

Progress and Problems in Ghana

By David Grove

WITH the publication of the draft seven year plan (due to go into operation in October this year) Ghana is poised for another stride in the long march towards independence. Developments in Ghana have a number of novel, complex, and rapidly changing features; this article will try to analyse some of the forces at work without attempting to draw all the theoretical and practical conclusions.

Among the reasons why the progressive movement in Britain should study the experience of Ghana are :

1. Ghana faces new problems common to a number of African territories—problems that will become more and more important as other countries seek the road to economic independence. What is happening in Ghana can help us to understand the significance of “national democracy” as a stage in the development of ex-colonial countries in the present world situation.

2. Ghana has been the victim of many unscrupulous attacks in the capitalist press, which has sought by its distortions to prevent the British labour movement uniting in support of the advance of the African people, and to divide Ghana from her political friends and allies in Africa and elsewhere.

Tory Hopes Thwarted

Ghana's independence was wrested from British imperialism by the united struggle of its people. Yet when the Tory Government finally bowed to the demand for freedom in 1957 they hoped that Ghana would prove as favourable a field for the new colonialism as the Gold Coast had once been for the old.

Many British officials and teachers remained in positions of great influence.

These neo-colonialist hopes have been largely thwarted. The new government abolished the regional assemblies, took firm measures against subversive actions by the opposition and against foreigners who abused their stay in Ghana. In 1960 the country became a republic (still within the Commonwealth); Nkrumah — by an over-

whelming majority—was elected head of state and of government. Ghanaians were rapidly promoted to most of the senior posts in the civil service and the armed forces.

Ghana's Foreign Policy

But such measures were not the real reason for capitalist press stories of dictatorship, inefficiency and bankruptcy. What do the press lords care for the civil liberties of Iraqi democrats or the welfare of Cuban peasants? What worried them about Ghana was the government's independent anti-imperialist foreign policy. In the very year after independence the first conference of free African states (then only eight in number) and the first All-African People's Conference were held in Accra. The capital of Ghana became the capital of African liberation. In 1959 Ghana went to the support of newly independent Guinea. In 1960 she backed Lumumba in the Congo. In 1961 Nkrumah strongly opposed apartheid in South Africa at the Commonwealth Premiers' Conference, and in that year he made an extensive tour of the Soviet Union and other socialist lands. Ghana banned trade with Portugal and played a leading part in the formation of the All-African Trade Union Federation which set itself against the neo-colonialist activities of the I.C.F.T.U. In 1962 Accra was the scene of three great meetings : an international peace conference under the slogan : “The World Without the Bomb”; a rally of “freedom fighters” from all the remaining colonial territories in the continent; and the first congress of Africanist scholars from all over the world. Ghana has opposed any association of African countries with the European Common Market, and in the United Nations has consistently voted for the restoration to People's China of her lawful seat.

In speech after speech Dr. Nkrumah has hammered home the arguments for African unity. Ghana's pioneering role on this vital issue began to bear fruit when the African heads of state met and agreed at Addis Ababa in May. The charter of the Organisation of African Unity,

backed by the resolutions against colonialism, foreign alliances and military bases, can be an important step towards the political union that Nkrumah advocates.

This is a remarkable record for a small, relatively undeveloped country that was until recently a colony of British imperialism. As Mikhail Kremnyev wrote in *World Marxist Review* (April 1963): "An independent foreign policy, based on peaceful co-existence and active struggle against imperialism on the international arena, enables the non-aligned states to play a bigger role in world affairs."

Policy at Home

The imperialists have also become more and more worried about the development of the C.P.P.'s home policy. They fear it will lead to the ending of imperialist domination of Ghana's economy. Although the advance of socialism and national liberation and inter-imperialist rivalries have forced the imperialists to make genuine concessions to the newly independent nations, they have not given up hope of continuing to draw vast profits from the labour of the African people. They are trying to use their considerable ideological influence—especially over the educated sections — to moderate the radical policies of Nkrumah's government, and — if need be — to prepare the way for more drastic steps to maintain their grip on the economy.

The seven year plan marks a new stage in the long and difficult process of trying to end imperialist exploitation and build an independent national economy. It is the highest point so far of a process that began six years before independence when the first C.P.P. government set about the task of ending colonial backwardness. That was the time of exceptionally high prices for Ghana's foremost export: cocoa. Large funds were accumulated and invested almost entirely in social services. Between 1951 and 1961 the number of children at primary schools more than trebled, the number of students at secondary schools grew more than five times, and at universities in Ghana almost six times. An increasing number of Ghanaians have been sent abroad to continue their studies, and now almost as many go to the socialist countries as to the west.

