adhere to the development ideas of Polanyi (1957) by maintaining a fair balance between the interests of investors and the labour force. In this respect the state plays a pivotal role by engaging producers and buyers for fair price and profitability respectively. In Ghana, Busia maintained cocoa producer prices at N₵8 per load but his shift towards the interests of the creditors led to military intervention. Politicisation of the main exports of Ghana by her creditors has political and economic ramifications.

The chapter takes a lead from Frimpong-Ansah's 'vampire state' and sets up the ideological foundations for the 'zombie state' in the next chapter. It is thus structured under four historical junctures consisting of (i) the National Redemption Council (NRC); (ii) Supreme Military Council One (SMC I) de facto government of General I. K. Acheampong[59] (1972-78); (iii) SMC II military government of Lieutenant General F.W.K. Akuffo (1978-1979); (iv) the Armed Forces Revolutionary Council (AFRC) of Flight Lieutenant Rawlings (1979); and (v) the People's National Party of President Hilla Limann (1979-1981).

The period began with the overthrow of Prime Minister Busia's Progress Party government by General Acheampong and ended with the ousting of President Limann's PNP government by the Rawlings-led Provisional National Defence Council (PNDC) military junta. A comparative analysis of historiopolitical information on the second and third republican governments of Busia and Limann respectively demonstrate at least six commonalities: (i) both democratically elected governments were forced out of office by the military only after two years and three months in power; (ii) operated under the shadows of the military that handed over power to them; (iii) cited for economic mismanagement and ineptitude; (iv)

[59] General Ignatius Kutu Acheampong was an Ashanti - Head of State (13 January 1972 – 5 July 1978). He overthrew the Progress Party government of Busia and was overthrown by Lt.Gen. Akuffo. Acheampong was executed with other senior military officers by firing squad in June 1979. Acheampong is remembered for the reforms from imperial to the metric system, "Operation Keep Right" - change from left-hand to right-hand road driving, "Operation Feed Yourself" and institutional corruption.

political demise were followed by suspensions of the constitutions and partisan politics; (v) pursuance of IMF neoliberal market-led development created space for military intervention; and (vi) Ghana ended up being more indebted than before.

On 13th January 1972, General (then Colonel) Acheampong overthrew Busia and accused his predecessor for being too soft towards the creditors - the IMF and ODA. Acheampong reversed Busia's economic management policies and issued a statement to repudiated Ghana's external debts. However, ramifications of the repudiation, fluctuations in world cocoa market prices, and mismanagement shifted public opinion against the government. In October 1975, Acheampong metamorphosed the NRC to SMC I but on 5th July 1978, Lieutenant General Akuffo, a ranking member of the SMC 1 and Chief of Defence Staff, led a bloodless military coup to overthrow Acheampong and established the SMC II. The new regime had much in common with its immediate predecessor in terms of development thinking but departed on its reliance on western aid. On 4th June 1979, junior officers of the Ghana Armed Forces (GAF) led by Flight Lieutenant Rawlings ousted Akuffo in a bloody coup. On 24th September 1979, Rawlings handed over political power to President Hilla Limann but remained in the background of politics. On 31st December 1981, Rawlings capitalised on the public's impatience with economic development; delays in restructuring the state bureaucracy and engaging the people for development; as well as weak intelligence network to oust Limann's and placed the president under house arrest.

7.3 Perspectives on Military Interventionism and Praetorianism

It is important to take a quick look at the main factors that account for military interventions because it offers insight into how (nature) and why (motivations) the interruptions occur. The military is a distinct independent political force highly organised with technical ability in defence and use of force but inhibited from governance due to its sense of professionalism and problems with legitimacy (Finer, 1962). The reasons for military interventionism in underdeveloped states are polarised between those who believe that such actions are motivated by the parochial interest of the military and those who argue that it is in the general interest of the public (Bennett, 1963). While the motives may consist of radical attempts by the military to obliterate conservative establishment; reaction to societal conflict; or support of particular regime, the nature may be bloody or bloodless, and by commissioned or non-commissioned officers. From the foregoing, military interventions in underdeveloped states are only a tip of the iceberg of a wider societal problem. Samuel Huttington suggest that "Military explanations do not explain military interventions … military interventions are only one specific manifestation of a broader phenomenon … In underdeveloped societies the military are concerned not only with pay and promotions … but also with the distribution of power and status throughout the political system"(Huttington, 1968). These scholars argue that disruptions to democratic governance, such as in Ghana, arose from system crises; high participation-low institutionalisation; political structure; party origins; autocracy and corruption; ethnic and class monopolization; military praetorianism; and economic crises (Kraus, 1970). In addition to the internal causes, external powers - developed states and global financial institutions - interfere in the internal affairs of underdeveloped states to promote democracy and development, but also change regimes that they perceive as threat to their interests.

7.4 The NRC and SMC 1: 1972 to 1978

Within three weeks of devaluing the cedi by 44 percent, Acheampong and a group of junior military officers overthrew the Busia government and introduced a new government - the NRC, renamed as SMC I in 1975. With virtually no military resistance, it was not surprising that Acheampong and his small group of military officers succeeded with the coup because the economic crisis at that time gave initial political legitimacy for the military intervention.

The four dominant narratives put forward by the NRC to justify the takeover were: the reduction in real incomes caused by the devaluation of the cedi in the 1971/72 budget; Busia's acceptance of the austerity policy of the IMF/ODA aid packages in Ghana's Two-Year Medium-Term Development; Busia's complacence in the external debt repayment issue; and the linguistic/ethnic conflicts within the PP government (Frimpong-Ansah, 1992). Yet, many suggest that the military had intervened for its parochial interest because the overall economic crisis was not serious enough to have merited the military takeover (Kraus, 1970; Bennett, 1963; Frimpong Ansah, 1992). Acheampong ignored the warnings of the ODA/IMF that Ghana's travails with economic development was unsustainable without international aid. Frimpong-Ansah (1992: 108) was right in suggesting that Acheampong should have rather appreciated Busia's recognition of the debt problem and his initiatives to address the inherited weakness of the economy. However, the initial economic success of the Acheampong regime somewhat discounted this assertion and opens up the debate of whether military 'authoritarian' interventionism has a place in the economic development of Ghana.

Shortly after taking power on 13th January 1972, the NRC decreed to suspend the 1969 Constitution and banned all multi-party activities. Although, the NRC/SMC I was less tolerant than its military predecessor, the NLC, it opposed the restoration of democratically-elected civilian government. However, unlike its immediate predecessor (NRC) the SMC I established cordial relations with the TUC and introduced the Industrial Relations (Amendment) Decree of 1972 to repeal the Industrial Relations Amendment Act of 1971 (383) that led to the dissolution of the TUC under the Busia administration. The NRC/SMC 1 restrained itself from interfering in the running of the TUC except where its assistance was solicited by the union. The reinstatement of 400 maritime workers who had been sacked by the Busia administration; an amnesty for expelled seamen who were involved in a general strike declared by the National Union of Seamen under the previous administration; and procurement of buses for the Ghana Private Road Transport Union (GPRTU) on hire-purchase basis restored good relations between the state and unionised labour (Arthiabah and Mbiah, 1995). Moreover, the Acheampong government introduced occupational policies for improvement in working conditions and job security. Revival of state-owned ventures to reduce unemployment, abolition of development levy on workers, increments of wages and social security benefits illustrate this point.

The NRC/SMC I government adopted a socialist-styled system of 'autarky' development somewhat similar to the CPP's. In doing so, the NRC gained support from the rank and file of the CPP elements who had it not been for the death of Nkrumah on 27th April 1972 could have revived the CPP This is because by the end of 1971, Ghanaians had become convinced that the personal relations between Busia and the UK had failed to bring the development that was touted by the Busia-led government when it was in opposition. To fulfil the promises made at the takeover, Acheampong increased the remuneration of public servants and military personnel to counter the effects of the devaluation on real incomes and repudiated Ghana's debts. The unilateral repudiation appeased the local population but incurred the wrath of the creditors. Acheampong's popular resistance to the debt crisis is well summarised in his famous Akan rhetoric of "yentua"[60]. However, the growing fear of retaliation in trade and fiscal measures by the creditor states was contained at least from 1972 to 1974 when Ghana recorded a trade surplus from cocoa exports. The performance of the economy at that time contradicted mainstream economic analysis because the rise in the world cocoa market

[60] Yentua in Akan dialect translates as 'we will not pay'. This radical slogan of resistance was an extension of Busia's 'kafu mpo didi' which also translates as 'even the debtor eats'. These words of defiance were directed at Western creditors to protest against the unbearable burden of debt servicing on the development of Ghana.

price were sustained for almost three years to consequently buffer the effects of the devaluation.

7.5 The Ghanaian economy and prospects of development under the NRC /SMC 1

In the first three years of the Acheampong administration, the Ghanaian economy showed signs of relief towards economic prosperity as cocoa price increased to ameliorate Ghana's external reserves. Given the unprecedented trade surpluses recorded between 1972 and 1974, both the gross and net external reserves were at historical levels above the Busia's era (Frimpong-Ansah, 1992). The actual government revenue and expenditure for 1972 to 1974 increased from ₵ 420 million to ₵584 million, and ₵543 million to ₵754 million respectively but the ratios of imports to GDP fell from 19.3 percent to 16.2 percent and 14.9 percent to 12.5 percent for the same periods (IMF, 1988).

The Acheampong government shifted focus from market reforms to state-owned agriculture for food and raw material production of self-reliance/sufficiency with less interest in cocoa production. Until 1975, the Acheampong government enjoyed unexpected increases in cocoa export revenue and was credited for attempts at economic revival (Chazan, 1983; Boahen, 1988). In addition, the unilateral reprieve of the debt during the periods of increased export revenue enabled Acheampong to set forward his development ideas of 'Operation Feed Yourself and 'Self-reliance'[61]. Acheampong was aware that the consequences of the repudiation meant that imports would have to be paid for in advance or the banks would have to accumulate large reserves to negotiate for shipper's credits. Given this, the central bank was to accumulate enough reserves for this purpose and divert its attention from external capital cash flows. In doing so, Ghana was to rely on domestic savings and investments rather

[61] Self-reliance was a strategy negotiated by the Bank of Ghana with the Acheampong regime that allowed the central bank freedom to manage trade and exchange in the external sectors with a view to mitigate unacceptable trade deficits.

than foreign capital inflow and industrial imports for economic development. However, on the advice of the Bank of Ghana about the consequences of unilateral repudiation, Acheampong agreed to allow the central bank to initiate autarkic management of the external sector to avoid intolerable deficits. By the Self-Reliance agreement the Bank of Ghana revalued the cedi towards the pre-devaluation rate but the nominal exchange rate remained stronger than under Busia. However, Acheampong's model of defiance in the repudiation saga began to wither when the restrictions of consumer imports (medicine, agricultural inputs, technical assistance, industrial hardware and automobile spare parts) and foreign capital investment began to take its toll on economic development. By 1973, Ghana entered into silent negotiations with her major creditors in Rome to ease the consequences of unilateral repudiation as oil prices increased. The negotiations coincided with the retirement of the governor of the central bank, Frimpong-Ansah[62], and replacement of the self-reliance pact with a more amenable relations. In 1974 the effects of the oil price hikes were almost absorbed by the increase in the world cocoa market price giving reassurance of economic steadfastness. However, an initial assessment of the cocoa boom seemed to have created a false sense of economic security for the Acheampong administration to encourage increased government expenditures even though by his reversal of Busia's fiscal policies, government revenue was technically lost. In 1975, the economic crisis instigated internal power struggle within the high-ranking officials of the military.

To reassert his authority as the commander-in-chief of the GAF and appease his colleagues, Acheampong metamorphosed the NRC into SMC 1, promoted himself to the rank of a

[62] Dr Jonathan H Frimpong-Ansah was a renowned Ghanaian economist and only governor ranked official (deputy-governor and governor) who progressively served four consecutive governments of different political leanings – CPP, NLC, PP, and NRC. He studied Statistics at the London School of Economics, Monetary Economics at the IMF, and Economics of Development at the University of Salford in 1983. He was awarded the John Hearne Prize for the best Ph.D. thesis in 1989. This led to the publication of his best-seller, The Vampire State in Africa. Frimpong served in many distinguished positions at home and abroad.

General and departed from conventional administrative practices by appointing senior military officers to head public institutions. The military extended favours to close relatives and small scale commercial intermediaries of 'Makola' market women, some of whom became powerful because of their intimate relations with senior military personnel. The increased chains of distribution with abnormal profiteering increased prices drastically and reduced real incomes of public servants and lower rank military personnel to conditions similar to that cited by Acheampong during the takeover in 1972. In June 1978, the UK government offered ECGD commercial credit worth £10 million however, it could not improve conditions to satisfactory levels. Acheampong created his own nemesis by defying Weberian bureaucratic principles and engaged in nepotism, corruption, mismanagement and bad government policies. These eroded confidence in the value of the cedi and real incomes of labour, engendered university strikes and labour unrests, as well as criticisms from the Association of Recognised Professional Bodies (ARPB), Catholic Church, People's Movement for Freedom and Justice (PMFJ), and other pressure groups.

7.6 Demise of the SMC 1

It is uncomplicated to deduce from the foregoing analysis that beside the usual external influence, Acheampong's demise was the product of his own seed of destruction. By ignoring the statecraft and diplomacy needed to revive the economy, the Acheampong government added to the decline of the economy. The rejection of the IMF/ODA medium-term development plan, though with good intentions, had ramifications for trade and development. Others, such as the mis-management of cocoa revenues and fusion of the military with state bureaucracy were inexcusable. Acheampong made gains in his first three years in office but the first half of 1978 was the most disastrous of his administration because cocoa prices fell significantly.

Ghana lost about a fifth of her cocoa production and foreign exchange earnings through smuggling by farmers to neighbouring Ivory Coast (now Côte d'Ivoire). This was in response to the heavy taxes imposed by the Acheampong administration whilst his conglomerates filled their personal accounts with state resources. The fall in cocoa export revenue, systemic corruption and black marketing exacerbated the scarcity of foreign exchange needed for essential imports to local industries that were operating at about 20 percent capacity. Given the scarcity of industrial and domestic products as against increased demand it is plausible that inflation rose to 150 percent. In essence, the high inflation reduced the real incomes of workers and de-legitimised the Acheampong government. In an official letter from James Mellon[63] to David Owen[64] dated 29th December 1978, the author stated “I was appalled by Acheampong’s complacency and self-satisfaction; he had no inkling of what he was doing. He must rank as the McGonagail of economic management” (PREM 16/2060).

In February 1978, Acheampong presided over police brutality against demonstrating students and jailed dozens of political activists without trial. As a diversionary from the economic problems, Acheampong touted the idea of a non-partisan union government of traditional chiefs and bureaucrats. The 54 percent approval ratings of the ‘UNIGOV’ referendum held on 30 March 1978 was generally believed to have been rigged. Oquaye[65] (1980: 67-110) suggests that Acheampong’s final attempts to insulate himself from public reproach by introducing a union government failed to rescue him. On 5th July 1978, a group of middle-

[63] Sir James Mellon is a Scottish diplomat. He served as Chancellor and Head of Chancery, UK Delegation to European Communities, 1970 – 1973; Head of Science and Technology Department Foreign and Commonwealth Office (FCO) 1973 – 1975; Head of Trade Relations and Export Department, FCO 1976 – 1978; High Commissioner to Ghana and Ambassador to Togo, 1978 – 1983.

[64] Lord David Anthony Llewellyn Owen is a British politician and non-practicing medical practitioner. Owen joined the Labour Party and Fabian Society, but resigned in 1972 in protest at Labour’s opposition to the EEC. He returned in 1974. Owen served as Minister of State (FCO) 1976 -1977; Foreign Secretary 1977 - 1979.

[65] Professor Aaron Mike Oquaye of the New Patriotic Party is the current Speaker of Parliament in Ghana.

rank soldiers led by the then Chief of Defence Staff, Lieutenant General Akuffo, with the support of the Association of Recognised Professional Bodies (ARPB)[66] forced General Acheampong to resign and was placed under house arrest. However, the economic crisis and mismanagement that led to Acheampong's removal did not depart with him.

7.7 The SMC 2: 1978 to 1979

The principal reason cited by Akuffo for the takeover on 5th July, 1978 was that Acheampong had been "running a one man show" (PREM 16/2060). However, in a confidential letter signed by James Mellon to David Owen, the author puts forward that Akuffo ousted Acheampong "not because of his (Acheampong's) economic or political management, but the interest of the officer corps were under attack" (PREM 16/2060). Shortly after taking office, Akuffo sent his debut personal letter to the British Prime Minister James Callaghan on 25th August, 1978 to seek for financial assistance to revitalise the ailing economy and to enable a return to constitutional governance. While waiting for an outcome of his letter, a series of labour unrests threatened law and order, and economic activities.

There were strikes at the Tema Oil Refinery and other power installations. Electricity-dependent economic and domestic services grounded to a halt in the Accra and Tema environs. Strikes organised by the civil service including Customs and Immigration Services led to the summons of the Secretary General of the TUC to an emergency meeting with the Executive. Realising its weak legitimacy, the SMC II government assumed emergency powers on 6th November 1978. In a televised broadcast to the nation, Akuffo declared that the main objectives of the 1978/79 budget would not be compromised and urged Ghanaians not to extend the budgetary deficit (₵800 m or £150 m) beyond its limits. To demonstrate his

[66] Association of Recognised Professional Bodies (ARPB) consisted of members of the Ghana Bar Association, medical professionals, engineers, pharmacists, surveyor and accountants associations who share common interests and held governments accountable through its representations on public boards and strikes.

commitment to IMF/ODA £20m aid programme, the Akuffo government devalued the cedi by 62 percent. However, by adopting a more flexible exchange rate to attract foreign investment, the effect of the devaluation led to further decrease in the value of the cedi from ₵1.15=$1 to ₵2.75=$1, without resolving the balance of payment deficit (FCO 65/2187). The Akuffo military government issued a public warning that any attempt to sabotage the objectives of the budget would be met with prompt and severe response. Given this commitment to attract Foreign Direct Investment (FDI), Akuffo suppressed labour rights and unembedded with unionised labour that consequently invigorated the Social Democratic Front (SDF), an offshoot of the TUC, to vie for 120 out of the 140 seats in the 1979 general elections but secured only 3 seats.

James Callaghan, took personal interest in Akuffo's request for his efforts to restore law and order within the military and civil service as well as acceptance of the austerity programme. In response, the Prime Minister wrote to inform Akuffo on 6th October, 1978 of his government's preparedness to assist Ghana to revitalise her economy subject to the conditions of the IMF. Akuffo welcomed this gesture in his reply to Callaghan on 28th October, 1978. While the UK government appreciated the efforts of Akuffo to revive the economy and return the country to democracy, it was not oblivious to the fact that the IMF conditions could create a recipe for another military intervention. In J.S. Wall's[67] letter to B.G. Cartledge[68] on 17th November 1978 the U.K. government highlighted not only her confidence in the Akuffo government but also the inevitability of labour unrests in protest

[67] Sir John Stephen Wall is a retired British diplomat. He served as the Head of European Community (Internal) Department, FCO 1985 – 1988; Principal Private Secretary to the Foreign Secretary, 1988 - 1990; Private Secretary Foreign Affairs to the Prime Minister, 1991 – 1993.

[68] Sir Bryan B. Cartledge is a retired British diplomat and academic. He served as FCO, 1975 -1977; Private Secretary (Foreign Affairs) to the Prime Minister, 1977- 1979; Assistant Under-Secretary for Foreign and Commonwealth Affairs (Defence), 1983 – 1984.

against the IMF's austerity policies. In the last two paragraphs Wall wrote, "Some unrest on the part of the labour forces in Ghana was to be expected as a result of the stiff measures that the government have been and are determined to take out to put the economy to rights. …Further industrial unrest can probably be expected, but the government appear to be determined to deal with it" (PREM 16/2060). Mellon, in correspondence with Owen argued, "I am convinced that at present Akuffo means to hand over power to a civilian government; but he knows this will not survive long if the economy is not on the mend" (PREM 16/2060). Akuffo's first task was to form a government of integrity to steer his scheduled one year in office. A few kind words from Prince Charles who personally knew Akuffo and had high regard for him added weight to Ghana's request for aid. After a private conversation with Akuffo on 10th January, 1979, Judith Hart[69] predicted in paragraph (4) of her feedback dated 26th February 1979 to the prime minister that the economic situation in Ghana at that time was likely to give grounds for the emergence of a socialist party or an ultra-leftist party with Marxist-Leninist or Maoist ideology (of which the AFRC initially fit the description). In essence, Hart had a positive impression of the Akuffo government and made recommendations to that effect to creditors. In January, Ghana received £5million from the IMF for essential imports with a view to receive the remaining £15million once agreement had been reached.

The positives are that many of the aid provided short term relief in periods of economic challenges and were seemingly interest-free but carried with it the objectives of the neo-colonial project in the sense that it consolidate the core-periphery dependency culture. However, in the 9th paragraph, Hart made a submission that inadvertently illustrates how aid

[69] Baroness Judith Hart (née Ridehalgh) was a Labour Party politician. Hart served as the Minister of State, Commonwealth Office (1966–1967), and as Minister of Overseas Development (1969–70, 1974–75 and 1977-79) under Prime Minsters Wilson and Callaghan.

to Ghana benefited the UK economy. The Ministry of Overseas Department wrote "Almost every development project which we discussed as possibilities for our development cooperation will bring direct industrial benefit to us, involving vehicles, bridging, cranes, railway rolling stock, aircraft, telecommunications, power equipment, trawlers, barges, silos and others. There should in due course be a good industrial 'spin-off'" (FCO 65/2187). While it is beneficial for the UK to export her products at its preferred prices under the aid arrangements, the prices of Ghana's exports to the UK were determined by developed states. The advanced west found it advantageous to maintain this trading culture and Ghanaian officials who argued against the status quo were described with negative remarks in the High Commission's personality notes on Ghanaian diplomats and politicians. For instance Gloria Nikoi[70] was described as 'a difficult woman' by James Mellon (then British High Commissioner to Ghana) and his predecessor.

Aid consists of loans, debt rearrangements/refinancing, technical assistance/cooperation, food aid and other assistance. Ghana's main trading partner, the UK held about 25 percent of the market share with the principal exports being industrial raw materials, foodstuffs and machinery. In return, Ghana exported cocoa, timber and gold to the UK economy. With an exchange rate of £1= ₵5.35 (in 1979) and a population of about 10.2 million (in 1976), agriculture dominated economic activities in Ghana. Agriculture accounted for 42 percent of gross domestic product and employed about 60 percent of active labour. The agriculture sector was dominated by cocoa which accounted for 60 percent of export revenue and 30 percent to government revenue (FCO 65/2187). However, as cocoa revenue decreased due to falling prices the Ghana government searched for loans to fulfil its role in development.

[70] Mrs Gloria Nikoi served under the Akuffo government and was reappointed as the Commissioner of Foreign Affairs by the Rawlings-led AFRC government. She was described in personality profile, held by the UK government on Ghanaian officials, as being 'difficult' in performance of her duties. However, this description fits those who are assertive and strict in their engagements with the west.

Among the loans advanced to Ghana during this period, was an interest free maintenance loan of £20 million signed in November 1978, in cooperation with the IMF, for British spare parts. Others consisted of £13 million USAID programme in agriculture; Canadian water project; a DM40m loan for agro-water projects – Volta river transportation, Bui river hydro-electricity, and agriculture in the northern region.

7.8 Economic Reform and attempts at Development

Against the background of economic problems, the Akuffo government committed to the ODA/IMF austerity proposal. Akuffo agreed to this idea and on 25th August, 1978 devalued the cedi by 62 percent (from ₵1.69 = $1 to ₵2.75 = $1). On the same day, Akuffo wrote to the British Prime Minister fully aware that the path he was about to take was politically treacherous. He stated, "We recognise that the measures that will lead to economic recovery will be harsh, and sometimes difficult" (PREM 16/2060). True to his word the SMC II presented a rigid budget on 12th September 1978 that reduced the deficit from its existing 120 percent of gross domestic product to 40 percent representing a two-third reduction of deficit funding and severe cuts in government expenditures. The reduction in government expenditures and adoption of flexible exchange rates made exports cheaper but nothing meaningful to development. The illusion that under the existing conditions the government could encourage savings, step up production levels, carry out development programmes, and reduce reliance on the banking system failed.

Following her visit to Ghana and witnessing the economic conditions at first hand, Mrs Hart wrote to the Washington office, under the caption 'Ghana and IMF' to express two key concerns about the impact of the IMF fiscal management and its risk to the transition. She noted, "Two points worry me. The first is that any suggestion of further devaluation at this time could seriously set back the planned return to civilian government. The second is that the foreign exchange problems here are affecting very seriously the export earning industries, whose greater success are vital to Ghana's recovery" (PREM 16/2060). September 1978 was a decisive moment for the Ghana government as the UK government deliberated on Ghana's request for economic assistance. This study discovers that at least two correspondences from Kieran Prendergast[71] to Bryan Carteledge dated 1st and 29thSeptember,1979 seemed to have kept David Owen[72] in the dark for a while because both letters suggested that "it has not yet been seen by Dr Owen" (PREM 16/2060). On 6th October, 1979 Prime Minister Callaghan wrote to inform Akuffo of his approval for a £10 million ECGD commercial credits and £20 million government programme aid. This was in the form of interest-free loan repayable over 25 years with a 7 year grace period for the purchase of British goods and services (spare parts, raw materials, low-level technological inputs for communication and industry). Of the £20million suggested, £5million was offered for most urgent needs and £15million in the form of standby credits to be made available subject to a satisfactory agreement with the IMF Akuffo was deeply aware that his political survival depended on the assistance he received from the external sector to revitalise the economy. While this explains Akuffo's shift in economic policy from his predecessor's socialist-style to a more neoliberal approach, it also created opportunity for the UK government to revive employment in ailing home industries. Governments of Ghana have been moderate and generally amenable to Western-oriented policies and Akuffo was no exception as noted by Judith Hart when she wrote "General Akuffo turned to us first for help and advice in revitalising the Ghanaian economy" (PREM 16/2060).

[71] Sir W. Kieran Predergast served as the Head of Southern Africa Department, FCO (1986-1989).

[72] Dr David Llewellyn Owen was a medical practitioner and British politician. Among other distinguished positions held by Owen, he served as Secretary of State for Foreign and Commonwealth Affairs (1977-1979)

On 26th January, 1979, Wall requested that Cartledge brought to the attention of the prime minister a copy of 'Ghana's Annual Review for 1978' as compiled by Mellon. In summary, the 10-point document addressed in paragraphs (1) to (3): Acheampong's mismanagement of the Ghanaian economy and his ineptitude in promoting the Union Government programme; (4) to (6) - highlighted the efforts made by the newly reconstituted SMC II administration to repair the damage it inherited, and British assistance to the SMC II and its justifications; (7) to (8) - approved of Akuffo's intention to return Ghana to democratic rule but concerned about the emergence of leading personalities; (9) highlighted Ghana's hospitality to British officials; and (10) dispatches. The idea was that Owen was convinced that paragraph (6) would appeal to Callaghan as a "good example of aid policy sensible applied". Mellon wrote, "I am convinced that at present Akuffo means to hand over power to a civilian government; but he knows this will not survive long if the economy is not on the mend. ... The aid and credits being spent on spare parts and renewing British equipment are promoting and strengthening the kind of exports that keep jobs in areas of the UK particularly vulnerable to unemployment" (FCO 16/2060). Thus under the pretext of development, the UK government astutely used capital aid and credits on renewable British hardware and spare parts to keep jobs in areas of the UK that were particularly vulnerable to unemployment. That is not to understate the short-term benefit of UK aid to Ghana, but to illustrate the unfair culture of trade between the two historically embedded states.

There are many reasons why the UK extends aid to Ghana. While many believe that Ghana provides a sizeable source of raw material, ready market and employment for British industries, there are far-reaching and important benefits. Yet, some aid programme only go to further the dependency theory. For instance, the 'Summary of Requirements' presented by the Ghanaian delegation to the UK government on 30th August, 1978, explains a cause of higher food prices under the SMC II government. The delegation consisted of Air vice-Marshall Boakye, Dr. J.L.S. Abbey (Commissioner for Economic Planning), Mr Alex E.K. Ashiabor, (Governor of Bank of Ghana), and Mrs A.Y. Aggrey-Orleans (Ministry of Foreign Affairs) presented a £27million costed list of items for assistance. However, out of this £13.5million related to the Export sector; £11.5mllion for Transport; £1.2million for Water resources; and only £0.8million for Agriculture (PREM 16/2060). Donor agencies such as the ODA influence the direction of aid because they are accountable to their respective parliaments and taxpayers for the loans that they extend to other states (Whitley, 2009: 4). Meanwhile, the Akuffo government knew that a successful outcome of aid negotiations must first and foremost be preceded by commitment to a kind of political reform that gave investors' confidence in his leadership and of good returns to their investments in Ghana.

7.9 Political Reforms towards Constitutional Rule

The political reform was a demonstration by the Ghana government to first, reassure its creditors that Ghana was committed to democratic way of doing business to attract foreign investment, and second, to meet the expectations of the people particularly the middle class. As part of the grand plan towards constitutional rule, the SMC II was to hand over power to a wholly civilian non-partisan national government on 1st July 1979 to bring into effect the constitution of the 3rd Republic. The choice of 1st July was to commemorate the 19th anniversary of Ghana's Republic Day (1st July, 1960). This was to usher in party political activities for a general election with the official handover scheduled for 1st January 1980. Had this taken place as planned, it would have been the first local elections in ten years to mark the end of a decade long of military adventures in Ghanaian politics. However, latter events forestalled the transitional programme. Akuffo invited officials of commendable reputations namely Lieutenant General Joshua Hamidu, Air vice Marshall Boakye and Dr Joseph Abbey, and declared his intention to return Ghana to democratic governance by handing over to a 'national' coalition government. The political/constitutional reforms generated a cross-section of ideas from many Ghanaians, including Kwesi Armah[73] but Akuffo had his reservation about the interest of this former diplomat.

On 8th January, 1979 J.S. Wall wrote to B.G. Cartledge to confirm receipt of a signed copy of Kwesi Armah's proposal for political and economic reforms to General Akuffo under the caption 'National Government and the Search for Political and Economic Stability'. Armah had written to Akuffo on 20th September 1978 to remind Akuffo that economic progress was inseparable from political stability. Armah aimed to convince Akuffo to reengage with party politics and abandon the Union Government initiative of Acheampong. However, I contest Armah's idea for the following reasons: First and foremost, the suggestion for a non-elective parliament of about 80 to 100 like-minded members who were to vote at its first siting to shorten its own life to trigger a general election of three to four political parties was problematic. This was because, besides the uncertainty about Armah's credibility, his suggestion was undemocratic and cynical at a time when Ghana aimed to abandon militarism and advance democracy for development. Personality profile held by the British High Commission on Armah's character and his unpatriotic acts after his ambassadorial assignment casted doubt on the reliability of his proposal. Second, the idea of adherence to an overarching Common Policy that overrides policies from political parties was contentious. Armah argued that "it is important for the country as a whole to work towards a 'political truce' remember that the timetable for return to civilian rule has not come about voluntarily". And that "the return to civilian rule is the response to pressure and non-cooperative action

[73] Kwesi Armah was the Ghana High Commissioner to the UK during the Nkrumah era. He was described in the personality note of the F.C.O. as someone who should not be left unattended in the Prime Minister's office when the latter goes out because he could help himself with the PM's official letter head and use it as 'blanche carte' for his own objective. Nkrumah trusted Armah, and after his overthrow the NLC issued an extradition order for Armah on charges of embezzlement. The UK courts and Home Secretary Jenkins found no basis for the extradition. Armah lived in the UK and maintained contact with some UK government officials.

precipitated by professional bodies, students and churches" (FCO 16/2061). The existing conditions at that time and Armah's own credibility discounted the proposal.

In a confidential telegram from the British High Commission in Accra to the West African Division of the FCO in London dated 31st March 1979, Akuffo assured all 16 political parties on 29th March, 1979 that the SMC II would only remain in power with the consent of the parties. However, 13 out of the 16 political parties called for the SMC II to delay the elections mainly because the timetable precluded the leaders of the two main political parties – People's National Party (PNP) and Popular Front Party (PFP) – from contesting the presidential and parliamentary elections. Akuffo advised all parties to forward their problems to the electoral commissioner and constituent assembly in the first instance and only return to the SMC if their problems remained unresolved. Unlike Acheampong, Akuffo was treated more favourably by the UK in terms of fiscal control because he accepted the neoliberal trajectory at the onset. Paragraph (3) of the telegram suggests that based on the success of the currency change under the Akuffo government, "many Ghanaians believe that the revival of the Ghanaian economy can best be directed by a military government" because the economy was showing early signs of revival, however, from the point view of UK interest, civilian government was preferred (FCO 16/2060). Akuffo knew that parliamentary government was impossible without party politics and foreign investment was more feasible in democracy though in some instances western government support autocratic regimes so long as it serves her interest.

On 7th February 1979, George Walden[74] wrote to Cartledge with a proposal to invite Akuffo to the UK from 7th to 12th April, 1979 for talks with Prime Minister James Callaghan's

[74] George G.H. Walden served as the Principal Private Secretary to the Foreign Secretary (1978-1981); Head of Planning Staff, FCO (1982-1983).

government and the Queen. However, this study discovers that paragraph (4) of Cartledge's reply to Walden has been erased and marked "passage deleted and closed, 40 years under the Freedom Of Information Exemption". Meanwhile, the political uncertainty at that time militated against Akuffo's ability to honour the invitation as scheduled. In a signed letter from the Office of the Chairman of the Supreme Military Council to the Right Honourable Callaghan dated 2nd April, 1979, Akuffo stated "It is with a sense of deep regret that I had to ask for postponement in the light of certain developments in the political scene in Ghana which require my presence here" (FCO 16/2060). Akuffo's premonition was right, despite the political activities towards election, the austerity deepened the economic hardships and created space for possibility of military intervention.

In a confidential memo from the British High Commission to Sheila Griffith-Jones (West African Department, FCO) dated 21st May, Colonel Bernasko (Action Congress Party) and Victor Owusu (Popular Front Party) were positive of the election but not oblivious of the economic challenges ahead. By April 1979, all 10 presidential aspirants of the six political parties and four independent candidates had been confirmed for the June general elections. They were Hilla Limann - People's National Party (PNP); Victor Owusu - Popular Front Party (PFP); William Ofori Atta - United National Convention (UNC); Frank Bernasko - Action Congress Party (ACP); John Bilson - Third Force Party (TFP); Ibrahim - Social Democratic Front (SDF); with Mark Diamond Addy, Kwame Nyanteh, Imoru Ayama, and Robert P. Baffour (first Vice Chancellor of the Kwame Nkrumah University of Science and Technology) as independent candidates.

7.10 The end of the Akuffo regime

Unlike his predecessor (Acheampong) Akuffo's relationship with the TUC was not cordial. The SMC II government suppressed the ARPB, TUC and students reactions to the effects of the austerity and tough monetary measures. These measures contributed to job losses, economic hardships that could not be ignored by the public. In an official correspondence from Wall to Cartledge dated 17th November 1978, Wall noted that the labour unrest was a natural response to the "stiff measures that the government have been and are determined to take to put the economy to rights. … At the same time the government was aware that their room for manoeuvre with the IMF is very limited and this will have helped the SMC to maintain a firm position" (PREM 16/2060). Akuffo turned against the ARPB and students, and suppressed press freedom. In effect, the Civil Servant's strike collapsed with individual unions appealing to the government to relent on its decision to summarily dismiss workers who had taken part in the strikes. In response, the government established a body to negotiate disputes between itself and the civil servants but it was too little and too late. Middle and lower ranks in the military were dissatisfied with the continued economic conditions and Akuffo's reluctance to trial Acheampong on corruption and other charges. Governments are installed and removed depending upon what they are able to deliver from whatever resources that remained (Frimpong-Ansah, 1992: 111). Like his predecessors (Busia and Acheampong) Akuffo destiny was determined for him by the external creditors. On the one hand, governments that advanced neoliberalism in Ghana were abandoned to their fate when labour and social unrests threatened their existence. On the other hand governments that advanced populist policies (as did Nkrumah) were liked by the people but rejected by external creditors who eventually incite local opposition against the government for regime change.

The essential features of the Akuffo government were that he re-established good relations with the creditors but was unable to draw the creditors to revisit the proposals Busia submitted at the 1970 Conference that were rejected. By taking a hard stance towards unionised labour, Akuffo ignored the embeddedness that was much needed to implement the

IMF austerity programme and in effect antagonised public sentiments. This gave support for failed coup d'état in May and the subsequent one in June that led to the capture of Akuffo at the Holy Spirit Cathedral Church (where this research student worshipped as a young person) Thus, in pursuit of investment capital to revitalise Ghana's economy, Akuffo ignored the interest of the productive labour force and acceded to the directives of foreign creditors. While many governments in Ghana, past and present, find themselves in this political dilemma, it is yet to be discovered the kind of balanced interests that appeal to both external creditors and the people of Ghana.

In sum, though Ghana was a sovereign state the UK's interest in trade dominated public policy. The Diplomatic Report No. 117/80 dated 25th January, 1980 under the heading: 'Ghana: Annual Review for 1979', from Mellon to the FCO illustrates the case of unfair trade between Ghana and the UK. In this confidential document the British High Commissioner wrote, "The last seven years of military rule have been bad for the Ghanaian economy … But during this time our exports rose from £16.5m in 1972 to £119m in 1978. Even with all the turbulences which I am about to record for 1979, our exports to Ghana should be about £90m. This is what can be achieved in relatively bad year" (FCO 65/2322). Similarly, the 'Commercial Background Brief' prepared by the Department of Trade in London for the attention of Mrs Hart illustrates the imbalances of trade and underdevelopment. In paragraph (4) it states, "Although UK exports to Ghana have risen over recent years in value and real terms, Ghana's economic position has deteriorated"(FCO 65/2187). At the first ever global declaration against corruption summit held in London in May 2016, the then UK Prime Minister, David Cameron and the US Secretary of State, John Kerry both admitted that there are hundreds of millions of corrupt monies from Africa circulating in economy of Western states (https://www.gov.uk/government/topical-events/anti-corruption-summit-london-2016).

Corruption as stated in the paragraph, could not thrive without the complicity of the West who benefit from the stolen public funds from underdeveloped states. Clearly, the UK (like other creditors of the conceptual west) say with their mouths (interest to help Ghana develop) what they do not mean in their hearts. As the African proverb goes ‘when the buffalos fight, it is the joy of the vulture’ because when they kill each other, the vulture gets its food easily. Similarly, the main beneficiaries of wars are the leading manufacturers of ammunitions and security equipment who deploy subtle ways to engage in war mongering but sponsor Peace prizes to conceal their motives.

7.11 The May 15th Uprising and June 4th Revolution

The Rawlings-led military coup d'état that failed to overthrow the SMC II in May 1979 had been considered by Rawlings and Major (then Captain) Boakye-Djan (Rawlings’ best man in 1977) but without specific date. In the early hours of that fateful day, Rawlings and a few of his colleagues from the Ghana Air Force took control of the Accra Air Force Station at Burma Camp, the military headquarters. They captured two MOWAG armoured vehicles manned by the Recce Regiment and deployed these on the airfield as they captured senior officers on their way to work. However, the capture of the vehicles and men from the Recce infuriated the regiment hence the unit refused to support Rawlings. By morning, many officers passing through the airfield to work had been arrested. However, by noon soldiers from the Recce Regiment led by their Commanding Officer, Major Abubakar Sulemana overpowered the Rawlings insurgence and took the latter into military custody (FCO 65/2178). Rawlings stood trial before a military court but in his defence he cited the economic condition that engendered his revolt. This resonated with a large section of the general public and the military. Hutington (1957) suggests that the rationale for military interventions are not limited to military grievances but of a wider societal problem. After the trial, Rawlings and his men were placed under military guard with strong indication that they were to be executed but Akuffo did not appear to favour execution.