By 1961 there were two-and-a-half times as many hospital beds as in 1951 and more than three times as many doctors. Two thousand miles of new main roads had been built — a 60 per cent increase. Since 1961 there have been further advances; primary education is now compulsory and next term school text books will be issued free. These are impressive achievements—though

the government is well aware they are no more than a beginning. There are only 24,000 secondary school pupils (out of some half a million in the age group), and only one doctor to every 14,000 people. Less than half the population have a pure and regular water supply.

The changes since 1951 have not only raised standards of health and education but have also greatly increased the employment opportunities; there has been a big growth in the number of wage and salary earners. Average wages and salaries are about 50 per cent higher than ten years ago, and though prices have also risen, there seems to have been a substantial increase in real earnings. But the majority of Ghanaians are individual farmers, traders and craftsmen, or small employers. Perhaps increases in imports at present give the best indication of their changing standards. Between 1950 and 1960 the value of clothing imported increased ten times, of footwear eight times and of soap four times. There have been increases in the import of other manufactured consumer goods but the totals are still very small; there are only about 25,000 private cars (including taxis and official cars) among seven million people. The figures tend to confirm the impression that there has been a general increase in living standards, but that a few small sections — higher officials and politicians, the intelligentsia, businessmen and the bigger cocoa farmers — have gained much more than the average. These sections have great influence in the C.P.P. though some of them may have reservations about its more radical policies.

Alongside this expansion of the social services there have been major innovations like Ghana Airways, the Black Star shipping line, the great new port of Tema, fine public buildings in Accra and other centres — all paid for out of Ghana's own resources and paving the way for the independent national economy of the future.

Economic Problems

But these advances were not matched by any structural changes in the productive base necessary to sustain them. The Second Development Plan (adopted 1959, scrapped 1961) had proposed the building of 600 factories in five years, but it relied mainly on private investment to achieve the target. But there was little increase in investment by Ghanaian or foreign capitalists. The performance of the newly established state and state-private sectors was also disappointing. When the Industrial Development Corporation was wound up in 1961 only six out of thirty-one enterprises were working at a profit; the main reason was inefficient and sometimes corrupt management.

The number of jobs failed to increase as fast as the number of school leavers, and unemployment mounted in the towns. Improvements in agriculture were mainly in export crops while food production lagged behind the growing demand. Britain and the U.S.A. stalled for several years on the loans Ghana sought for the great Volta River hydro-electric and aluminium project.

Even after independence Ghana's economic growth was still determined largely by the international division of labour established under imperialism. This was sharply demonstrated when cocoa prices began to fall from their high post-war level, and the terms of trade moved against the raw material producing countries, i.e. resumed their long-term trend. A volume of exports that sold for £100 in 1954 fetched only £70 in 1962, while imports formerly valued at £100 cost £107. The result was a mounting deficit in the balance of foreign payments — reaching £44 million in 1961. Reserves were down to £75 million and there was a growing budget deficit. Following trade union pressure there were big wage increases at the end of 1960; the minimum was raised to 6s. 6d. a day.

The Ghana government could have solved its immediate financial problems by going cap in hand to western governments or the world bank. No doubt money would have been forthcoming—on condition that development plans were cut down, a “free” economy maintained, and the edge taken off Ghana's anti-imperialist foreign policy. But this would have been to go the old style South American way; and Dr. Nkrumah had often warned that Africa must learn from the experience of Latin America. There was growing awareness of the menace of neo-colonialism and C.P.P. activists were pressing for more radical policies.

Seven-Year Plan

So in 1961 there came on the one hand a budget introducing import and exchange controls, purchase tax and compulsory savings; and on the other hand draft agreements with socialist countries for loans of £100 million, the setting up of a Ministry of Industries and a Planning Commission, and the invitation to a Hungarian economist to help in the preparation of a seven year plan. Following these steps—and the crushing of a reactionary conspiracy — the British and American governments finally agreed to the loans for the Volta project.