The depositions asserted by Rawlings at his trial and pressure from intelligence to imminently execute Rawlings and his men reinvigorated a group of young soldiers led by Boakye-Djan[75] to stage the June 4th 1979, bloody coup d'état that freed Rawlings from military custody to lead the revolution. Rawlings and his men formed the Armed Forces Revolutionary Council (AFRC) and embarked on a 'house cleansing' exercise to purge corruption out of the military and civil society, and advance a moral revolution to improve the welfare of the people. On 6th June the AFRC announced its membership as follows: Rawlings as chairman, Boakye-Djan as spokesman, Major Mensah Poku, Major Mensah Gbedemah, Warrant Officer 1 Obeng, Lieutenant Commander Barnor, Private Owusu Adu, Lance Corporal Gatsiko, Corporal Owusu Boateng; and Staff Sergeant Alex Adjei as members (Keatley, 1979). The AFRC restructured the service commands with trusted senior officers and appointed 12 civilian Commissioners to head strategic government establishments. The main objectives of the AFRC were to purge the establishment of corruption and uphold social justices to improve the living standards of the people and conditions of service of the military. In his broadcast speech to the nation on 5th June, Rawlings adopted a Marxian proposition to justify the military intervention as "… a natural reaction to the unjustifiable hardships that we have been through during the last few years" (FCO 65/2178). Rawlings had been enraged by the falling standard of living and in particular the service conditions for junior and non-commissioned officers. And, by all indications, the country was in serious economic and political crisis that required some form of intervention.

[75] Major Kojo Boakye-Djan was a military intelligence officer and main architect of the June 4th coup d'état that freed Rawlings from military custody whilst the latter awaited execution for treason. Boakye-Djan, friend of Rawlings and best man at his wedding, broke ties with Rawlings to register his protest against the 31st December coup d'état with calls Rawlings to be prosecuted for treason.

According to the Guardian, Rawlings' broadcast to the nation confirmed his belief that Ghana needed a moral revolution of accountability and integrity to solve her problems as done in other states (Keatley, 1979). The new regime gave legal backing to continue the suspension of the 1969 constitution and ruled by decree until a new constitution was promulgated (FCO 65/2178). Though the June 4th revolution is indelible in the political history of Ghana, it owes its place to the military revolt of 15th May, 1979.

However, few days after the uprising, an internal conflict ensued within the AFRC hierarchy between the junior officers and others ranks who actually staged the coup. While the junior officers wanted to restore the moral integrity of the army by bringing corrupt senior officials to justice, the other ranks sought to better their conditions. In confidential telegrams (211 and 212) dated 10th June 1979 addressed to the FCO by J. Brasnett[76], the author referred to discussions that Colonel Vivian (Commanding Officer of CMAT) had with Colonel Dan Prah (Chief of Defence Staff) to illustrate the situation in the army. The concerns raised by Colonel Prah consisted of the failure to agree on reward to the military; the military intelligence's suspicion about Captain Boakye-Djan's double-standard; disagreement about release of senior officers; takeover of foreign (Syrian, Lebanese and Indian) business; and the ₵10 million ransom allegedly offered by Lebanese and Indian businesses to some military men to assassinate Rawlings and his family (FCO 65/2178).

According to Brasnett, although Rawlings resented the exploitation by these business community, he believed that expatriates were needed to rebuild the economy. In a telegram from Brasnett (number 213 of 11th June), the AFRC denied reports that it was communist-inclined and reaffirmed its commitment to the election schedule and that the AFRC respected Ghana's foreign policy because they valued the nation's relations with the United Nations,

[76] Jon Brasnett was the Deputy High Commissioner in Ghana, 1977-1980 (during the 1979 revolution).

Organisation of African Union (now African Union), Commonwealth and the Non-Aligned Movement are vital for development.

On 14th June the already drafted constitution was promulgated, and the UK government recognised the AFRC regime the following day. In the immediate aftermath the AFRC drew its support from some militant trade union activists without the approval of the leadership of the TUC (Asamoah, 2012). The people called for capital retribution against senior military officers of the erstwhile SMC I and II governments. On 16th June, the AFRC responded by publicly executing Generals Utuka and Acheampong by firing squad. Two days after the first executions Ghanaians went to the poll and the PNP led but without an outright majority. On 26th June, the AFRC carried out the second public execution consisting of Lieutenant Generals Akuffo and Afrifa and other senior officers namely Major General R.E.A Kotei,(Chief of Defence Staff), Real Admiral J.K. Amedume (Chief of Navy Staff), Air Vice Marshall G.Y. Boakye (Chief of Air Staff). This attracted condemnation and sanctions from the West and neighbouring African states. At the elections, the PNP won in the round-off and the AFRC handed-over to the Limann government on 24th September 1979. With the exception of Rawlings, all military senior officers within the AFRC ruling body accepted offers from the UK, France, Germany and the US to pursue courses abroad. This astute initiative was coordinated by the UK government to allow the Limann administration space to govern because the west projected that economic conditions were likely to give rise to further military intervention and communist influence if the AFRC leadership remained in Ghana. In his report, Mellon stated that “If another AFRC comes on the scene, the Cubans, the East German and their Russian masters will be better prepared and Ghana could turn eastwards. The survival of Limann’s government is therefore a trade and political interest ..; and the general political and aid effort of this High Commission has economic and trade relevance" (FCO 65/2322). The essential features of the June 4th,1979 revolution was that although it restored the moral integrity of the military, the brutality of the military in cases of suspected corruption led to a kind of praetorian state not conducive for foreign investment and private businesses because investors feared arbitrary confiscation of their investments by the military regime.

7.12 The Limann government of the Third Republic: 1979 to 1981

The Limann led-PNP government came to power on 24th September, 1979 amidst pressure to find solutions to the economic problems that incited the June 4th revolution. The likelihood of the new government lasting its full term depended on its ability to revive the anarchic economy it inherited. Ghana's economic infrastructure was damaged, foreign investment was very low, and economic rehabilitation was at a standstill. The new government was faced with the challenge of explaining the deplorable economic conditions to private investors and devise ways to reinvigorate the private sector.

Meanwhile, Ghanaians became intolerant to the economic rhetoric of the IMF and promises by local politicians without concrete evidence of improvements in living standards. Limann visited the UK from 12th to 17th May 1981 as his first port of call outside Africa since taking office. The main objects were to seek support for the new government on ways to secure credit to revive the failing economy. Ghanaians had been appreciative of the government's efforts and hoped that the UK government could influence foreign investment on favourable terms. Limann's ambitions to improve the economy diverted his attention from tensions within and the shenanigans of Rawlings and a few of his men. The economy shrunk in terms of gross domestic product, investment decreased, and the overall performance of the external sector dropped while population grew at 3 percent. In addition world cocoa prices dropped to about a third of its 1978 level and the demand as well as price of timber fell. Revenue from gold exports was inadequate to make up for the lost in government revenue from other exports. The loss in foreign reserves as a result of the decrease in export revenue meant that essential domestic and industrial imports such as medicine and spare parts respectively were in short supply. Given the above problems, the IMF was indispensable in the government's effort to rescue the economy by directing foreign capital into export-oriented industries such as agriculture, mining, forestry and transportation. In addition, the Limann government presented a new investment code to parliament with a view to attract domestic private investment into the cocoa and timber industries. The investment code covered investment areas such as liberalisation of trade, tax exemptions, and repatriations of profits by foreign firms. But the Limann government operated under the shadows of Rawlings and the military.

Granted that democratically elected governments faced with economic decay were prone to military interventions, the creditors could have balanced their economic imperatives with the political conditions in Ghana at that time. Apart from a few amendments, the IMF requested the Limann government in 1980 to revisit the stand-by arrangements it had with the Akuffo government. This consisted of first and foremost a request by the IMF to increase interest rate by 1 percent which was done, but later increased by 6 percent (13.5 to 19.5 percent) at the request of the IMF. Additionally, the IMF's insisted that the Ghana government increased cocoa producer prices. Though the Limann government wished to fulfil the party's manifesto by increasing cocoa prices it could not do so at that time because of the decrease of the world market price. Cocoa prices were linked to adjustment in the exchange rate hence the Ghana Government suggested that the IMF allowed the government to negotiate with the cocoa farmers. In pursuit of the IMF's request, the Limann government removed all subsidies on consumer goods and petroleum products, as well as decontrolled prices. The removal of subsidies contributed to decreased productivity and inflation. As petroleum subsidies were abolished, transport fares, cost of goods and services rose, and reduced the real incomes of the labour force. Realising the dangers of the austerity to democracy, the UK and Ghana governments agreed that devaluation was to be avoided at that time because given the low level of productivity the conventional benefits of devaluation (reduction in export price and increase in import prices to correct the balance of payment deficit) would not have been achieved by devaluation of the cedi. In return for the austerity, the Ghana government requested for a £40 million concessionary loan of medium term credit and a £200 million ECGD support. Given that the economic conditions, financial constraints, pressure from the IMF, low productivity, and societal demand for socioeconomic development, the Limann government withdrew all cocoa subsidies to increase producer prices per load of produce. In essence, the price increases failed to improve the welfare of the farmer because they bought fertilisers, seeds and other farming inputs at inflationary prices.

During the bilateral government talks held at Number 10 Downing Street on 13th May, 1981 between Prime Minister Thatcher and President Limann, the latter acknowledged that although his party's manifesto had committed to increases in cocoa producer prices, the response in productivity was likely to take some time. At this meeting, George Benneh (Finance Minister) complained that "Ghana had managed to fulfil virtually all the IMF's requirements so far. However … each time Ghana fulfilled the conditions demanded by the IMF, the latter imposed new ones" (PREM 19/473). The present research study puts forward that the IMF could have appreciated the imperatives of political survival by advancing policies that would not have made the public to perceive the Limann government as puppets of the IMF because such views create space for military intervention. In a letter of gratitude by the president to the prime minster on the visitation dated 17th May, President Limann reiterated his acknowledgement of the conditions in Ghana in his first paragraph. He wrote, "

… and also for the efforts we have so far made to reintroduce sanity into the anarchic economic, political and social situation we inherited in September 1979”(PREM 19/473). On 21st May, the UK government extended an ECGD support and a medium term credit of £25 million (in lieu of the £40 million requested by Limann) on condition that Ghana continued to repay her debts promptly. To demonstrate the UK government’s understanding to the political dimensions of the economic decay, the repayable period was held at 5 years (in lieu of 2 years) at a 7.5 percent moratorium rate (instead of the 12 to 16 percent market rate). But this was insufficient to revive the economy from decay. As the Finance Minister, George Benneh puts it, “if the dose of medicine for a very sick person was too small, it might not be sufficient to arrest the disease” (PREM 19/473). The logical extension of the Ghanaian experience, like many others in Africa, was that the economic was directly linked with the political. And given the circumstances that they found themselves in, the PNP government had no viable option than to request for foreign investment to revive the economy for development and political stability. As Baron Luce[77] concluded, “… both the new multiparty democracy, and the government’s efforts to restore the economy, were on trial” (PREM 19/473). Its inability to meet the expectations of the people and creditors simultaneously created space for the military to introduce the ‘zombie’ state on 31st December 1981.

[77] Baron Luce (Richard Napier Luce), served as the Parliamentary Under-Secretary of State for Foreign Affairs for the Foreign and Commonwealth Office in 1979. In 1981, he was promoted to Minister of State for Foreign Affairs within the same department but resigned in 1982 over the Falklands invasion.

SECTION FOUR: THE RISE AND FALL OF THE ZOMBIE STATE

Chapter 8: The Ghanaian Revolution and the Zombie State (1982-1992)

8.1 Introduction

This chapter critically examines Ghana's political economy in the immediate decade (1982 to 1992) after the Rawlings-led 31st December, 1981 revolution. It initially chronicles trends of economic stagnation and decline leading up to the revolution to interpret the development trajectory of the Provisional National Defence Council (PNDC)[78] government and its development outcomes. The second half of the chapter discusses possibilities of a developmental state in Ghana to address the protracted underdevelopment that has stigmatized a major producers of raw materials to industrial economies.

The chapter takes a lead from Frimpong-Ansah's seminal analysis of the political economy of decline in Ghana "The Vampire State in Africa", and boldly introduces the 'Zombie state' idea to critically examine the development approach adapted by the Rawlings II government . It is important to critically examine the political economy of the Zombie State because besides the development feats of the Guggisberg and Nkrumah periods, the burden of development history in Ghana weighs very much on the Rawlings II government. In this sense the aetiology of the Zombie state, development thinking of its leadership, changing trends of development in the 1980s and the political and security situations at that time were revisited in our analysis. The overarching objective of this study was to provide distinct analysis of the political economy of development and decline in the Zombie state and put

[78] Provisional National Defence Council (PNDC) original membership consisted of Flt. Lt. Jerry John Rawlings as Chairman, Warrant Officer 1 Joseph Adjei Boadi, Brigadier Joseph Nunoo-Mensah, Staff Sgt. Daniel Alorga Akata Pori, Chris Bukari Atim, Joachim Amartey Kwei, and Rev. Dr. Vincent Kwabena Damuah (an expelled Catholic priest). But by 1982, all except Rawlings and Adjei Boadi resigned over ideological differences, arbitrary executions, breach of trust and marginalisation. In 1982/83 the Pro-Eastern government shifted to adopt economic liberalisation and structural adjustment.

forward logical reasons for the flexible adaptation of the East Asia (EA) 'developmental state' model in Ghana in particular, and Sub-Saharan Africa (SSA) in general. To achieve this, the chapter takes a constructive look at historical evidences of development efforts in Ghana mainly from archival sources and related publications for critical examination. The chapter concludes with the outcome of these developmental efforts and challenges with suggestions of alternative development approach in Ghana. This method of examining developments under distinct state forms is relevant because in the absence of structural constraints within the global political economy, the 'behaviour' of a state conditions its economic development.

8.2 Background

The 1980s was an era of trade and diplomatic tensions between two superpowers – the United States of America and the Union of Soviet Socialist Republics - in what became known as the 'Cold War'. The period is also remembered for the surge in technological advancement and globalisation, as well as a shift in economic management thinking from planned economies to laissez-faire capitalism. In addition, the International Monetary Fund (IMF) and the World Bank (WB) came under pressure to address Africa's debt crisis with a view to gather support against the East and assert its influence in SSA. The problems in SSA consisted of political instability, economic mismanagement and corruption, natural disasters, incapacity to properly address structural and policy weaknesses, structural imbalances associated with 'terms of trade', unfavourable conditions attached to IMF/WB loans, and the burden of debt servicing on development. But before the researcher looks for panaceas it is important to recap how the problems evolved.

On the eve of Ghana's independence on 6th March, 1957, the economy was by far in a much better position than many African states, but by the early 1980s it had suffered major setbacks of protracted economic stagnation and decline. Much of the historical account on Ghana suggests that until the early 1970s the economy maintained its lead in the world's production of raw cocoa beans to developed economies with an average output of some 370,000 metric tons per year. Having inherited some £200 million in reserves from the colonial government as export revenues held on her behalf, Ghana was by far richer than many SSA states at independence. While other SSA states have experienced protracted economic decline, the Ghanaian experience is unique not only for its unique political history for African unity and attempts at industrialization but also for the comprehensive manner in which successive governments contributed to its economic decline.

Indeed, the general optimism and euphoria for economic development and political stability held by many Ghanaians at independence evaporated causing some to unfortunately express their willingness to trade their political freedom for economic development - recolonization of SSA states for economic development. Although the Ghanaian experience poses questions to policy makers, academics, and donors, about how to address protracted economic decline, it is not the first state in SSA to envisage unfavourable economic management prescriptions by the IMF (Anheier and Siebel, 1987).

This chapter provides political economy interpretation of the PNDC government's adoption of the IMF neoliberal development policies and its outcome to set forward the precise case for the strategic transference and adaptation of the EA developmental state model in Ghana. In doing so, the author introduces the 'Zombie State', as a metaphorical concept of the 'unconscious reincarnated state' that makes every effort to develop the political economy but lacks the capacity and ends up devouring its achievements (Drezner, 2011). Better still, a 'dead-alive' state that aims to introduce radical life to a new political order aimed at economic recovery but does so with inadequate capacity and legitimacy. The inception of the

‘Zombie State’ was without a grand plan or reliable source of finance to rehabilitate the economy. In his resignation letter addressed to Chairman Rawlings, Chris Bukari Atim, a founding member of the PNDC conceded that the major cause of conceptual conflict within the hierarchy of the regime immediately after the coup was the non-existence of purposeful programme about where the revolution was going. Brigadier Nunoo-Mensah, the most senior military officer in the PNDC and leader of the first Ghanaian government delegation to visit the UK after the revolution, acknowledged that “the fundamental problem in Ghana was that of the economy …, no Minister of Finance had yet been appointed” three months into the revolution (FCO 65/2834). Similarly, the West African Department of the Foreign and Commonwealth Office noted that “the PNDC remains an incoherent and inexperienced group basically of students and revolutionaries. No clear political direction has yet emerged” (FCO 65/2834). These narratives resonate with the idea of the ‘zombie’ that acts on its feeling without conscious experience to guide its reactions. The patriarchs of the revolution reacted to how they felt about the economic decline without formulated ideas or conscious experience about how to overcome the problems. The 1980s was a period of speculation and untrammelled movements in capital but one without productive or politically conceived developmental purpose though public and private service activities were underpinned by neoliberalism.

Although the Rawlings era extended to three governments - June-September 1979 as the Armed Forces Revolutionary Council (AFRC); 1982-92 as the Provisional National Defence Council (PNDC); and 1992-2000 as the National Democratic Congress (NDC), this study focuses on the PNDC era. The Zombie State era represents a decade of dramatic shift in Ghanaian politics from free-market to socialism to economic liberalisation in response to the prevailing economic crisis in 1982 and the IMF/WB conditions for development loans. The

Rawlings II 'Zombie' state introduced a new state order and strived to move the political economy of Ghana from decay to development through social market ideas but succumbed to economic liberalisation because the World Bank was the main reliable financier for development. In doing so, the PNDC government initiated a series of International Bank for Reconstruction and Development (IBRD) programs in Ghana with some overlapping the other. These consisted of the PNDC's - National Programme for Economic Development; a Five-year development plan (1982-1986); a Public Investment Programme, (1992-1994); and a subsequent Public Investment Programme (1993-1995).

8.3 Historical Overview of the Zombie State in Ghana (1982 – 1992)

The 'Zombie State' was directly incepted through the 31st December, 1981 military coup led by Flight Lieutenant Jerry John Rawlings who became the Head of State from 1981 to 1992. The revolutionary governing body, the PNDC, abolished the constitution of the 3rd Republic and ruled by decrees. The 31st December 1981 Revolution was organised by a group of 'other ranks' (non-commissioned) soldiers, mainly from the Recce regiment in direct response to the intolerable living conditions of lower-rank soldiers and the average Ghanaian. It aimed at cleansing the establishment of corruption, redistribute income and promote participatory democracy. Although reasons, motives and explanations offered for military interventionism are often diverse, they highlight growing disaffection of economic conditions within the military and the state (Bennett, 1963; Huttington, 1968; Kraus, 1970).

After several years of military dictatorship, the transport system and cocoa sector in Ghana reached breaking point. The problem was aggravated by severe drought, bushfires, and sudden repatriation of some 1.5 million Ghanaians from Nigeria. Scarcity of energy supplies meant that petroleum products were rationed between domestic and industrial needs while electricity supplies were geographically alternated. Rawlings saw an opportunity in the economic difficulties to stage his comeback with a view to rehabilitate the economy. He was convinced that the key nemesis to development was corruption and imperialism. Hence, the initial primary objectives of the 'Zombie State' were to achieve socio-economic development through society-oriented programmes, eradicate corruption and attract foreign direct investment to rehabilitate the economy on pro-social terms. It can be argued that against this background the zombie was a bit naïve for abstracting that it could rehabilitate the economy on pro-socialist ideas. Under the caption 'GH₵150 milion to be raised locally to revive Afram plains' - major agricultural area, the government initiated a 110-kilometre autarkic road reconstruction from Kye-Amanfrom to Amankwaakrom and Torkor to increase agricultural productivity to feed the nation. In the same publication marking the '10th anniversary of Nkrumah's death' Rawlings pledged to continue with the developments initiated by the late president (Daily Graphic, 27th April, 1982).