Now, the draft seven year plan seeks to lay the foundations for the complete transformation of the economy. By contrast with the two previous development plans which, as the draft states,

were “largely limited to programmes of public works and social development, the new plan has a wide concern for the growth of the economy as a whole”. This does not mean that it formulates precise targets and means of fulfilling them for every branch of productive activity. There are a number of reasons why it falls short of this. The necessary statistics of employment, output etc., are still being collected for the first time in Ghana. There is little knowledge of the techniques of economic planning, and advice is not always sought from those best qualified to give it. The government does not yet have enough control over every sector to enforce a comprehensive plan. And the achievement of the overall targets depends upon a considerable supply of capital from abroad.

The plan aims at a rate of economic growth 5.5 per cent per annum. This is high — but some observers believe that an even higher rate will be needed permanently to overcome the deficits in the balance of payments and the state budget.

Great emphasis is laid on agriculture. This is not because the authors of the plan share the reactionary view that Ghana must remain a primarily agricultural country; on the contrary. But, as they say, “during the next two decades the rate of growth of agriculture will condition the rate of growth of the whole economy”. More produce is required from the land to cut out the £26 million of food imports (almost three times the level of ten years ago); to feed the rapidly growing population and to improve their diet; and to provide raw materials, capital and a growing market for industry. State farms — of which several have already been started, some with Soviet aid—will have a strategic role in clearing new land and pioneering large-scale cultivation, but the bulk of production is still expected to come from peasant farmers. Co-operation is to be encouraged but the forms it will take are not specified.

The plan proposes that the farmers should be assisted with scientific advice, better seeds and livestock, machine and tractor stations, and larger credit facilities. But it is envisaged that most of the productive investment will come from the farmers themselves. Two questions arise. Will the capital that is mostly now in the hands of the wealthier cocoa farmers be invested in other lines —e.g. cereals, for which very high targets have been set—without more active state intervention than the plan envisages? Will not the emphasis on private investment lead to increased capitalist exploitation in the countryside, breaking up the

traditional communities (e.g. ending communal land ownership), and hampering the growth of socialist relationships?

What seems to be needed is political and social leadership to stimulate the initiative of the poorer farmers and mobilise them for a great leap forward. Communal labour is a well-established feature of African village life. In recent years with the assistance of the government many schools, post offices, street drains and other improvements have been built by self-help. Can the same methods not be used to direct into more productive activities the vast amount of time and energy now expended in carrying water, pounding grains and root crops, head-loading produce to market, and clearing the bush with cutlass and hoe?

Stages of Industrialisation

Much more money is to be invested in industry than in agriculture. The stages of industrialisation are envisaged as:

1. The production of staple consumer goods and basic building materials, saving foreign exchange and processing more of Ghana's own materials.

2. Metal and chemical industries.

3. Machine building and electronics.

The first stage is already under way. Recently opened at Kumasi is an impressive factory that will eventually produce more than half Ghana's annual requirement of cocoa bags from fibre grown in the country. Among the twenty-five factories in the state and state-private sectors included in the 1962-3 estimates are cocoa processing plants at the two ports—Takoradi and Tema, a shoe factory, two sugar refineries, and several other food processing plants. Several projects are being built with loans and technical assistance from socialist countries. Some are being undertaken jointly by the Ghana government and private firms from West Germany, the Netherlands, and other capitalist countries.

The second and third stages of industrialisation will not be reached during the first seven year plan. Only large-scale economic co-operation with other African countries can create a market big enough to support basic industry. Ghana is still a small country — the size of Britain but with only one-seventh the population. She has no oil or coal. She is surrounded by smaller and even less developed countries. Only eight of the thirty-two independent African states have a bigger population than Ghana. As Dr. Nkrumah told the Addis Ababa summit meeting: "We need unified economic planning for Africa . . . Only on a continental basis shall we be able to plan

the proper utilisation of all our resources for the full development of our continent." In this connection we should remember that the rapid progress of the former Czarist colonies in central Asia was not due to socialism alone, but to socialism plus integration in the mighty Soviet economy. There is solid economic justification for Ghana's call for African union.

In the field of social services the draft plan proposes to spend £61 million on education — twice as much as on health and three times as much as on housing. Despite the high incidence of disease and the high rents for single rooms in the towns, these are the right priorities in a country where in 1960 three-quarters of the adult population had never been to school, and where all advances depend upon building up a skilled labour force. Several millions are to be spent on establishing a television system; this may seem a luxury—but it can become a powerful agent of mass education of social and political unity.

Where is the Money to Come From?