However, on 30th June 1982, the political milieu in Ghana suddenly changed following the murder of three high court judges and a retired major of the Ghana Army. Justices Kwadwo Adjei Agyepong, Poku Sarkodie and Cecelia Koranteng-Addow as well as retired Major Sam Acquah were abducted, murdered and burnt by close operatives of the PNDC for being 'enemies of the revolution' (Joy News documentary, 2018). This study discovers that some members of the PNDC became aggrieved after Justices Agyapong and Sarkodie had reviewed and reversed the convictions of some individuals convicted during the AFRC regime. Sam Acquah, while Head of Human Resource at Ghana Industrial Holding Corporation (GIHOC) had signed the dismissal letters of workers, including Amartey Kwei, for vandalising parliament properties in a strike action during the Limann era. And, Justice Koranteng-Addow had dismissed the legal action brought by the dismissed workers of GIHOC against management. Against these backgrounds, the three judges and retired major were seen as threat to the revolution, a reason for their abduction and gruesome murders during curfew hours. According to Sam Okudjeto[79] the PNDC sowed a seed of hatred against the judiciary hence the tragedy. In a recent investigatory documentary by a local media, Deputy Superintendent of Police (retired) Edmund Oheneasah[80] suggests that during interrogation of Lance corporal Amedeka , the latter provided credible confession about his key role in the murders (Joy News, 2018).

Following international and domestic pressures, the PNDC on 15th July 1982 set up the Special Investigation Board (SIB) under the chairmanship of Justice Samuel Azu Crabbe with Reverend Professor K.N. Dzobo and Messers C.E. Quist, T.O. Lindsey, J. Amui as members of the board to investigate the tragedy and make recommendations. According to Kofi Bentum Quantson, former head of the Bureau of National Investigation (BNI), it was almost impossible for the accused persons to have acted without authorisation from the PNDC hierarchy because the restrictions imposed by the curfew required special pass to enable their movements from one place to the other (Joy News, 2018). The SIB recommended that ten persons, including two members of the PNDC - Joachim Amartey Kwei and Staff Sergeant Alorga Akata-Pori (both members), Captain (retired) Kodjo Tsikata - Special Advisor to the PNDC government and Head of National Security, Lance Corporals Samuel K. Amedeka, Samuel Michael Komla Senyah, Godwin Kwowu, Mama Nsurowuo, Victor Gomoleshio, and ex-soldiers Tonny Tekpor and Johnny Dzandu be charged with complicity in the murders but this was not fully implemented for political reasons. The facts relating to the complicity of

[79] Sam Okudjeto is a professional legal practitioner, academic and former president of the Ghana Bar Association. He is a moderate political thinker and activist.

[80] DSP Edmund Oheneasah (retired) is a surviving member of the first Police investigative Team into the murders. He uncovered evidence of the Harbour Waybill number 09337 signed by Amedeka for the release of the two new Fiat vehicles that were used in the murders and obtained confessions from Amedeka. He exiled to the United Kingdom during the PNDC era.

the PNDC's inner circle – the sanctioning of the murders, issuance of curfew pass, information of the residence of the murdered, and release of the vehicles used in the abductions and murders - still remain a mystery. In the end, Tsikata, Akata-Pori, Kwowu, Nsurowuo, Gomoleshio were not prosecuted for lack of evidence, Amartey Kwei, Senyah, Dzandu and Tekpor were executed by firing squad, and Amedeka escaped in a jail break incident and now lives in exile. George Agyekum, Chairman of the Public Tribunal charged with the trial of the accused persons at that time now admits that the SIB failed to explore allegations against Rawlings and Tsikata (Joy News, 2018). The PNDC intimidated the prosecution by arresting Chief Superintendent of Police Jacob J. Yidana, the head of the police investigative team charged with investigating the murders, but his colleagues - Deputy Superintendent of Police Edmund Oheneasah, and Assistant Superintendent of Police William Oduro - fled the country. After Rawlings had left office in 2000, the New Patriotic Party government by an Act of Parliament established the National Reconciliation Commission in 2004 chaired by Justice (retired) Azu Crabbe to provide a formal forum of truth and reconciliation for victims of human rights violations during the PNDC era. However the indemnity provisions of the 1992 constitution initiated under Rawlings' administration restrained the commission from making recommendations to bring justice to the victims and relatives of deceased persons.

In addition, there were tribal tensions within the Ghana Armed Forces as many soldiers from the northern and Akan regions who assisted Rawlings in the revolution felt marginalised by soldiers from the Ewe tribe. By November 1982, five out the seven original members of the PNDC had resigned due to the events that took place. Personal conflicts between Rawlings and his former colleagues resulted in several coup attempts to overthrow the PNDC government (Ray, 1986). Among these were the June 19th 1983 Halidu Giwa-led coup and jailbreak of several soldiers including Lance Corporal Amedeka; and the Major Quashigah-led coup (Quashigah of the Ewe tribe and a close ally of Rawlings, had previously foiled Giwa's coup but staged his own in 1989 and was arrested but not executed). The disaffected soldiers from the northern region in particular, resented Rawlings for deceiving them to collaborate the overthrow of their northern native – President Limann.

In addition, pressure groups such as the Association of Recognised Professional Bodies (ARPB), Front for the Prevention of Dictatorship (FPD), and People's Movement for Freedom and Justice (PMFJ) did not conceal their antipathy towards the PNDC and went at great lengths to pressure the government to revert to democratic rule. Moreover, the political economy during the 1980s was very challenging for the zombie state in asserting its authority over politics and economic development. Persistent decline in oil prices during the early 1980s resulted in significant decrease in real per capita income in Nigeria with high unemployment and pressure on overstretched public services. The remedial action of the then President Shehu Shagari was to repatriate about 1.5 million Ghanaians. With increased unemployment and decline in agricultural productivity as a result of the severe drought and bushfires, the capacity to produce for the local population and export sector was severely hampered and exacerbated the economic problems the PNDC inherited.

8.4 Overview of the economic problems in the run up to the 'Zombie' state

Before taking a critical examination of the development trends of the 'zombie' state, it is appropriate to give an overview of the economic problems that contributed to the legitimacy of the 'Zombie' state. Lessons drawn from attempts by the 'Predatory' and 'Vampire' states suggest that structural weakness of economic decline - low productivity and monetary fragility – emanated from both internal and external factors (Frimpong-Ansah, 1992). The colonial core-periphery development model ignored the development needs of Ghana except where it served the interest of the imperial trade. The colonial economy was designed to produce raw materials for export to western industries at relatively lower prices and to import finished products at higher prices. This increased Ghana's balance of payment deficits and furthered its dependency on foreign aid for development. And attempts by the Ghana government to secure international trade agreements with major buyers to improve export revenue were disappointing. It is a fact that governments are installed and removed for what they do with available resources, but without international trade agreements the economy has no backbone. Efforts by major cocoa producer such as Ghana to reach trade agreements with cocoa buying states have been met with disinclinations by buyers to enable them have control over Ghana's export revenue and development.

In addition, the level of underdevelopment and structural weaknesses as identified on the eve of independence sowed a seed of dissatisfaction within the Nkrumah government to engage in aggressive modernization in lieu of a moderate approach to mitigate the substantial increase in foreign indebtedness. Furthermore, the administrations after the Nkrumah government did not seem to have fully appreciated the implications of the Nkrumah legacy. With an estimated total current revenue and grants of GH₵4,396.82 million, made up of GH₵4,129.3 million in tax revenue and GH₵257.5 million in non-tax revenue, and GH₵10 million in grants, the excessive expropriation of productive surplus through taxation was counterproductive to savings and investment. Yet, the Limann government did not keep in line with its planned budget expenditure of GH₵5,999.1 million due to unexpected distortions of world market prices, inflation and commitment to honour its debt obligations. In the 1980-81 fiscal year, actual public expenditure rose to GH₵9,103.62 to overrun planned deficit to some GH₵4,706.8 million. Of the planned deficit GH₵4,243.7 million was used to fulfil Ghana's debt obligations to restore confidence with its trading partners and improve credit worthiness to re-establish external lines of credit (RG 6/4/173). This was against the backdrop of shortfalls in cocoa and import duties due to decreasing world market prices of Ghana's export commodities and foreign exchange constraint at that time.

In 1980-81, government borrowing increased domestic and external debts from GH₵7,621.1million to GH₵11,473.7 million. The height of the economic challenges of the Limann government that eventually contributed to the revolution and abolishment of liberal politics was rightly noted by George Benneh[81], in his 1981-82 Budget Proposal to parliament few months before the military coup. On 5th August, 1981, the minister admitted to parliament that the financial policy of the Limann government has failed to deal with "the fundamental and urgent economic problems of the country" and by this he urged government "to take immediate realistic steps to tackle these problems" (RG 6/4/173). Imbalances in government finances, low level of cocoa producer prices, high rate of inflation, loss of confidence in the local currency with low and falling production levels in agriculture all contributed to intolerable economic hardships requiring urgent and pragmatic solutions.

This current study asserts that it is unfair to fault the Limann administration for aspects of the economic crisis that were beyond his control. First, the absence of International Cocoa Agreement since its expiration in 1978 resulted in severe price fluctuations and uncertainties to government revenue and its capacity to development. According to studies conducted by Gill and Duffus and the International Cocoa Organisation (1991) on world cocoa production, no country has been more central to the debate of cocoa production than Ghana. The centrality of Ghana in global cocoa debate stresses the characteristic qualities of her cocoa in terms of size of beans, moisture and fat content, colour, aroma but also the contribution of

[81] Professor Emeritus George Benneh graduated with a Ph.D. from the London School of Economics. He served as Minister for Lands and Natural Resources, Fuel and Power (1979-80); and Finance Minister (1980-81) under the Limann government. Professor Benneh was the Vice Chancellor of the University of Ghana (1992-1996).

cocoa to the development of Ghana (Piasentin and Klare-Repnik,2004; Fold and Ponte,2008; Breisinger et al., 2009). However, the emergence of Ghana as the world's leading cocoa producer did not insulate her from price fluctuations. The introduction of cocoa and its exponential growth in the colonial era; stagnation during the cocoa protestation in the 1930s and rapid growth in the early 1960s; near collapse from the mid-1960s to early 1970s; and the revival from 1983 through the Economic Recovery Programme (ERP) defined development in Ghana during these periods (Breisinger et al., 2008). The development of the political economy of Ghana is inconceivable without the cocoa sector because of its major contribution to government revenue, employment to nearly one million farmers, and attempts at poverty alleviation strategies (World Bank 2007b and 2008). Second, the Limann government was politically dormant in both the adaptation of appropriate statecraft to win parliamentary support for the 1981-82 budget and gathering of intelligence for its own security.

This study gathers that between June and August, 1981 the conditions of economic decline engendered a standoff between the executive and legislature. In paragraph (2) and (3) of the 1981-82 budget proposal the finance minister expressed government's concerns over the suspension of all parliament proceedings related to the Budget Proposal (RG6/4/173). The call by the legislature upon government to take immediate steps to tackle the economic problems highlights the disaffection of parliament with the presidency and a stark caveat of insecurity within the Limann government. Despite the precarious situation that the government found itself in, international donors ignored the risk to democracy and went at full length to pressure the government into initiating the World Bank/IMF austerity policies. In part, the government increased import duty on cars from 35 to 45 percent of cost insurance freight to raise revenue and control imports, introduced stricter expenditure control measures, and increased hospital fees. In addition, it introduced the Cocoa Council Bill, increased minimum wages, improved food supplies and public transport, and considered increasing cocoa producer prices in relation to other policy matters that formed the basis of negotiations for an international cocoa agreement. Some of these measures helped to procure a fleet of ‘Tata’ buses (Green Line, City Line and City Express) to replace the relative old ‘Willowbrook’ operated by the Omnibus Services Authority (OSA). It could be argued that while the Limann government aimed to advance market-oriented development through thrift fiscal management, inflationary controls, efficient resource management, and correcting balance of payment, it did so at the expense of nurturing democracy. This was because the austerity measures exacerbated the existing economic hardships at that time and incited military intervention to overthrow the democratically elected government.

In the post-colonial period ‘complex interdependence’ – use of non-coercive approach to attain transnational objectives – became the preferred option for sovereign states in relating to each other on trade, development and governance (Keohane and Nye, 2011). Market systems are vital in creating wealth and promoting innovations but the role of the state in rectifying market failings to mitigate class crisis and ensure political stability cannot be underestimated if democratic developmental states are to emerge in SSA. Neoliberal trajectory to ‘rollback’ the state resonates with Charles Darwin’s ‘On the Origins of Species’ (1864) whereby only the fittest (wealthy) survives. It is no secret that the World Bank’s initiative to ‘rollback’ the state in development during the 1980s and 90s widened the gap between the rich and the poor and contributed to class conflicts. It is against this background that this study provides a critical examination of the role of the Zombie state in development and the implications of the IMF/World Bank’s policies – austerity programme, massive devaluation of the cedi, attempts to reduce budget deficit, reorganization of the public sector and increased producer prices to cocoa farmers – to the political economy of Ghana. This study concentrates on the early and late periods of the PNDC regime (although the mid era is touched upon) for precise analysis of the main issues associated with the rollback of the state.

8.5 Rollback of the state in the development of Ghana (1982 to 1992)

The pressures within the economy that led to the removal of the Limann government could not be conjectured to have evaporated with his overthrow. Many policy makers in the Zombie era knew that the legitimacy of the PNDC government was intrinsically linked to its capacity and commitment to advance development for the people. Revolutionary rhetoric and patriotic slogans were inadequate to ensure improvement in the living standards of the people. It took the oppression and suppression of civil liberties and institutionalisation of fear, described in Adu-Boahene (1988) as 'the culture of silence' to initiate the austerity measures of the World Bank.

However, the arbitrary culture of the military regime and associated revolutionary organs – Peoples Defence Committee (PDC) and Workers Defence Committees (WDC) - stirred fear among both domestic and foreign investors to urge international donors to seek reassurance from the PNDC before considering aid. The uneasy sentiments felt by foreign donors inhibited the free flow of investible capital for production and development. First and foremost, the suspension of democratic provisions, abolition of the constitution of the 3rd republic and establishment of public tribunals with extra-judicial powers over the conventional courts significantly eroded investor confidence to freely undertake business. Second, the spate of human rights violations by the military and paramilitary units such as the 64 regiment (popularly called commando) and Civil Defence Organisation (popularly called militia or CDO) were common. Given these, the Zombie state was under no illusion about the urgency to dissociate with Libya, respect human rights and place economic liberalism at the forefront of public policies and trade relations. This study discovers that in the interest of development, the Ghana government marginally restrained its relations with Libya, and made progress on the remaining two issues.

Against this background, the PNDC government diametrically shifted its development thinking - from social-market to neo-liberal capitalism - in an attempt to win the interest of western governments for aid to rehabilitate the economy and consolidate power. In 1982, the government abandoned its socialist-oriented Four Year Economic Recovery Programme due to lack of funding from socialist allies and its unpopularity with the World Bank (Frimpong-Ansah, 1992). In the same period, the contribution of cocoa, timber and other agricultural crops to Gross Domestic Product (GDP) significantly decreased. In 1982, the regime was in no doubt that although the conditions of the World Bank/IMF were inimical to the beliefs of the revolution, it was the only viable means to tackle the economic decline.

Neo-liberal attempts to 'roll-back' the state at a crucial period necessary for state-led development was regrettable. In this regard, Kwesi Botchway[82] led the initiative to instil financial discipline for economic stability as prescribed by the Bretton Woods conditions because the strategy was conditioned to aid. Rimmer (1992: 243) suggests that between 1983 and 1992, Ghana received about US$0.7 billion from the World Bank; US$1.64 billion from the IMF; and US$3 billion from the 'Paris Club' (creditor countries that provide conditional debt treatment to debtor countries). The economic austerity, deregulation, privatization, extensive liberalization, retrenchments, and cuts in government spending did little to revive the underdeveloped economy of Ghana. In the late 1980s and 1990s the triumph of

[82] Professor Kwesi Botchway is a Ghanaian academic, economist and politician. Botchway became a member of the PNDC and served as Finance Secretary (1982-1992) subsequent to Secretary of Finance and Economic Planning (1982-1995) under the NDC. Botchway is a member of the NDC and a moderate social democrat.

neoliberalism marked the end of post-war development as international markets undermined the ability and role of the state in development (Hodges, 2015: 436).

However, among the reforms demanded by the multinational financial institutions to ensure comprehensive economic reforms there was none more political than the devaluation of the cedi (Herbst, 1993). Other measures aimed at increasing the share of cocoa to GDP, reduce balance of payment deficit and improve government revenue base (Frimpong-Ansah, 1992). Both the government and donors agreed that the achievement of these objectives required a major overhaul of the economy through intensive economic rehabilitation of radical monetary and exchange rate measures, import reduction and increased domestic food productions. The dilemma for underdeveloped states is a choice between accepting austerity to appease the international donors and agitate the people or advance social-oriented programmes unpopular to capitalists. The approach advanced by the PNDC de facto government in its relationship with the international financial institutions were steady. For this reason, the study focuses on the policies of implementation during the early 1980s to interpret and contest the PNDC government's approach to development and its implication to possibilities of a democratic-developmental state in Ghana.

In April 1983, the PNDC conceded that the economic management and financial assistance needed to reverse the long-standing structural imbalances and rehabilitation of the economy were feasible through a series of excruciating comprehensive economic adjustments – monetary stabilization and fiscal management – initiated by the IMF and leading multilateral financial organisations. But first, the concerns of western donors – Ghana/Libya relations, human rights violations and commitment to democracy – were revisited for reassurance. To do so, a Ghana government delegation led by Brigadier Nunoo-Mensah visited the U.K. in late 1982 and engaged with senior level government officials to allay anxieties about the

PNDC and appeal for aid. After Nunoo-Mensah had been delayed for a few months to testify in the murders of the judges, he travelled to the UK under the pretext of negotiating a deal with a British aircraft company to renegotiate for better terms in a previous contract for a fleet of passenger airliners (FCO 65/2834). Nunoo-Mensah explained that Libya's generosity of some US$20 million worth of oil was without strings. Ghana could not afford to ignore the generosity of the Libyan government at a crucial time when the World Bank conditions included withdrawal of fuel subsidies. Although in the age of globalisation western donors have resorted to less coercive channels of negotiations to achieve transnational objectives than in the colonial era, the power imbalances continue to favour donor interests. Complex interdependence refers to the important but declining use of coercive power and increasing reliance on the roles played by international financial institutions, multinational corporations and transnational organizations to reshape the economics and politics of sovereign states (Keohane and Nye Jr., 2011: 58). The use of diplomacy, trade, humanitarian and financial instruments are all part of effective less-coercive measures used by donors to influence and control the political economy of Ghana and other SSA states.

By allowing market forces to determine oil prices on the local market without the state's intervention contributed to higher prices of goods and services, workers agitations for wage increases, lower real incomes, and political uncertainty. Yet, the Libyan donation was economically awkward because it was easy for western economies to mitigate the benefits by imposition of stiffer conditions of aid - higher tariffs, higher interest rates, and raising the threshold of reserves. While Rawlings denounced any special relations with Gaddafi, except for their mutual interest in the Organisation of African Unity (OAU – now African Union), there was reasonable suspicion to suggest that the Libyan leader extended generosity to facilitate anti-western agendas in the sub-region. The influence on Rawlings became more evident in the late 1980s when Ghana stood by Libya in the latter's dispute with the US over Libya's alleged complicity in the Lockerbie bombing in 1988 (Talking Drums, 1986).

The appointments of two pro-western Ghanaian technocrats in the persons of Kwesi Botchway and Joseph Abbey[83] respectively led to a new dawn in negotiations with the World Bank/IMF. This shift galvanised support for the Government of Ghana to engage with the Consultative Group for Ghana in Paris in November 1983, following thirteen years without such meeting. The meeting was chaired by David Knox[84] and attended by eleven multilateral institutions[85], eight bilateral donors[86] and seven observers[87] to consider 'Ghana's Medium-Term Economic Recovery Programme 1984-1986' and 'Policies and Programmes for Adjustment'. However, Larbi (1998: 181) suggests that the hostile political milieu in the immediate period after the revolution was not conducive for the PNDC government to take audacious initiative for market-oriented public management reforms. Against this background, the PNDC is credited with the introduction of a New Public Management (NPM) reform that enabled Ghana to embark on a two-tier Economic Recovery Programme (ERP) – (ERP I from 1984 to 1986) and (ERP II from 1987 to 1989) of short, medium and long-term objectives (Frimpong-Ansah, 1991). The first tier of the programme (ERP I) aimed to restore foreign investor confidence; control inflation; rehabilitate socio-economic

[83] Dr. J.L.S. Abbey ….. He was appointed as Secretary for Trade by the PNDC and later served as Ghana's High Commission to the UK from October 1986 –September 1990.

[84] Mr David Knox was the Vice President of the World Bank – West African Region.

[85] The multilateral institutions were the World Bank; International Monetary Fund, Economic Community Of West African States; United Nations Development Programme; International Fund for Agricultural Development; United Nations; World Food Programme; European Investment Bank; European Commission; Arab Bank for Development of Africa; and African Development Bank.

[86] The bilateral donors consisted of the UK, France, Germany, Canada, Japan, Switzerland, Italy and the US.

[87] The observers included representatives from China, Brazil, Netherlands, Spain, Republic of Korea, the Saudi Fund, and the Organisation for Economic Co-operation and Development.

infrastructure, improve agricultural productivity, stimulate export, curb ostentatious consumptions, mobilise local and foreign resources to enhance standards of living. The second (ERP II) took a lead from the outcome of the first and focused on ensuring economic growth rate of around five percent per annum, stimulate savings and investment, enhance public sector management and restructure the external sector for growth (Dzorgbo, 2001; Sowa, 2003).

The salient measures of ERP I focused on achieving three main objectives: (i) restructuring of relative prices; (ii) correcting the overvaluation of the cedi; (iii) and improving the financial position of the government sector. In addition, the programme aimed to increase import of foreign goods to stimulate economic activities but the composition of the imports were not developmental enough. While capital imports tend to increase productivity to offset balance of payment deficit in the long-term, the flooding of local economy with foreign made consumable goods displaced local industries and increased balance of payment deficit. In pursuance of the three objectives the Executive Board of the IMF approved a request by the Ghana government for the procurement of SDR[88] US$120.5 million under the Compensatory Financing Facility to ease the shortfall in export revenue during 1982, and also agreed to a one-year stand-by arrangement amounting to SDR US$238.5 million in five equal phases upon meeting the relevant performance criteria (T 534/22).

This study discovers that by March 1984 Ghana had satisfactorily completed the first segment of the programme. In pursuance with the second review the IMF tasked two

[88] Special Drawing Rights (SDR or XDR) is a unit of account adopted by the IMF in 1969 to serve as the supplementary foreign-exchange reserve of assets by which a claim to currency held by IMF member countries may be exchanged. This mechanism aimed to resolve the shortfalls of preferred foreign-exchange reserve assets - gold and the U.S. dollar – often relied upon by multi-national financial institution in granting loans to underdeveloped states.

missions[89] to Ghana during December 3rd to 19th and January 7th to 22nd 1984 respectively to review the progress of the programme and set credit ceilings as performance criteria for the end of the first and second quarters of 1984 fiscal year. The missions were further tasked to set indicative credit targets for the third and last quarters and to discuss the 1984 budget proposal within the context of the overall financial programme and comprehensive policies. These were to address the exchange rate and prices of goods and services. The visits were followed by a confidential letter from the Ghana government to J. de Larosiere[90] in which J.S. Addo and K. Botchway reviewed progress of the programme, outlined the 1984 budget and performance criteria for March and June 1984, and indicated further measures to address the exchange rate and retail prices of petroleum products as well as domestic goods and services.

8.6 Pricing Policy

The partial reversion of price control policy, adaption of flexible pricing of non-food items domestically manufactured and retention of price caps on essential consumer items initiated by the government did not go far enough in meeting the expectations of the donors. Under the pricing policy, all commodities not captured under the rubric of 'essential items' were set by the Price and Incomes Board (PIB) in consultation with the importers, manufacturers and sellers to harmonise the scope of prices and reduce deviations from the equilibrium. In 1983, the Ghanaian economy experienced a sharp increase in demand of goods and services without corresponding supply. To mitigate the undesirable trend, the government reviewed the price control policy (PCP) to only 23 essential items that required Cabinet approval. The deregulation of pricing helped to mitigate high inflation during the period of severe drought

[89] The first mission consisted of Messrs Kratz (Head-AFR) Ballali (AFR), Huh (ETR), Diamond (FAD), Mrs. Ramos (secretary-ETR) and Mrs. Ramos (secretary-ETR). The second, consisted of Messrs Ali Agah (advisor to the Executive Director for Ghana) and H. Alaoui-Abdallaoi (Assistant to the Executive Director).

[90] Mr. Jacques de Larosière, is a retired French international civil servant and banker. He served as Managing Director of the International Monetary Fund from 17th June 1978 to 15th January 1987.

and repatriation of about 1.5 million Ghanaians from Nigeria. In relation to cocoa prices, the government in consultation with the World Bank increased producer prices to GH₵900 per headload or GH₵30,000 per ton (representing 50 percent increase) under the Export Rehabilitation Credit (ERC) arrangements. However, the withdrawal of government subsidies on petroleum products from GH₵1 billion to GH₵500 million through gradual price increases from GH₵15=US$1 on 21st April, 1983, to GH₵23=US$1 on 10th October, 1983 and GH₵32=US$1 increased cost of production and incited agitation for wage increases.

A critical examination of the pricing policy in respect of cocoa (main export product) and petroleum products (main cost item) reveals that the austerity programme pressured the zombie state to extract more than it injected. Peel (1984) suggests that while cocoa producer prices received a 65 percent increase from GH₵12,000 to GH₵20,000, petroleum prices double and tariffs were raised on a whole range of services. Quentin Peel of the Financial Times further wrote on Tom Clausen's (President of the World Bank) concern about the cocoa farmer under the headlines 'The economics of desperation'. In this article Clausen was quoted to have asked "Why has the Ghana cocoa farmer lost interest?" and "Why does he get paid less than one-third of the world market price for his crop?"(Financial Times, 1984).

This study challenges the earnestness of the concern because the austerity conditions of the World Bank for devaluation, radical exchange rate reforms and removal of subsidies on petroleum products significantly eroded cocoa farmers' incomes in real terms. And while gold made little benefit out of the exchange rate adjustment, it could not compensate for the loss in cocoa revenue. In essence, the Zombie state became over dependent on the cocoa industry and foreign aid. Being a product of a relatively inelastic supply, farmers could not instantly respond proportionately to the increase in cocoa prices as a result of the pricing policy.

This among others factors compelled the government to cut down its projected revenue from GH₵12.6 billion to GH₵10.2 billion, and expenditure from GH₵17.1 billion to GH₵15.1 billion, resulting in the reduction of the overall budget deficit from GH₵4.9 billion to GH₵4.4 billion but rose to GH₵5.9 billion in 1984. The government remained optimistic in spite of the fall in cocoa production and hoped that continued increases in cocoa market prices and restructuring of the Cocoa Marketing Board would increase cocoa contributions. However, the benefits of cocoa prices increase to farmers were eroded by increases in cost of production and transport due to the withdrawal of petroleum subsidies. This study discovers that the very nature of Ghana's main exports in terms of their price elasticity of demand and supply (availability of substitutes, perishability, weather, supply time etc.) limit opportunities for the government to influence prices of exports. Meanwhile, the removal of petroleum subsidies increased costs of production since almost every productive sector of the economy relied on petroleum energy.

With the increased cost of production, producers increased prices of goods and services, and labour agitated for wage increases. To ameliorate the effect of the withdrawal of the petroleum subsidies, the government increased salaries of civil servants by 40 percent in April 1984 with similar measures for the private sector and rest of the public sector. The benefits of these measure were temporal because the rising trend in cocoa revenue was suddenly held back by the severe drought in the early 1980s. Agricultural activities focused on the production of staple food to feed the nation and curb rising food prices. In essence, the pricing policy mitigated possibilities of deepened economic crisis but was not countervailing enough to rehabilitate the economy from decline and indebtedness.

8.7 Exchange Rate Policy

In 1981, the Limann government initiated negotiations with the World Bank for an Export Rehabilitation Credit (ERC) but the discussion stalled because the government was reluctant to accept the austerity conditions attached – devaluation, increased interest rates, reduction in government capital and recurrent expenditures, and reform of the Cocoa Marketing Board. However, in a confidential letter from Botchway to Larosiere in October 1983, the PNDC government devalued the cedi by almost a thousand percent (991 percent) from GH₵2.75 = US$1 to GH₵30 = US$1 within six months (based on the rate of inflation and price index) to eliminate administrative complexities of multiple exchange system and promote international competitiveness. In addition, the government increased interest rates from 35 to 40 percent to attract savings and control excess demand. However, these measures also added to the liquidity problem as investors opted to transact business in foreign currencies to mitigate sudden loss in value of the cedi. For instance, the 1980/81 budget of the Limann government was presented in millions of cedis but the 1983/84 budget presented by the Rawlings II was presented in billions of cedis. This study discovers that the government deliberately concealed the facts and modus operandi of the exchange rate policy from the public to avoid political resentment. Telegram (117) sent from the British High Commission in Accra to the Foreign and Commonwealth Office (FCO) on 29th March, 1984, suggests that Botchway misled parliament and donors by failing to disclose the 'true' intent of the budget statement though he had directed all commercial banks to further devalue the cedi and fix the exchange rate at GH₵35=US$1. The telegram stated that "although the word 'devaluation' was scrupulously avoided, the cedi has been effectively devalued by 16.66 percent" (T 534/22). The PNDC government was anxious and determined to abide by the conditions of the World Bank/IMF but was not transparent enough to the public. Botchway astutely introduced the devaluation to the general public as exchange rate adjustment to avoid public agitation.

8.8 Fiscal Management

Fiscal management simply refers to the means by which government adjusts its spending levels and taxation to influence the political economy of the state. As part of the adjustment program, the Zombie state officialised the tax base to increase government revenue and stimulate economic activity. Increase in import duties and external assistance from the World Bank – Reconstruction Import Credit and Export Rehabilitation Credit – were to enable the government to raise enough revenue to increase the development budget from GH₵1.4 billion in 1983 to GH₵6.2 billion in 1984. However, the credit expansion was less than projected because of the challenges encountered by importers in accessing credit after almost a thousand percent devaluation of the cedi. Meanwhile, the projected increase in net domestic assets from GH₵20.67 billion to GH₵25.67 billion rose to only GH₵22.60 billion. The devaluation of the cedi by almost tenfold was not wholly in the interest of the Ghanaian economy because the domestic economy had to give out more to receive less than proportionate in return.

To mitigate the undesirable effects of the 1983 programme, Botchway projected increased tax relief for low income earners and minimum wages increase to GH₵40 per day, set up a Cocoa Pricing Committee, plan for US$ 641 million in export earnings as against US$ 992 million of import expenditures, increased subsidies for education and increased property tax (T534/22). However, against the background of the massive devaluation and high inflation over the years the pay rise did little to boost the morale of labour. The expectations of the 1984 budget of yielding remarkable growth in exports aided by foreign investments to ameliorate the balance of payment deficit was rather outrun by increased imports.

With shortfalls in government revenue and rollback of the state in development, capital expenditures and oil subsidies decreased. It is fair to assert that the central bank was too optimistic in its projections for economic recovery because there were many unpredictable factors that stood to affect the programme. For instance, in a telegram from P.C. Diggle to R.G. Ware on 3rd March 1984 entitled ‘Ghana: Review of Stand-By Arrangement - EBS/84/60’, the precariousness of the Ghanaian situation in relation to possibility of total shut down of Ghana’s main energy source, the Akosombo hydroelectric dam, in the event of persistent drought within six weeks was rightfully noted to derail the projected prospects. Moreover, delays in the disbursement of International Development Assistance (IDA) export rehabilitation credit held back growth for development. Given these outcomes this study puts forward that the Rawlings II zombie state was committed to development but did not fully comprehend the complexities of the political economy and required capacity to properly plan and implement the appropriate measures needed to rehabilitate the Ghanaian economy from decline.

8.9 Ineffectiveness of the ‘Zombie State’ and Prospects for ‘Developmental State’

In the late 1980s, the ineffectiveness of development programmes initiated by the ‘predatory state’ of the colonial era, ‘vampire state’ of the immediate post-independent period and ‘zombie state’ of the 1980s were gradually giving way to a new approach to development in Ghana. Academics, donors, development partners, politicians, and policy makers have all been drawn to the notion of a ‘developmental state’ model for Ghana in particular, and Africa in general, that can learn from and rival the dramatic successes of East Asia. But besides a brief introduction of the new idea, details of its prospects would be assessed in the concluding chapter.

The Berg[91] Report on African development entitled 'Accelerated Development in Sub-Saharan Africa' revived the argument for a neoliberal approach to development in the late 1970s. The report unravelled failures of the state to strengthen the neoclassical argument for the prescriptive adaption of Structural Adjustment Programme (SAP). However, in the early 1990s, the neoliberal approach had proved ineffective in transforming underdeveloped economies in SSA. It was only then that the Bretton Wood institutions acknowledged the leading contributions of the state in development. Policy makers, scholars and donors revisited the role of the state in development, with many concluding that the measures put forward by the Bretton Woods establishments in the 1980s had required the continent to do what it could not do. A critical analysis of political state forms and economic market systems suggest that there is no unique formula to economic development but that which yields the best results has been achieved through trial and error. Therefore, development is not automatically assured under democratic/authoritarian governance or by liberal free-market/planned economy (Radice, 2008). Possibilities of development depend on the prevailing political ideologies, ownership of means of production – state and private, embedded autonomy of the state with private interests, appropriate mechanisms for distribution of surplus values and capacity/commitment of the state to development. It is also important to examine state theories in the search for a developmental state because even though the people of a society socially construct development, development is shaped by the prevailing conditions of the state. A state at war does not undertake economic development plans applicable in peaceful times, but adapts plans that suits the current condition, and

[91] Professor Elliot Berg (1927-2002) was an American Economist, author and educator. His work, the Berg Report (1981) - 'Accelerated Development in Sub-Saharan Africa' was in response to a World Bank request in 1979 for analysis of the development problems in Africa, and a review of a set of policies agreed in 1980 by African Chief of State (Lagos Action Plan). The Report conditions economic liberalisation to development.

makes every effort to attain peace through development. In this sense the PNDC is credited with restructuring the administrative pillars necessary for development.

The chronicle of institutional reforms in Ghana seems to suggest that besides Nkrumah's government Ghana embarked on the trajectory of decentralization. The enactment of legislative instruments such as the Municipal Ordinance, 1943; Native Authority Ordinance, 1944; Local Government Act, 1961; Local Government Administrative Decree (NRCD-258) 1972; Local Government Law (235;246;272;306); and Local Government Act (462) 1993 all support this view. While Nkrumah aimed for strong central government (Agyeman-Dua, 2001), Busia preferred decentralised administration and therefore introduced a four-tier public administrative structure consisted of – Regional Committees of Administration; District Councils; Local and Urban Councils; and Town/Village Development Committees (Kessey, 1995).In 1988, the PNDC government took the decentralisation agenda a step further to create a four-tier Metropolitan and three-tier Municipal/District assemblies. However, the structure of the traditional system consisting of clan heads from the various tribes competed for the chief's attention for rewards – position and development. While patrimonialism forms part of the traditional system in many SSA states there are related conventions and practices within the traditional system that run counter to efforts to address uneven distribution of public resource and corruption. For instance, it is acceptable for the custodian of stool lands and traditional values - paramount chiefs - to expect loyalty, gifts and privileges from the people in his traditional area without opposition. Members of parliament and public officials in regional and district assemblies build relations with the traditional authorities to safeguard their office. Incumbent governments appease traditional authorities with development to increase the party's chances for parliamentary seats and presidency at the elections.

On the positive, regional and district development agencies collaborate with traditional authorities to identify development priorities and adapt strategies of implementation. However, in instance of unbridled patronage and clientelism, disproportionate development, class conflicts and labour migrations occur to derail development. In essence, the debate about patrimonial development states is an abstraction in search for alternative means by which the developmental state can emerge out of patrimonial systems without losing the core elements of embedded autonomy, economic growth and improvement for the well-being of society. The practice of embedded autonomy in patrimonial developmental states helps to retain the legacy of developmental impacts even after leadership change (Vu, 2007).

This goes far in addressing the pontification of development projects initiated by ousted government to save Ghana millions of dollars in abandoned project. This present study puts forward that in lieu of abandoning work-in-progress development projects on basis of partisan politics, a newly elected government that is focused on development must take inventories of uncompleted public funded developments as evidence when it assumes office, and make every effort to complete these projects whilst ensuring that misappropriation of public funds by previous governments are fairly investigated. Sadly, though the merits of Weber's ideal-type bureaucratic model to economic development are well documented, its implementation in Ghana is held back by some indigenous cultural practices and over-politicisation of development. Traditional etiquettes and exhortations such as 'no one visits the palace empty handed (without a present)' has been misconstrued and extended to public offices. Hence, the need for proper administrative oversight and paradigm shift in current working culture and occupational ethics cannot be overemphasised in the search for developmental state in Ghana. This can be achieved through a kind of public sector reforms founded on the ten principles of Weberian bureaucratic structure mentioned earlier. Its success relies on the embeddedness of the state with private businesses, traditional institutions, non-governmental think-tanks, education sector, and the media to change the attitudes of civil society for economic development and human flourishing.

This chapter has critically examined the political economy of development and decline in the zombie state to put forward a convincing case for the adaptation of a kind of democratic developmental state that is compatible with the Weberian bureaucratic structure, and works to achieve the developmental aspirations of Ghana. It covered the historiopolitical and economic conditions subsequent to the inception of the zombie state to explain the PNDC government's decision to accept the World Bank/IMF austerity development paradigm. It then discussed the policies advanced by the PNDC and their outcomes.

Chapter Nine: Conclusion

The central argument of this thesis is that over the years the political economy of Ghana has been resistant to a number of colonial and post-colonial development strategies adopted by the predatory colonial state as discussed in Chapters 3 and 4; vampire state in Chapters 5 and 6; and Zombie state in Chapters 7 and 8. In this concluding chapter, the major findings of the thesis are drawn together with a view to discuss their implications to development and possibilities of learning from the EA developmental state as a model for economic growth and development in Ghana in particular, and Sub-Saharan Africa in general. This chapter is organised in three broad sections. The findings of this study draw on two sources of data. First, findings from archival research as outlined in Chapter 1, and critical literature review as discussed in Chapter 2; The first section discusses the principal findings of the colonial development strategy of dependency by the predatory state; state-led import-substitution industrialisation by the vampire state; and market-led development by the Zombie state to assess their implications to development. The second section delineates original contributions of the study, whilst the third section concludes with suggestions for alternative paradigm of development. These three sections charter the travails of Ghana's attempt at development and makes original contribution to the debate for alternative development strategies to address the protracted underdevelopment.

9.1 Research Findings: Colonial Dependency Development

Chapters 3 and 4 discussed the importance of learning from colonial development theories and concluded that the colonisation of Africa and introduction of a core-periphery 'dependency' model of development was an attempt by western governments to primarily solve the internal conflicts and contradictions of capitalism in the conceptual west. In these chapters the development thinking, attitude and real motives of the colonial empire were reviewed. The analysis focused on Chamberlain's Development Policy (1895), Guggisberg's

Ten-year Development Plan (1920-1930), and a number of Colonial Development Acts (1929, 1940, 1945, and 1950) that formed the principal policies of colonial development and birth of 'New Imperialism' during the early 20th Century. By imperialism, the thesis refers to the expansion of Europe into Africa and integration of the latter into a global capitalist system to solve socio-economic problems of powerful states while systematically engendering underdevelopment of weaker states. First, contrary to Wicker's (1958) assertion that colonialism was in the best interest of the colonies, this recent study discovers that colonial development was primarily designed to extract African resources to solve the socio-economic problems in Europe (HL Deb 09, December 1929). Declassified archival information on the activities of the British Parliament and Colonial Office available to this study suggest that the idea of colonial development was not introduced to develop Africa for Africans but to further the interest of European capitalists in the overall attempt to solve the socio-economic problems in Europe and the Americas.

Basically, colonial dependency development was designed to export the social conflicts in Europe to Africa for solutions. In so doing the colonial masters designed a core-periphery model of colonial development whereby identified areas of economic significance in Africa were connected by transport and communication networks to further the production and exportation of raw materials at relatively lower prices to western industries and used the colonies as markets for finished goods from Europe and the America at relatively higher prices. As Chamberlain noted, the establishment of communication and transport networks in the colonies, enabled British trade with the West African colonies to grow as much as those with their European counterparts (HC Deb 22 August 1895).