The target for total investment during the seven years is £840 million, of which about three-quarters will be productive — a very high proportion. The state will undertake about half the total investment, and of this about half will be productive (agriculture, industry, and power), and about half for infrastructure and social services. Although these will be a smaller proportion of total investment than in the past, the amount will be greater in absolute terms and will lead to bigger increases in recurrent expenditure. Ghana already has more roads, railways, port facilities, hospitals, schools and universities in relation to its size than any other African country. Further non-productive investment will have to be strictly limited to the amount that can be supported by increases in production.

Of the total productive investment, about two-fifths will be by the state, two-fifths by Ghanaian private investors, and the remaining fifth is intended to come from foreign private investors. The government will also need to borrow about £300 million from abroad. The volume of private investment in production will, therefore, be greater than that of the state, though the latter's share of the total will, of course, grow more quickly. A new Capital Investment Act offers inducements to foreign investors, including up to ten years without taxes and guaranteed remission of profits. It also establishes a board whose aim will be to ensure that foreign investments serve the objectives of the plan. Ghana's government believes that its improvement of the basic services has created favourable opportunities for private investment; as the plan says: "The immediate

result of government's investments and external borrowings for the construction of the Volta River Project will be to provide power which will enable VALCO, a private group of foreign investors, to run an aluminium smelter."

Ghana still needs private capital from abroad—but Dr. Nkrumah has warned that the country cannot rely too heavily on it. In his 1961 Christmas message he stated three objections:

1. Industries in which the largest profits can be made may not be the ones that best serve Ghana's interests.
2. Profits will be exported instead of being ploughed back into Ghana's industry.
3. "If we relied exclusively or even largely upon foreign private investment for our industrialisation, we would in fact become politically and economically dependent upon expatriate interests. Indeed, all we should be doing would be to reintroduce colonialism in another guise."

Ghana must heed not only the experience of Latin America but of such a country as India where dependence on foreign capital has led to failure to reach planned targets and to the growing influence of reactionary elements.

Capitalist or Non-Capitalist Development?

Ghana's declared aim is socialism; but this first plan will not settle the question whether the country will take capitalist or non-capitalist path of development. "Any suggestion that vigorous state and private sectors within the same economy are incompatible is historically incorrect," says the draft plan; and again: "For controlling the general movements of the economy and the utilisation of the nation's output for socially purposeful ends, the government, like any other government in the world, has at its disposal the usual weapons of monetary, fiscal, and legislative policy." The present seven year plan is a plan for building the basis of an independent national economy. In April, 1961, Dr. Nkrumah said: "We have still to lay the actual foundations upon which socialism can be built." How far it will be necessary to advance towards socialism in order to secure economic independence remains to be decided by the Ghanaian people and their leaders.

Some progressives will wonder whether an independent economy can be built without nationalising the big foreign firms: the Ashanti Goldfields Corporation (almost a million pounds profit last year), the diamond monopoly (planning to invest £3 million in the next few years), the two British banks, and the United Africa Company (reducing its trading activities but investing in plywood,

brewing, soap, vehicle assembly). But is nationalisation an immediate issue? Ghana naturally wants to find the smoothest way forward in the present international situation. The government knows it is competing with many other developing countries for western capital. When unity is consolidated Africa will be able to pursue more radical policies without fear of reprisals. As Dr. Nkrumah said at Addis Ababa: "Our bargaining power would be infinitely greater."

There are other considerations. Ghana is desperately short of good managers and technicians and cannot do without those employed by foreign firms, and — much more important — the training they will give to Ghanaians. Then it must be remembered that the main means of imperialist exploitation and control in Ghana has not been direct investment as in some African countries, but non-equivalent exchange of manufactured goods for the products of peasant farmers, and the monopoly of wholesale trade by a dozen great European companies. Measures to diversify agriculture and hasten industrialisation are the main answer to the first problem. The draft plan is silent about the control of trade, but the C.P.P. programme *Work and Happiness* adopted in 1962 at its most recent national congress—talks of the ultimate establishment of a state trading monopoly. Last year the government bought out two of the foreign commercial firms which became the nucleus of the Ghana National Trading Corporation. It is not yet clear what role it will play in the struggle for economic independence.

Unity of Ghanaian People

The seven year plan will have behind it the powerful national movement of the Ghanaian people. Every imperialist and reactionary attempt to break their unity has failed. In view of the havoc wrought by disunity in the Congo or British Guiana, Ghana's unity is all the more remarkable and valuable. It is worth preserving even at the cost of temporary compromise with those sections who may not be in full sympathy with radical policies. The form and extent of concessions is one of the big responsibilities of national leadership today.