In a related strand, this present study discovers that Chamberlain had sanctioned the fourth Anglo-Ashanti war (1896) and War of the Golden Stool (1900) because according to

Raymond E. Dumett, Chamberlain had been convinced that of all the colonies in West Africa, the Gold Coast held the greatest potential of a rapidly expanding returns for private profit and revenue, hence the selective construction of railway networks from the mining sectors of Ashanti to the coast was planned to reduce transport cost to one-sixth and transport time to one-tenth for overall profit maximisation (Dumett, 1975: 298). This social relation of exploitation resonates with the metaphorical predatory state (core/metropole) that fed on the preyed state (periphery/colonies) but ensured the existence of the latter to provide its next meal (raw materials) for its (predator) sustenance. Through critical analysis of literature and archives on colonial development it is more evident that development attempts in the colonies were directed by anticipatory inducements of remunerative returns to the colonial governments than anything else (Rodney, 1972; Dumett, 1975; Frimpong-Ansah, 1992).

Chapters 3 and 4 of this thesis elaborated on how colonial development of Africa by Europe was grounded in the ideological construct of colonialism for imperialists' trade objectives. Archival sources suggest that while Governors were tasked to ensure unfettered access to raw materials in Africa to western industries and protected British market share in Africa, they were cautioned against the use of colonial funds for the industrialisation of Africa. The Chamberlain Policy of Colonial Development laid the foundations for centrally planned development programme (HC Deb 22 August 1895) but there exist enough evidence to suggest wide gaps between the 'rhetoric' and 'reality' of science as an important resource for colonial development (Hodge, 2007: 15). Despite the apathy or better still aversion of the colonial government to the industrialisation and development of SSA, a few colonies such as the Gold Coast envisaged some level of economic development (Lewis et al., 1959: 20-21).

In essence, the predatory state politicised development with the principal objective of strengthening the British economy through a core-periphery dependency model of development that in the end contributed to the underdevelopment of Africa. A study of the social relations between Britain and its tropical colonies during 1850 and 1960 (Havinden and Meredith, 1996; Kenny, 1997) unravelled major contradictions between 'colonialism and development' to suggest that the elements of 'constructive imperialism' inherent in the Chamberlain policy of development was so "deplorable" that by the time of independence many Africans lacked the expertise for industrialisation. Although there were attempts to water down the implications of colonialism by associating colonial development with community participation, this approach to development was unsustainable because the colonies were not involved in the decision making process (Carmen, 1996: 46-47).

Of the series of development studies conducted in Ghana in the 1950s three (3) important discoveries of the Ghanaian economy namely fragility of the economy, need for balanced development, and constraints to development were most important. First, the notion of 'fragility' suggests that development efforts in Ghana during the immediate post-independent period required fiscal and monetary discipline in trade and financial sectors. Second, the 'balanced growth' theory of Sir Arthur-Lewis acted to mitigate inflation and high import expenditure on consumables by limiting the rate of non-agricultural expansion to agricultural growth. And third, that in the abundance of land, development was constrained by lack of capital and skilled labour (Lewis, 1953). That the weakness and fragility of Ghana's economy on the eve of independence on 6th March, 1957 contained the seed of its own destruction (Frimpong-Ansah, 1992: 91) are true as evident by archival sources in Chapters 3 and 4. The implications of the colonial development strategies were that, on the eve of decolonization the Ghana economy was assessed by development experts (Seers and Ross, Arthur Lewis and Cardinall) to have weak economic structures consisted of monetary fragility; weak public service with lack of proper orientation to promote development; and an external financial reserve that concealed the structural weaknesses and gave false hope to the Nkrumah government to advance unsustainable rapid development programmes (Frimpong-Ansah, 1992: 144 – 146). Sadly, the unfortunate legacies of colonial development were worsened by incoming indigenous policy makers through mismanagement and public corruption.

9.2 Research Findings: Modernisation/Import Substitution Industrialisation Development

The period of immediate post-war development in Ghana were mainly undertaken by the Nkrumah and Busia governments. However, reasons accounting for post-war underdevelopment in SSA are first and foremost, rooted in the internal conflicts and contradictions of capitalists' forms of production, exchange and distribution by Europe and its social relations with SSA. Secondly, indigenous governments mismanaged the economy and ignored the essentials of Weberian bureaucratic system in the affairs of public administrations. The new wave of decolonization and Marxian-style labour resistance in Europe made it impossible for European elites to continue the exploitation of the working class during the immediate post-war era. In response to the uprising, European states advanced a Welfare state but this initiative compelled wealthy capitalists to search for investment opportunities abroad.

Their adventures contributed to the reshape of the colonial development paradigm from dependency to modernization because it was expedient to invest intensive capital and technology in Africa where labour power was relative cheaper. By this, the idea of neo-colonialism and modernisation development became a way of enabling powerful states to intervene in the affairs of weaker states in the interest of western businesses. Such interference even in the absence of direct military intervention were advanced through international financial institutions, economic, socio-political, and technical means of development aid to control the latter. In this sense, the essence of neo-colonialism is that the state which is subject to it is, in theory, free from colonial domination and has all the outward trappings of international sovereignty but in reality its economic and political policies are controlled by powerful states (Nkrumah, 1965). In using the evidences gathered to assess President Truman's pronouncement of modernisation as a development strategy in response to world poverty, this thesis discovers that modernisation was first and foremost, a subtle strategy of economic and geo-political importance to the West aimed to counter Soviet influence in underdeveloped states and enable western capitalist to astutely utilise cheap labour in Africa.

External loans and technical assistance in their various forms were used (and remains in use) by powerful states as economic tools to influence the economics and politics of underdeveloped African states. The break-up of former colonies into smaller independent states (balkanization) and subtle ways adopted by the west to 'divide and rule' Africa unity rendered the new states incapable of independent development without the assistance of their colonial masters (Nkrumah, 1965). Archival data on Ghana's development reveals that of all the governments of Ghana (military/civilian) none has been independent from foreign aid for purposes of development. Basically, neo-colonialism is so subtle that even in the absence of direct military conflict, powerful states hide under the guise of international financial institutions, politics, economic, social, and technical means of development to control and influence underdeveloped states. In this sense, neo-colonialism represents another phase in the imperialist agenda to extend its territory of control into Africa.

Although the vampire state represents a state that mis-manages the economy through bad policies, excessive rent seeking and borrowing, the performance of the Nkrumah government were influenced by endogenous and exogenous factors of economic and political dimensions. As discussed in Chapter 5, Britain's attitude towards the Volta River Project (Accra Dispatch

No. 35 of 30th November, 1959), the restrictions imposed on colonial development assistance by the introduction of the Ghana Independence Bill (HL Deb 31 January 1957), and cancellation of a US$35 million United States loan to Ghana (Daily Graphic, 8th June 1951: 1; Daily Graphic, 12th June 1951: 1; Nkrumah, 1965) were a few examples of the exogenous economic powers relied upon by developed states to influence development in Ghana. The political dimension ending the Nkrumah government mainly had to do with his ideological tensions with the West. By early 1966, Nkrumah had indicated to all that the Volta River Project was the key to the transformation of Ghana into a modern industrialised state that would seek the liberation of Africa from colonial control. Though the success of the Volta River Hydroelectric Project is accredited to the vision and commitment of Nkrumah, its essence contributed to his overthrow barely few months after the dam was commissioned in 1965.

On the endogenous side, this thesis discovers that even though Africa's development lagged behind Europe's, Nkrumah's attempt at rapid development was constrained by lack of financial ability and fragility of the economy to sustain rapid development. Given this, alternative financing through heavy external borrowing and excessive taxation on cocoa risked serious indebtedness and damaged long-term prospects of development. It may be recalled that Ghana's foreign exchange reserves as at independence in 1957 was well over £200 million but by 1966 it had accumulated nearly £300 million in debt (FCO 65/128). Moreover, the Nkrumah government misjudged the effects of Ghana's removal from the British pound system on trade, balance of payment, foreign reserves, investor confidence, development and economic stability. Besides the economic challenges at that time, many of those who later constituted the NLC leadership had personal problems with Nkrumah for their alleged roles in corrupt and or subversive activities as discussed in Chapter 6, hence the arguments put forward by the senior security officers for the coup - to restore confidence abroad about Ghana's development capabilities and investment opportunities; sanitize the economy from widespread corruption (Wolfers, 1969) were red herrings.

The Nkrumah era witnessed rapid growth in capital investment and projects than other administrations due to contributions from cocoa and his own commitment and ideas to development. However, this study puts forward that besides his achievements Nkrumah made fundamental errors in the timing of his policies and expressions of his personal thoughts about capitalism. Although Nkrumah's reaction to opposition activities created space for military intervention, his response to the assassination attempts on his life and western interferences for regime change could be argued as being proportionate, reasonable and necessary within the context of Ghana's nascent democracy. By the mid-1960s Nkrumah took the view of a centralised state authority but failed to instil the crucial elements of Weber's ideal-type bureaucracy to guide public policy formulation and implementation for development. Despite this, the benefit of hindsight teaches us that Nkrumah had better opportunity than his successors to transform Ghana into a developmental state had he set his priorities within the constraints of available resources and adopted Polanyi's (1957) idea of embedded market in upholding the interests of Ghana and foreign capitalists.

This thesis further discovers that but for the intervention of the UK government, the NLC with the connivance of the Progress Party had intended to disenfranchise Komla A. Gbedemah and the National Alliance of Liberals (NAL) from contesting the 1969 general elections. Attempts at development by the NLC government was on the directives of the IMF but in the end its liberal market initiatives of economic liberalisation and stabilisation rather worsened the economic conditions that it inherited. By Afrifa's own admission, just few months after Nkrumah's overthrow, it was conspicuous that President Nkrumah and the CPP would have won a genuinely free general elections at that time (Afrifa, 1967: 124). In essence, the NLC could not change the desires of the people for Nkrumah's 'big push' development ambition. Busia had hoped to secure foreign aid on flexible terms with the help of Prime Minister Wilson (his former lecturer at Oxford University) however with the departure of the Wilson government in 1970, the Busia government with J.H. Mensah as Economic Minister reluctantly agreed to the austerity conditions of the IMF and ODA loans for the Medium Term Development Plan. In introducing the 1971/72 budget, J.H. Mensah presented a state-led Keynesian-oriented budget to stimulate economic growth and development but the foreign donors insisted on Adam Smith's market-led budget.

Although Mensah argued in support of Keynesian-based development strategies, the IMF/ODA preferred austerity development strategies with the full knowledge of the risks they posed to liberal democracy in the Busia administration (Frimpong-Ansah, 1992). In an official correspondence to the FCO, Huijsman noted that the Busia government needed to take "some unpalatable but necessary Government action" if it were to reschedule Ghana's debts (OD 30/393). Yet, this study discovers that judging by the pessimistic comments posed by Morris in his letter and the concerns raised by the Busia government, it was obvious to both the Ghana and British governments that the seven point recommendation put forward by the ODA (OD 30/393) was impractical under the political and economic conditions to the extent that it set Busia to fail in nurturing democracy and development.

It is of interest to note that although the origins of the Ewe and Ashanti rivalry dates before independence, the aetiology was deepened during the Nkrumah era. In 1956, Nkrumah supported the Ewes to acquire part of the Trans Volta Togoland (the relinquished German territory in post-war era) to expand the Volta region, but legislated for the people of Brong and Ahafo to secede from the Ashanti kingdom in 1959 as a subtle retribution to the Ashanti opposition to the Cocoa Duty bill. In addition, the Akan dominated PP despised the CPP for Nkrumah's apathy to the inhumane treatment and unfortunate death of a leading member of the UGCC, J.B. Danquah at the Nsawan Medium Security prisons following his detention for political reasons.

That cocoa farmers are rational thinkers and would seek to maximise their interests through lobbying the state to intervene in international trade agreements to stabilize cocoa prices/revenues for long-term development planning is true. The cocoa producer prices paid to local farmers by the state were intrinsically linked to trends in the world market price of cocoa, and had effects on jobs, revenues, development and legitimacy of the government. There was a general feeling among developing states that developed states were not enthused to enter into international economic cooperation agreements that gave developing states access to trade in order to help the developing states to help themselves. This study recognises the sentiments of cocoa farmers about the non-existence of international cocoa agreement and its implications to the politics and economics of the cocoa industry, and asserts that world market price of cocoa has direct impact on the success of development and democracy in Ghana.

Evidences from confidential documents of correspondence (letters, telegrams, personal messages and meetings) between Prime Ministers Harold Wilson and Busia suggest that among other things, the UK government considered Ghana as an important player in seeking peace in Nigeria to facilitate UK oil interests, hence Ghana used the Nigerian case as a leverage to discuss Ghana's debt problem (FCO 65/128; FCO 65/130). Despite this the UK government maintained its position not to convince the other creditor states to renegotiate Ghana's external debts to facilitate development loans. While the French expressed willingness to participate in further negotiations, the United States and Canada were sympathetic to Ghana. The new German government gave strong indications to follow the path of the UK government but the latter was less enthusiastic. While the re-arrangement deal increased Ghana's original debts by about £35 to £40 million (FCO 65/130), the Ghana government was by the re-arrangement obliged to implement the neoliberal austerity policies of the IMF even in the face of economic contractions and risk to democracy (Bennett, 1973; Frimpong-Ansah, 1992). In the end, Busia did not secure the loans he had anticipated and capitulated to the ODA austerity conditions that led to the devaluation of the cedi, and with it his overthrow by the military. It was not until the late 1980s that donors appreciated that although African leaders such as Busia worked towards free-market economic reforms, they lacked the political will and legitimacy to implement austerity strategies in the face of domestic resistance (Nielson et al., 1989; Haggard and Kaufman, 1992). That the intention of Busia to develop Ghana was authentic can be judged by his commitment to reschedule Ghana's external debt to enable his government to finance a deficit development budget for economic revival. Yet his optimism for steadfast commitment by the UK government leads this chapter to the logical conclusion that Busia was not entirely conversant with the stark truth about capitalist development and egocentrism of Machiavellian politics.

9.3 Research Findings: Neoliberalism and Market-led Development

The pressures within the vampire state that led to its fall did not evaporate with the introduction of neoliberalism in the zombie state. As noted in Chapters 6 and 7, neoliberalism was in actual fact the guide to economic policy in Ghana before the 31st December Ghanaian Revolution of the zombie state came into effect. Attempts by the PNDC government in 1982 to shift toward a socialist-oriented 4-Year Economic Recovery Programme (ERP) trajectory did not proceed because it was opposed by western governments at a time when socialist states were unable to provide the needed finance. This situation was exacerbated by other factors such as the severe drought and near collapse of agriculture; repatriation of Ghanaians from Nigeria; murders of the judges and ex-army officer; 122.8 percent inflationary rate in 1983; and relics of the cold war sentiments as discussed in Chapter 8. The PNDC was of the understanding that since the economic decline of Ghana was as a result of corruption, financial indiscipline and mismanagement, a domestically-engineered growth strategy of self-sufficiency was apt for economic recovery (Jeffries, 1996). Against this background the revolutionaries initially attempted to redistribute income but faced challenges from local and foreign investors. The government then accepted to implement the IMF's ERP 1 (1983-1986) aimed at arresting the economic decline by addressing the internal and external economic imbalances and realign incentives to stimulate economic growth. This resulted in an 8 percent growth in GDP in 1984 and 5 percent in 1985. During 1987 to 1990, the Structural Adjustment Programme (SAP) as part of the ERP II focused on agricultural development, privatisation and building institutional capacity but its success was not felt until the early 1990s when the austerity was relaxed to court political popularity for transition to democratic rule in 1992 (Jeffries, 1996). In essence, the IMF macroeconomic policies did not achieve sustainable growth and development because developed states were unwilling to engage in truthful fiscal and structural reforms to transform Ghana into a democratic developmental state. By implication, the zombie state consolidated its position with the aid of market-led strategies but was devoured by the same capitalists' production process because the overall idea of the ERP was anti-Keynesian and unsustainable within the context of the level of poverty and underdevelopment in Ghana at that time.

9.4 Original Contributions to Knowledge and Literature

This thesis contributes to knowledge in the field of political economy in so far as it critically examines the central role of state theory in the discursive analysis of African development. The thesis makes an original contribution to knowledge by providing a theoretically informed historical exposition of the political economy of state formation in Ghana through a critical examination of the process of development efforts of three distinct states – the first two are a predatory and vampire states, and the third a zombie state. This bridges politics with economics, and assert a more realistic role of the state in development. In effect, this study brings politics back into the narrative of economic development in Ghana. The thesis further makes original contribution to the developmental state debate using Ghana as a case study. It critically examines, for the first time, the political economy of development and underdevelopment in Ghana (1895 to 1992) from Karl Polanyi's orientation.

The thesis puts forward that, given the lessons drawn from the East Asian experience, African states must be permitted to project development as a forerunner to democracy, where it is not feasible to simultaneously implement both. Indeed, if developmental states were to be measured by democracy ushering in development, then many developed states in Europe and Asia that initially used unprecedented hegemonic powers for the state to temporarily repress democratic political values for social egalitarianism (Ritzer, 2003) would not have passed the test. Moreover, previous government administrations (Guggisberg and Nkrumah) that were economically successful in the Gold Coast adopted state-led approach to development. However, restrictions on colonial development loans burdened newly independent states with increased roles of the state in development affairs. Possibilities for democratic developmental states exist but the sequence of occurrence may be different. Development may initially take precedence over democracy, and usher in democracy when the economic capacity of the state is able to sustain democratic values. Rueschemeyer (1992) cross-national statistical study suggests that capitalist development and democracy are compatible, but comparative historical studies based on the imperative of political economy holds that economic development was and is well matched with many political forms.

9.5 Developmental State in Ghana - the political economy of growth and development

The prospects for economic development and good governance in Ghana have been the most prioritized subject issue confronting policy makers, donors, academics, development partners and politicians since the colonial period. The ineffectiveness of various development efforts from a colonial development strategy of dependency of 1895-1956 to a state-directed import substitution industrialization of 1957 to 1966, and further on to a market-directed development of 1967 to 1992 all justify the need for alternative paradigm of development. In the late 1980s, the ineffectiveness of development programmes initiated by the 'predatory state' of the colonial era, 'vampire state' of the immediate post-independent period and 'zombie state' of the 1980s were gradually giving way to a new trajectory to development in Ghana that can learn from and rival the dramatic successes of East Asia (Fourie, 2011). This idea is significant because series of development models put forward by the colonial administration, Ghanaian governments and more lately the Bretton Wood institutions to roll-back the state in development have proven ineffective in ensuring sustained economic development and good governance in Ghana. Lessons drawn from the various attempts at development suggest that the state is indispensable in development, yet possibilities for the kind of state that promotes economic development and good governance emerges out of experimentation rather than planned models (Routley, 2014). Though some cultural values and beliefs in SSA can retard development, there are possibilities of harnessing moral values from diverse ethnic backgrounds and patrimonial societies for developmental objectives (Kelsall and Booth, 2010). In doing so, this study departs from previous attempts at normative developmental models towards critical examination of possibilities for development approaches that are compactable to SSA states with some adaptions for growth and human flourishing. However, developmental state is not without divergent propositions due in part to these three main reasons – definition, composition and outcomes.

The interpretation of developmental state has become a subject of interest for policy makers and academics due to its floridity and contestability (Evans, 2010). Among the many keywords that are associated with the developmental state discourse, 'embedded autonomy' and 'Weberian ideal-type bureaucracy' stand out as imperative to any idea of development state. Evans (1998) concept of embedded autonomy refers to the state's ability to connect with interest groups for developmental outcomes without allowing its initiatives to be adversely affected by the group. Though this is not absolutely compactible with Ghanaian culture it sets good standards for the public service to learn and benefit from Weber's theory of bureaucratic management. In doing so, traditional authorities such as the Regional and National House of Chiefs, heads of family clans, the local government systems, religious bodies and educational institutions all have key roles in bringing this idea into being. The generalised abstraction of an East Asian developmental state model (Johnson, 1993) as standard for emulation by underdeveloped states is rightly criticised for attempting to homogenise a concept that is not pre-determinable but emerges out of experimentation (Ohno and Ohno, 2012). Furthermore, developmental state is relative to the circumstance of specific and distinctive experimentation but it remains imperative that the state demonstrates commitment to, and capacity for development (Vu, 2007). And although these requirement do not lend itself to easy projection of developmental states, they allow for states to be developmental without economic growth in so far as the factors to growth are outside their control (Mkandawire, 2001). In this respect, the Guggisberg and Nkrumah administrations stand out from the various administrations that Ghana has ever had. Other administrations had either drawn closer to, or failed entirely in their pursuit of economic development. And, since the composition of development is relatively determined by individual societies, it is impractical to attempt development policies that homogenises development for SSA states. While classical micro and macro-economic growth indicators such as gross domestic product, per capita income, consumer price indexes, level of industrialisation are important factors in determining development (Doner at al. 2005), contemporary developmental outcomes must extend beyond the perimeters of economic growth and improved living standard to human flourishing, broad-based legitimacy, development-oriented political leadership for all (Musamba, 2010; Lin and Monga, 2011).

Against the background of optimistic ideas held by many with interest in the development of Ghana in particular, and SSA in general, it is has become prudent to consider the other side of the discourse – the pessimists – to present a broader analysis about the prospects of developmental state in Ghana. From the afore-mentioned analysis, this study puts forward that the possibility for adaptation (not transference) of the East Asian experience to Ghana depends on the state's cohesion with business community and society. This view challenges Musamba's, (2010) pessimism of transferring the East Asia experience to SSA states on the basis of geo-political shifts, diverse institutions, lack of capacity and commitment. This present study argues that with the necessary adjustments to the East Asian model, SSA states stand a good chance of successful adaptation when foreign donors and local politicians become truly committed to the development of Ghana. This is so because while developed states have the capacity to implement full scale economic liberalisation, underdeveloped SSA states such as Ghana cannot do so at the ongoing levels of economic and political predispositions. During Europe's immediate post economic depression era and more recently in East Asia (Hiyashi, 2010), state-led development programmes placed local industries on reasonable pedestal to economic growth to promote fairer competition and development. Unfortunately, similar compassion has not been extended to SSA states.

The failure to acknowledge these differentials and act decisively hinders possibility of Ghana emerging as a developmental state. The era of pejorative narratives and labelling of SSA states as being predatory, weak and kleptocratic (Diamond, 2008), must give way to good conscience and coherent policies that acknowledge the historical development of the political economy of Ghana and make every effort to address corruption, mismanagement, unfair trading policies and distributive systems. It is the position of this study that as the pejoratives give way to social-market approach to development, possibility of developmental state would become apparent, as in the case of Japanese where workers who were previously labelled as ‘unproductive and lazy’ in the twentieth century became the ‘nucleus’ of development (Ohno and Ohno, 2012). But the kind of developmental state likely to emerge in Ghana remains unclear. As a contribution to knowledge in the search for developmental state in Ghana, this study examined three forms of developmental state that are feasible to emerge given the above considerations. These are (i) pro-rural developmental state; (ii) democratic/semi-democratic/authoritarian developmental state; and (iii) developmental patrimonial state (Routley, 2014).

First, the agriculture sector of Ghana is dominated by the production of raw cocoa beans for export. It accounted for about half of export revenue and 30 percent of government revenue (FCO 65/2187). And given that Ghana is an agricultural economy presupposes that the promotion of rural and agricultural development draw the prospects for the emergence of a pro-poor rural developmental state even closer to realisation. However, in his contribution to the debate on developmental states emerging in Africa, Mkandawire (2011: 72) suggests that many African leaders do not seem to appreciate this fact and as such have neglected agriculture. This study challenges Mkandawire’s assertion, and argues that though it appears that African leaders have neglected agriculture ‘the devil is in the details’.

Many SSA states have tried the agricultural development trajectory only to find themselves in protracted budget deficits due to low prices paid for their produce and reluctance of developed states to enter into binding trade agreements to guarantee prices for long-term development. Hence it is not only the case that African leaders have neglected the agricultural trajectory but that industrial states have neglected Africa by failing to have trade agreements that guarantees African produce for the benefits of long-term development planning and implementation. Such experience discourages African leaders to invest more in the very sector (agriculture) that promises development and industrialisation. For instance in 1968, Prime Minister Busia appealed to industrial states to enter into an International Cocoa Agreement with Ghana to mitigate price fluctuations and enable the government plan for long-term development but the response was shallow. Again in 1981, the Limann government tried unsuccessfully to renew the elapsed agreement. Price fluctuations in the absence of international agreements to bridle world cocoa market price has over the years had negative impacts on farmers' income and government revenue for development. The assertion that agricultural development would lead to developmental outcomes and possibilities of developmental state in Africa is inconceivable unless leaders of developed states become committed to trade agreements that guarantees revenue for underdeveloped states. This is because by the very nature of the determinants of elasticity of demand and supply (perishability, close substitutes, long-gestation period, and weather) many agricultural products are vulnerable to market forces. To illustrate this assertion using Ghana, an increase in cocoa production to 567,000 tonnes in the 1964-65 period, contributed to a fall in world cocoa prices from its 1958 price of US$840 to $204 in July 1965 (Bennett, 1973). In addition, price fluctuations and distortions can be ameliorated when exchange rate adjustments are effected to provide fiscal resources for higher real producer prices (Frimpong-Ansah, 1992: 113). Interestingly, the absence of international cocoa agreement enables the major buyers in the developed states to manipulate the price mechanism and control the economics and politics of producer states in Africa.

Meanwhile, lessons drawn from the various cocoa protestations in Ghana suggest that while some states may be successful in adopting threats of unrest and rural rebellion as in South Asia (van Donge et al., 2012: 19), others risk revenue by engaging in such actions because of the very nature of their exports - availability of substitutes, degree of necessity - and fear of losing market share. A number of recent researches (Evans, 1995; van Donge et al., 2009; Routley, 2014) have all been drawn to the importance for land reforms to improve agriculture and narrow class distinctions in SSA.

Second, in the 1980s many SSA states including Ghana came under military dictatorship however a combination of internal and external pressures for the rule of law has changed the means by which power is attained and legitimized - from the 'barrel of the gun' to the 'ballot box'. The shift in politics generates reasonable impression in recent literature that the desired form of development states to stimulate economic growth and human flourishing are most likely to embody democratic attributes (Edigheji, 2010; Musamba, 2010). This view differs strikingly to the success narrative of the East Asia developmental states because EA states were not democratic at the onset of their developmental projects. Though the politics and economics of every state are connected, the notion of predetermined economic development outcomes on the basis on particular state form is misleading, and one that needs to be approached circumspectly. Neither democracy nor authoritarianism can make claim of being a necessary or sufficient condition for the emergence of developmental state on its own. And while authoritarian states are not necessarily developmental (Fritz and Menocal, 2007; Vu, 2007) the best development outcomes are not guaranteed under democracy (Musamba, 2010). Ghana was among one the first states in SSA to progress from authoritarianism in the early 1980s; to semi-democratic by the end of the 1980s; to democracy from 1992 but did not necessarily lead to the desired developmental outcomes. It is the assertion of this study that possibilities for the emergence of developmental state in Ghana goes beyond Vu's (2007) 'capacity' and 'commitment' requirements to the actual assessment, planning, implementation and periodic evaluation of development initiatives.

The historical development of Ghana and its trade relations with the conceptual West make it imperative for democracy to be associated with the search for developmental state because majority of donor states are democratic. However, recent expansion of Chinese power and economic investment in Africa could change the political pendulum and challenge the dominance of western democracy in SSA states. While authoritarianism benefits from long-term development planning and implementation, the electoral dispensation provided by constitutional democracy contributes to the abandonment of development projects started by previous governments of the opposition party. Politicisation of national development projects puts pressure on state resources because the cost of abandoned projects continue to attract moratorium and increases national debts without developmental benefit. For instance after the overthrow of the Nkrumah government, the NLM abandoned work-in-progress development projects mainly for political reasons while Ghana continued to service the debts related to these projects. This trend is common in SSA politics as "Each new ruling group that successfully captures the state denounces earlier rulers, policies and development projects to justify its own. Ideology and development strategies become contentious issues leading to discontinuation in the development process. … The formulation and implementation of development policies focuses on short-term gains that directly benefits governments and leaders" (Dzorgbo, 2017).

Indeed, multi-party democracy has enabled incumbent governments to abandon development initiatives of previous governments to discredit the latter for electoral gains at a huge cost to the economy. Many of the abandoned projects in the key sectors driving Ghana's economy -

agricultural, transport, manufacturing, mining, and forestry – illustrate wastage and pressure of debt burden associated with short-term tenure of government. In this sense, the study argues in support of a strand in literature (Kelsall and Booth, 2010) suggesting that the electoral system present a challenge to long-term development planning needed to rehabilitate the political economy of underdeveloped state such as Ghana's unless the state becomes embedded with society (Evans, 2010). To become developmental, the Ghana government with the genuine co-operation of donors need to promote broad-based partnership with interest groups to harness the human resource capabilities necessary for building a kind of Weberian bureaucratic system that advances long-term development planning and implementation for sustainable development and human flourishing.

Third, there is a flurry of misleading assumptions that the kind of clientelist patterns associated with the centralization of authority in developmental patrimonial states runs counter to development. Booth (2010) challenges this stance and suggests ways of adapting clientelism to benefit developmental states. Patrimonialism refers to a process of governance whereby power is centralised in an individual or a few individuals who treat public resources as private property to attract loyalty from subordinates. The terminology was developed by Kelsall and Booth (2010) to described patrimonial states that are able to adapt centralized authority to facilitate taxation and long-term developments. Interestingly, different kinds of patrimonial behaviours have varied implications to development. And although, patrimonial and clientelist behaviours can have negative impacts on embedded autonomy (Evans, 1995), the two can be beneficial when skilled leadership is combined with competent bureaucracy to strategizes long-term development planning and efficient tax systems to raise productivity and revenue for development (Booth,2010). This present thesis concludes with a submission to policy makers to promote historical knowledge of development and decline of the political economy at pre-tertiary level and consider the idea of developmental state as an alternative model for economic growth and development in Ghana in particular and SSA in general. It also exhorts policy makers to

BIBLIOGRAPHY: (Secondary)

Abott, G.C. (1970). British Colonial Aid Policy during the Nineteen Thirties, 5 (1), 73-89.

Press.

Afrifa, A.A. (1967). The Ghana Coup. Frank Cass: London.

Aluko, O. (1975). After Nkrumah: Continuity and Change in Ghana’s Foreign Policy. A Journal of Opinion. 5 (1), 55-62.

Ameyaw, G.A., Dzahini-Obiatey, H.K., Domfeh, O., Oppong, F.K., and Abaka-Ewusie, K. (2015). History and Data Analysis of ‘cutting out’ Method for Cocoa Swollen Shoot Disease Virus Control in Ghana. Journal of Plant Diseases and Protection. Vol.122 (5-6), pp. 200-206.

Amsden, A. (1989). Asia’s Next Giant: South Korea and Late Industrialisation. New York:

Oxford University Press. Review of The East Asian Miracle.” World Development 22 (4): 627–33.

Anheier, H.K., and Seibel, H.D. (1987). Small-Scale Industries and Economic Development in Ghana: Business Behavior and Strategies in Informal Sector Economies. Saarbrucken: Breitenbach.

Arthiabah P.B and Mbiah H.T. (1995). ‘Half a Century of Toil, Trouble and Progress. The History of the Trades Union Congress of Ghana’. Accra: Gold-Type Publications Limited.

Aryeetey, E. and Kanbur, R. (2008). Economy of Ghana: Analytical Perspective of Stability, Growth and Poverty. Suffolk: James Currey Publishers.

Aryeetey, E. and Kanbur, R. (2017). The Economy of Ghana Sixty Years after Independence. Oxford: University Press.

Asamoah, Kofi (2012). Trade Unions and Industrial Relations in Ghana. Accra: Ghana Trade Union and Rosa Luxemburg Foundations.

Attafua, A. B. (1972). Ghana. 71 (282), 84-86.

Austin, D. (1964). Politics in Ghana, 1946-1960.London: Oxford University Press.

Avineri, S. (1972). Hegel's Theory of the Modern State. London: Cambridge University Press.

Basdeo, S. (1983). Walter Citrine and the British Caribbean Worker's Movement during the Commission Hearing. Journal of Caribbean History 18 (2): 46.

Bateman, M. J. (1971). Cocoa Prospects. Cocoa Prospects 1971 – 1985. World Bank Mimeo.

Bates, R. (1983). The Political Economy of Rural Agriculture in Africa. Cambridge: Cambridge University Press.

Bauer, P. (1981). The third world and economic delusion. Bristol: Arrowsmith Limited.

Bauer, P. (2004). From subsistence to exchange and other essays. New Jersey: Princeton University Press.

Bavister-Gould, A. (2011). Predatory Leadership, Predatory Rule and Predatory States. Developmental Leadership Program. Concept Paper. 1, 1-8.

Beeton W.H. (1948). Concluding report of the Committee of Enquiry to Review Legislation for the treatment of the Swollen Shoot Disease of Cocoa and to provide for payment of compensation in respect of cocoa trees destroyed by reason of the prescribed treatment. Government Printing Department, Accra, Gold Coast, March, 1948.

Biney, A. (2008). The Legacy of Kwame Nkrumah in Retrospect. Journal of Pan-African Studies. Vol. 2 (3).

Biney, A. (2009). The Development of Kwame Nkrumah's Political Thought in Exile, 1966-1972. Journal of African History. Vol. 50 (1), pp. 81 -100.

Binns, T., Lynch, K., and Nel, E. (2018). The Routledge Handbook of African Development. Oxon: Routledge.

Black, A. and Black, C. (2018). Who Was Who, 1920 – 2007? Oxford: Oxford University Press.

Block, F. (2003). Karl Polanyi and the writings of the Great Transformation. Theory and Society 32 (3), 275 -306.

Booth, D. (2011) Governance for Development in Africa: Building on what works. Policy Brief 01. London: Overseas Development Institute, Africa Power and Politics Programme.

Bourret, F.M. (1960). Ghana: The Road to Independence, 1919 to 1957. Stanford: Stanford University.

Breisinger, C., Diao, X., Kolavalli, S., and Thurlow, J. (2008), The Role of Cocoa in Ghana's Future Development Ghana IFPRI Background Paper 11.

Breisinger, C., Diao, X., Thurlow, J., and Al Hassan, R. M. (2009), Potential impacts of a green revolution in Africa – The case of Ghana, IFPRI Paper presented at the 27th IAAE Conference, Beijing, China.

Brohman, J. (1996). Popular development: rethinking the theory and practice of development. Oxford: Blackwell.

Burnham, P. (2010). Class, Capital and Crisis: A Return to Fundamentals. Political Studies Review. Vol. 8(1), pp.27-39.

Cardinall, A.W. (1931). The Gold Coast 1931. Accra: Government Printer.

Carmen, R. (1996). Autonomous development: humanizing the landscape. London: Zed.

Clark, S. (1982). Marx, Marginalism and Modern Sociology. London: Macmillan Press.

Cooper, F. and Packard, R. (1998). International Development and the Social Sciences: Essays on the History and Politics of Knowledge. California: University of California Press.

Chambers, R. (2005). Ideas for Development. Abingdon-on-Thames: Routledge.

Cowen, M. and Shenton, R. (1996). Doctrines of Development. London: Routledge.

Creswell, J.W. and Creswell, J.D. (2018). Research Design: Qualitative, Quantitative, and Mixed Methods Approaches, 5th ed. Los Angeles: SAGE Publications Incorporated.

Crook, R. (1986). Decolonization, the Colonial State and Chieftaincy in the Gold Coast. African Affairs. Vol. 85 (338), pp. 75-105.

Crush, J. (1995). Power of Development. London: Routledge.

Curtis, A. (1992). BBC Pandora's Box Part 5 'Black Power' https://topdocumentaryfilms.com/pandoras-box.

Deflem, M. and Dove, A.L. (2013). 'Historical Research and Social Movements' in D.A. Snow, D. Della Porta, B. Klandermans, and D. McAdam (eds), The Wiley-Blackwell Encyclopedia of Social and Political Movements (Malden, MA: Wiley-Blackwell),560-563.

DeFreitas, G. (1963). Britain and Ghana's Economy. African Affairs. Vol. 62(249), pp. 290-299.

Drezner, D. (2011). Theory of International Politics and Zombies. Princeton: Princeton University Press.

Dumett, R. E. (1975). Joseph Chamberlain, Imperial Finance and Railway Policy in British West Africa in the Late Nineteenth Century. The English Historical Review 90 (355) 287-321.

Dzorgbo, Dan-Bright S. (2017). Ghana in search of development: The Challenge of Governance, Economic Management and Institution Building Ghana. London: Routledge.

Easterly, W. (2006). The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Much Little Good. New York: Penguin Press.

Escobar, A. (2012). Encountering Development: The Making and Unmaking of the Third World. Princeton, New Jersey: Princeton University Press.

Evans, P.B. (1989). Predatory, Development, and Other Apparatuses: A Comparative Political Economy Perspective of the Third World State. Sociological Forum. 4 (4), 561.

Evans, P.B. (1995). Embedded Autonomy, States and Industrial Transformation. New Jersey: Princeton University Press.

Evans, P.B. and Rauch, J.E. (1999). Bureaucracy and Growth: A Cross-National Analysis of the Effects of "Weberian" State Structures on Economic Growth. American Sociological Review. 64 (5), 748-765.

Finer, S.E. (1962). The Man on Horseback. The Role of the Military in Politics. New York: Routledge.

Fold, N. and Ponte, S. (2008), “Are (market) stimulants injurious to quality? Liberalization, quality changes and the reputation of African coffee and cocoa exports”, in Globalization and Restructuring of African Commodity Flows, Uppsala: Nordic Africa Institute. Edited by Fold, N. and Larsen, M. N.

Foreman, J. (2012). Aiding and abetting. London: Civitas.

Fourie, E. (2011) ‘Africa Looks to Learn from East Asia’s Development Experiences’, The Guardian, 28 September. http://www.guardian.co.uk/global-development/poverty-matters/2011/sep/28/africa-east-asia-development-experiences (accessed 06 October 2018).

Francis, Pope (2015). ‘Laudato Si’. London: Catholic Truth Society.

Fraser, I. and Wilde, L. (2011). The Marx Dictionary. London. Continuum International Group.

Friedman, J. (1992). Empowerment: the politics of alternative development. Oxford: Blackwell.

Frimpong-Ansah, J.H. (1992). The Vampire State in Africa, the Political Economy of Decline in Ghana. New Jersey: Africa World Press Inc.

Gaplin, C. (1849). Report on the Proceedings of the Second General Peace Congress held in Paris on 22nd, 23rd and 24th August 1849.London: Compiled from authentic documents under the superintendence of the Peace Congress Committee.

Gerschenkron A. (1962). Economic Backwardness in Historical Perspective. A Book of Essays. Belknap Press of Harvard University Press: Cambridge.

Gill & Duffus Group (1991). Cocoa Statistics, various issues.

Greenstreet, D.K. (1964). “The Guggisberg Ten Year Development Plan.” Economic Bulletin of Ghana, vol. VIII.

Guggisberg, G. (1924). Post War Gold Coast. Accra: Government Printer.

Haggard, S. and Kaufman, R. (1992). The Politics of Economic Adjustment: International Constraints, Distributive Conflicts and the State. Princetown: Princetown University Press.

Haggard, S. (2015). ‘The Developmental State is Dead, Long Live the Developmental State’ In: Mahoney, J. and Thelen K., ed., Advances in Comparative-Historical Analysis. Cambridge: Cambridge University Press, pp. 39-66.

Halperin, S. and Heath, O. (2017). Political Research Methods and Practical Skills, 2nd ed. Oxford: Oxford University Press.

Havinden, M. and Meredith, D. (1993). Colonialism and Development: Britain and its tropical colonies 1850 – 1960. London: Routledge.

Henderson, J., Hulme, D., Hossein, J. and Phillips, R. (2003). Bureaucratic Effects: ‘Weberian’ State Structures and Poverty Reduction. CPRC Working Paper. 31 (1-15).

Henn, M., Weinstein, M., and Foard, N. (2009). A critical introduction to social research. 2nd ed. London: SAGE.

Herbst, J. (1993). The Politics of Reforms in Ghana. Berkeley: University of California Press.

Hirschman, A.O. (1958). The Strategy of Economic Development. New Haven: Yale University Press.

Hoben, S. (2008). ‘The Developing World in the Global Economy’, in Politics in the Developing World, P. Burnell, V. Randall and L. Lanker (eds), Oxford University Press, pp. 71-88.

Hodge, J.M. (2007). Triumph of the Expert. Ohio: Ohio University Press.

Howard, Rhoda (1976). “Economic Imperialism and Oligopolisation of Trade in the Gold Coast, 1886-1939, Ufahamu: A Journal of African Studies. Vol 7(1), pp. 71-92.

Howard, Rhoda (1978). Colonialism and Underdevelopment in Ghana. New York: Croom Helm.

Huttington, S.P. (1968). Praetorianism and Political Decay. New Haven: Yale University Press.

Hymer, S.H. (1969). “The Political Economy of the Gold Coast and Ghana”, in Government and Economic Development, edited by Gustav Ranis, New Haven: Yale University Press.

Ingham, B.M. and Simmons, C. (1987). Development Studies and Colonial Policy. London: Frank Cass Limited.

International Monetary Fund (1988). International Financial Statistics, Yearbook, Washington DC.

International Cocoa Organization. Quarterly bulletin, various issues.

Jeffries, R. (1996). Ghana's PNDC Regime: A Provisional Assessment. Africa 66 (2), 288-299.

Johnson, C. (1982). MITI and the Japanese Miracle. California: Stanford University Press.

Joy News (2018) 'WHO KILLED THE JUDGES: Bodies burnt because Justice Cecilia refused to die' https://www.myjoyonline.com/news/2018/October-6th/who-killed-the-judges-bodies-burnt-because-justice-cecelia-refused-to-die-baako-reveals.php (accessed 23 October).

Joy News (2018) 'WHO KILLED THE JUDGES: Bodies burnt because Justice Cecilia refused to die' https://www.myjoyonline.com/news/2018/October-6th/who-killed-the-judges-bodies-burnt-because-justice-cecelia-refused-to-die-baako-reveals.php (accessed 23 October).

Keohane, R.O. & Nye Jr., J.S. (2011). Power and Interdependence. 4th edn. Boston, MA: Pearson Education.

Killick, T. (1978). Development Economics in Action, a Study of Economic Policies in Ghana. New York. St Martin's Press.

Killick, T. (2010). Development Economics in Action, 2nd Ed.: A Study of Economic Policies in Ghana. Oxon: Routledge.

Kimble, D. (1963). A Political History of Ghana: The Rise of Gold Coast Nationalism 1850-1928. Oxford: Oxford University Press.

Knight, F. W. (1989). The Modern Caribbean. Chapel Hill: University of North Carolina Press.

Kolavalli, S. and Vigneri, M. (2011). Cocoa in Ghana: Shaping the Success of an Economy. The World Bank.

Kothari, U. (20060. From Colonialism to Development: Reflections of Former Colonial Officers, Commonwealth and Comparative Politics, 44 (1), 118-136.

Kraus, J. (1970). ‘Arms and Politics in Ghana’ in Soldiers and State in Africa, North-west University Press, pp. 154-221.

Lal, Deepak (1985). The Poverty of 'Development Economics', Cambridge: Harvard University Press.

Lal, Deepak (2000). The Poverty of ‘Development Economics’, 2nd ed. Cambridge: The MIT Press.

Laski, H.J. (2015). A Grammar of Politics. Oxon: Routledge.

Leftwich, A. (1993). States of Underdevelopment: The Third World State in Theoretical Perspective. Journal of Theoretical Politics 6(1), 55-74.

Lewis, W.A., Scott, M., Wight, M. and Legume, C. (1951). Attitude to Africa. Middlesex: Penguin Books.

Lewis, W.A. (1954). Economic Development with Unlimited Supplies of Labour, Manchester School of Economics and Social Studies, May.

Lewis, W.A. (1955). The Theory of Economic Growth. London: George Allen and Unwin Limited.

Lewis, W.A. (1959). ‘Valedictory Address to fellows of the Ghana Economics Society: On assessing Development Plan’ in The Economic Bulletin of Ghana, Vol.3 (6-7).

Lewis, W.A. (1961). ‘The Development of a Dual Economy’, the Economic Journal Vol. 71, No. 282, pp. 309-334.

Lewis, W.A. (1984). ‘Development Economics in the 1950s’, in Meier and Seers.

Le Vine, V. T. (1987). Autopsy on a Regime: Ghana’s Civilian Interregnum 1969 – 1972. The Journal of Modern African Studies, 25 (1), 169 -178.

Libby, R. T. (1976). External Co-optation of a Less Developed Country's Policy Making: The Case of Ghana, 1969-1972. World Politics, 29 (1) (Oct., 1976), 67-89.

Liska, G. (1960). The new statecraft: Foreign aid in American foreign policy. Chicago: Chicago University Press.

Luggard, F.J.D. (1926). The Dual Mandate in British Tropical Africa. Edinburgh: Blackwood and Sons.

Maarek, G. (1979). An Introduction of Karl Marx's 'Das Kapital'. Oxford: Martin Robertson and Co. limited.

Mandel, E. (1976). Karl Marx Capital Volume 1. Harmondsworth: Penguin Books Limited.

Mandel, E. (1978). Kael Marx Capital Volume 2. Harmondsworth: Penguin Books Limited.

Mandel, E. (1981). Karl Marx Capital Volume 3. Suffolk: The Chaucer Press.

Martinussen, J. (1997). Society, state and market: a guide to competing theories of development. London: Zed.

McKinnon, C. (2012). Issues in Political Theory. Oxford: Oxford University Press.

Metcalfe, G.E. (1964). Great Britain and Ghana: Documents of Ghana History, 1897-1957. London: Thomas Nelson and Sons Limited.

Meyns, P. and Musamba, C. (2010). The Developmental State in Africa: Problems and Prospects. Duisberg: Institute for Development and Peace (INEF), University of Duisberg-Essen.

Mkandawire, T. (2010) 'From Maladjusted States to Democratic Developmental States in Africa', in Edigheji, O. (ed.) (2010) Constructing a Democratic Developmental State in South Africa: Potentials and challenges. Cape Town: Human Sciences Research Council Press.

Moore, B. Jr. (1966). Social Origins of Dictatorship and Democracy. Lord and Peasant in the Making of the Modern World. Boston: Beacon Press.

Morgenthau, H.J. (1962). 'Preface to a political theory on foreign aid'. American Political Science Review, 56 (2).

Moyo, D. (2009). Dead Aid. London: Penguin.

Nelson, J.M., Waterbury, J., Haggard, F., Kaufman, R.R., Whitehead, L., Calaghy, T.M., and Kahler, M. (1989). Fragile Coalitions: The Politics of Economic Adjustment. Oxford: Transaction Books.

Niculescu, B. (1957). Colonial Planning: A Comparative Study. London: Allen and Unwin.

Nkrumah, K. (1968). Dark Days in Ghana. New York: International Publishers.

Nkrumah, K. (1953). Autobiography. London: Panaf Books Limited.

Nkrumah, K. (1957). Revolutionary Path. New York: International Publishers.

Nkrumah, K. (1965). Neo-colonialism the Last Stage of Imperialism. London: Panaf Books Limited.

Nkrumah, K. (1977). Forward Ever, The Life of Kwame Nkrumah. London: Panaf Books Limited.

Noman, A., Botchwey, K., Stein, H., Stiglitz, J. E. (2012). Growth and Governance in Africa: Rethinking Development Strategies. Oxford: Oxford University Press.

Nunn, Nathan (2009). The Importance of History for Economic Development. Vol. 1, pp. 65-92.

Ohno, I. and Ohno, K. (2102). Dynamic Capacity Development: What Africa can learn from industrial policy formulation in East Asia. In Routley, 2014.

Piasentin, F. and Klare-Repnik, L. (2004). Quality matters, Conservation International, Global Research on Cocoa and CABI. http://www.cabi.org/Uploads.

Pieterse, J.N. (2001). Development Theory. London: SAGE Publications Limited.

Polanyi, K. (1934) 'Marxism Restated.' New Britain, July 4.

Polanyi, K. (1957). The Great Transformation: The Political and Economic Origins of Our Time. Boston: Beacon Press.

Posnette A.F. (1940). Transmission of 'swollen shoot' disease of cacao. Tropical Agriculture Trinidad (17), 98.

Poulantzas, N. (1978). State, Power, Socialism. London: New Left Books.

Preston, (1996). Development theory: an introduction. Oxford: Blackwell.

Ray, D.I. (1986). Ghana Politics, Economics and Society. London: Frances Pinter Publishers.

Riddell, R. (2007). Does Foreign Aid Really Work? Oxford: Oxford University Press.

Robertson, M. (2017). Sustainability, Principles and Practice, 2nd ed. Oxon: Routledge.

Rodney, W.A. (1966). African Slavery and other Forms of Social Oppression on the Upper Guinea Coast in the Context of the Atlantic Slave-Trade. Cambridge: Cambridge University Press.

Rodney, W.A. (1969). Gold and slaves on the Gold Coast. Transactions of the Historical Society of Ghana, Vol. 10, pp. 13-28.

Rodney, W.A. (1972). How Europe underdeveloped Africa. London: Bogle-L 'Ouverture Publications.

Rosen, M. and Wolff, J. (1999). Political Thought. Oxford: Oxford University Press.

Routley, L. (2014). Developmental States in Africa? A Review of On-going Debates and Buzzwords. 32 (2), 159-177.

Sachs, J. (2005). The End of Poverty: Economic Possibilities for Our Time. London: Allen Lane.

Sahn, D., Dorosh, P., and Younger, S. (1999). Structural Adjustment Reconsidered: Economic Policy and Policy in Africa. Cambridge: Cambridge University Press.

Schumpeter, J. A. (1946). John Maynard Keynes 1883-1946. The American Economic Review Vol. 36, (4), pp. 495-518.

Sederberg, P.C. (1971). The Gold Coast under Colonial Rule. African Studies Review. Vol.14, pp.179-204.

Seers, D. and Ross, C.R. (1952). Report on financial and physical problems of development in the Gold Coast. Accra: Office of the Government Statistician.

Seer, D. (1969). The Meaning of Development. Institute of Development Studies. Communication Series No. 44.

Shaloff, S. (1974). The Africanization Controversy in the Gold Coast, 1926-1946. Vol. 17 (3), pp. 493-504.

Sherwood, Marika (1996). Kwame Nkrumah: The Years Abroad 1935- 1947. Accra: Freedom Publications.

Sherwood, Marika (1998). Kwame Nkrumah: the years abroad 1935 - 1947. Journal of African history, Vol. 39(1), pp.160-161.

Staudt, K. (1991). Managing Development: State, Society and International Context. California: SAGE Publications Inc.

Steven, W.F. (1936). A new disease of cocoa in the Gold Coast. Tropical Agriculture, Trinidad Vol.14, pp.84.

Stockwell, J. (1978). In Search of Enemies: a CIA story. New York: W.W. Norton and Co.

Szeresewaski, R. (1965). Structural Change in the Economy of Ghana, 1891-1911. London: Weidenfield and Nicholson.

Talking Drums (1986). 'Ghana stands by Libya in dispute with the U.S.' The West African Magazine, 13 January.

Thomas, A. (2000). Meanings and views of Development. Poverty and Development into the 21st Century. Oxford: Oxford University Press in association with Open University.

Todaro, M.P. and Smith, S.C. (2015). Economic Development, 12th ed. Harlow: Pearson Education Limited.

Twumasi, Y. (1968). Ghana's Draft Constitutional Proposal. Indiana University Press on behalf of the Hutchins Centre for African and African American Research at Harvard University. Vol. 37 pp. 43-52.

Van Der Veen, A.M. (2011). Ideas, interest and foreign aid. Cambridge: Cambridge University Press.

Vu, T. (2007). State Formation and the Origins of Developmental States in South Korea and Indonesia. Studies in Comparative International Development. 41 (4), 27-56.

Wade, R. (1996). Japan, the World Bank, and the Art of Paradigm Maintenance: "The East Asian Miracle" in Political Perspective, Vol.0 (217), p.3.

Wade, R.H. (2003). ‘What Strategies are Viable for Developing Countries Today? The World Trade Organization and the shrinking of 'development space' pp. 621-644.

Wade, R. (2004). Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization. 2nd ed. Princeton, NJ: Princeton University Press.

Wallerstein, I. (2000). The Essential Wallerstein. New York: New Press.

Walter R. (1966). African Slavery and other Forms of Social Oppression on the Upper Guinea Coast in the Context of the Atlantic Slave Trade. Cambridge: Cambridge University Press.

Walter, R. (1969). Gold and slaves on the Gold Coast. Transactions of the Historical Society of Ghana, Vol. 10, pp. 13-28.

Walzer, M. (1977).Just and Unjust Wars: A Moral Argument with Historical Illustrations. New York: Basic Books.

Wicker, E.R. (1958). Colonial Development and Welfare 1929-1957: The Evolution of Policy, Social and Economic Studies, VII (4), 170-192.

Whitley, Lindsey (2008). The Politics of Aid - African Strategies for Dealing with Donors. Oxford: Oxford University Press.

Woo-Cummings, M., (ed.) (1999). The Developmental State. New York: Cornell University Press.

World Bank (2007b), “Ghana: Meeting the Challenge of Accelerated and Shared Growth”, Country Economic Memorandum.

World Bank (2008), Country Brief: Ghana. World Bank, Washington D.C.

www.nepad.org/content/21st-ordinary-session-african-union-au NEPAD – New Partnership for Africa’s Development.

https://www.gov.uk/government/topical-events/anti-corruption-summit-london-2016

BIBLIOGRAPHY: (Primary)

Amoah, P., (1982) ‘10th Anniversary of Nkrumah’s death’ Daily Graphic, Tuesday 27 April, 1.

Aryeh, E.D., (1982) ‘₵150m to be raised locally’ Daily Graphic, Tuesday 27 April, 1.

Colonial Development and Welfare Act, 1940. Report on the Operations of the Act. London: Her Majesty’s Stationery Office.

Colonial Economic Advisory Committee, 1944. Minutes of CEAC meetings, pp. 7-8.

Colonial Office file CO/9275/62/45.

Colonial Office file CO/964/231/48.

Colonial Office file CO/28001/7/50.

Colonial Office file CO 323/1065/11 on Colonial Development Act, 1929, Funding Procedure.

Colonial Office file T 161/753/2 on Colonial Development Act, 1929, Amendments.

Daily Graphic, 1951. The 1951 Budget. 2nd April. Accra: Government Printer.

Daily Graphic, 1951. Gold Coast Balance Sheet, 28th June. Accra: Government Printer.

Foreign and Commonwealth Office, 2014. A Directory of British Diplomats. Part 1 of 4, Alphabetical Directory of Diplomats A - L. Compiled by Colin Mackie.

Foreign and Commonwealth Office, 2014. A Directory of British Diplomats. Part 2 of 4, Alphabetical Directory of Diplomats M - Y. Compiled by Colin Mackie.

Foreign and Commonwealth Office, 2014. A Directory of British Diplomats. Part 3 of 4, Diplomatic Missions Overseas. Compiled by Colin Mackie.

Foreign and Commonwealth Office, 2014. A Directory of British Diplomats. Part 4 of 4, Structure of FO/FCO. Directory of Colonial Officials. Compiled by Colin Mackie.

Ghana National Archives, Legislative Assembly Debate 1931-32, pp. 241-242.

Ghana National Archives, Adm./5/3/63. Report of the Commission of Enquiry into the Disturbances in the Gold Coast (1948). London: His Majesty Stationery Office.

Ghana National Archives, Adm./5/3/69. Gold Coast Report to His Excellency the Governor by the Committee on Constitutional Reform (1949). London: His Majesty Stationery Office.

Gold Coast, Legislative Council Debates, 26 October, 1908, 30, Balme Library, University of Ghana.

HL Deb 5th Series, LXXV, Col. 173.

HC Deb 5th Series, CCXXIX, Col. 1300.

HC Deb (22 August 1895) vol. 36, cc. 641-2.

HC Deb (06 April 1910) vol. 16, col. 520.

HC Deb (06 April 1910) vol. 16, col. 521.

HL Deb (10 May 1922) vol. 50, col. 346.

HC Deb (03 August 1922) vol. 157, cc.1670-3.

HL Deb (16 July 1923) vol. 54, col. 1041.

HL Deb (16 July 1923) vol. 54, col. 1048.

HC Deb (25 July 1923) vol. 167, col. 534.

HC Deb (14 March 1928) vol. 214, col. 1937.

HC Deb (14 March 1928) vol. 214, col. 1947.

HC Deb (18 July 1929) vol. 230, col. 724.

HC Deb (18 July 1929) vol. 230, col. 763.

HC Deb (06 November 1929) vol. 231, cc. 1043-4.

HL Deb (09 December 1929) vol. 75, col. 1009.

HL Deb (09 December 1929) vol. 75, col. 1010.

HC Deb (26 November, 1942) vol.385, 918.

HL Deb (26 January 1944) vol. 130 cc.519-58.

HC Deb (07 February 1945) vol. 407, col. 2144.

HC Deb (25 March 1948) vol. 448, cc.370-2W.

HC Deb (24 March 1948) vol. 448, col. 3001-4.

HC Deb (09 November 1950) vol. 480, col. 1242.

HL Deb (24 July 1952) vol. 178, cc.247-265.

HL Deb (31 January 1957) vol. 201, col. 343-78.

HL Deb (05 February 1957) vol. 201, col. 457-71.

Keatley, P., (1969) 'Ghana Premier arrives for talks on £500m debt.' The Guardian, Friday 24 October, 2.

Keatley, P., (1969) 'Weimer in Ghana?' The Guardian, 3rd November, 13.

Keatley, P., (1979) 'Hundreds killed in Ghana coup.' The Guardian, 7 June.

Legislative Assembly Deb (1931 – 1932), col. 241-242.

Peel, Q., (1984) 'Ghana's Recovery Programme -The Economic of Desperation'. Financial Times.

Talking Drums (1986) 'Ghana stands by Libya in dispute with the U.S.' The West African Magazine, 13 January.

The National Archives. CO/537/2712. Creech Jones to all Colonies and Protectorates, 24th June, 1948.

The National Archives. CO 554/202. Gold Coast: Report on Industrialisation, 1953.

The National Archives. DO 195/73. Bomb Attack on President Nkrumah.

The National Archives. DO 35/9297. Ghana's Development Plans for 1957 to 1959.

The National Archives. DO 35/9303. Ghana's Development Plans for 1959 to 1964.

The National Archives. DO 195/278. Possible Extradition to Ghana of ex. President Nkrumah.

The National Archive file FCO 65/128 Ghana Proposed visit by Dr. K. A Busia to the United Kingdom.

The National Archive file FCO 65/129 Ghana Proposed visit by Dr. K. A Busia to the United Kingdom.

The National Archive file FCO 65/130 Ghana Proposed visit by Dr. K. A Busia to the United Kingdom.

The National Archive file FCO 65/2178 Internal Political Situation in Ghana, 1979.

The National Archive file FCO 65/2322 Annual Review of Ghana, 1979.

The National Archive file OD 30/393 Ghana Medium-Term Development Plan.

The National Archive file FCO 65/2187 Visit of Mrs Hart to Ghana, 1979.

The National Archive file PREM 19/473 Visit of President Limann, 1980.

The National Archive file FCO 65/2834 Visit of Brigadier Nunoo-Mensah, March 1982.

The National Archive file T 534/22 International Monetary Fund, 1984: Ghana.

The National Archive file OD 53/44 Ghana Aid Policy.

The National Archive file OD 53/45 Ghana retrospective Term Adjustment.

The National Archive file OD 30/393 Ghana Medium-Term Development Plan.

The Times, 1963. Hopes for Ghana's Economy, 29th May. Accra: Government Printer.

Williams, David (1969) 'Money Problems Remain' The Times, 22 October, p.6.

Williams, V.C. (1969) 'Political Parable' The Times, 22 October, p.1.

Wolfers, M. (1969) 'Promise Fulfilled' The Times, 22 October, p.1.