The political expression of Ghana's unity is the Convention People's Party, with its 2,500,000 members (well over half the adult population), and with the Trade Union Congress, the National Council of Ghana Women, and the United Ghana Farmers' Council as "integral wings". In form the C.P.P. is a highly centralised party; in content it is a national front uniting all anti-imperialist classes in Ghana. Naturally many points of view are to be found among its members and supporters. The Party's ultimate aim is Socialism.

but Nkrumah has said: "We cannot build socialism without socialists." However, there are various opinions on the meaning of socialism and the way to achieve it. The colonialists did all they could to prevent the Ghanaian people learning anything of socialism. Now the neo-colonialists try to counter the great prestige of socialist ideas by distorting them. And they have considerable influence through their representatives in the educational system and the many western experts in Ghana. The *New Ashanti Times*, published by the owners of one of the richest gold mines in Africa, claims to speak for Ghana's "true friends". It recently tried to drive a wedge between Nkrumaism and Marxist scientific socialism, and was sharply answered by *The Spark*, organ of the Bureau of African Affairs.

The Kwame Nkrumah Institute of Economics and Political Science has been set up to educate C.P.P. leaders and activists in the principles of socialism. It is intended that political education should be extended to the mass of Party members. Scientific socialism will become a more and more powerful ideological force in Ghana as its supporters succeed in applying the universal principles of Marxism to the specific conditions of their country—analysing the class structure; identifying the special needs and interests of each group (e.g. the rich, middle and poor farmers); finding the policies that can unite all the anti-imperialist sections for the next steps in economic independence and national democracy; and charting a Ghanaian path to socialism.

A Complex Process

It will not be easy to achieve the targets set in the seven year plan. There can be no big increases in living standards during the period when the foundations of economic independence are being laid. The draft says that until 1975 "most of the increases in the nation's output will have to be reinvested and will not be available for private or public consumption." It is proposed that private consumption should increase by 3.3 per cent per year; as the population is growing by about 2.5 per cent per year there is little margin for increasing per capita consumption. This policy will not succeed, says the draft, "unless it has the wholehearted support of all sections of the community . . . The sacrifice of the wage earners must be matched by sacrifices on the part of recipients of other types of income. Policies regarding profits, dividends and rents will be so managed that the recipients of such incomes also make an appropriate contribution to savings required in the economy".

As with so many African states the boundaries of Ghana were drawn by the imperialists. They

brought the old Gold Coast under a single administration but used tribal rivalries and disproportionate development to keep the people divided. A national market is only now coming into being and a national language has not evolved; English is the official language — but most Ghanaians do not speak it and to all it is a foreign tongue. Independence was achieved before a national consciousness was fully developed. So Ghana has the difficult task of building a new nation while on the one hand ensuring respect for the language and culture of the Ewes, the Gas, the various Akan groups, and the peoples of the north, and on the other hand fostering loyalty to Africa as a whole.

This is only one aspect of the complex process of transforming many scattered groups of subsistence farmers using primitive techniques and guided by traditional social customs into a nation of skilled industrial and agricultural workers. The change is well under way. But because it began in an atmosphere of capitalist values engendered by colonialism it has led among some sections to the low level of public morality castigated by President Nkrumah in his May Day broadcast this year. All over Ghana one can see modern petrol stations run by one or other of the four competing oil companies, blazing with light from their private generator, and surrounded by mud houses dimly lit by a single paraffin lamp. Such sights are not just a contrast between two levels of technique but a symbol of two sets of values. The old ways will go, and are fast going. The question is whether they will be brutally broken up by selfish individualism or whether they can be transformed into community values of a new and higher order. Rudeness, laziness, money-grabbing and other social evils will not be easily rooted out — foreign as they are to the traditional character of the Ghanaian people. The seven year plan lays great stress on payment by results, and this socialist principle can be the foundation of a new morality — if it is clearly seen to apply to all sections of society. Forms of collective action such as workers' participation in management and in the control of plan fulfilment will have to be developed to overcome tendencies to bureaucracy and corruption.

Critical questions will arise as the plan unfolds. Foreign private investment may exceed expectations and some voices will call for a slowing down of development in the state sector. Or it may fall short of expectations and the question will be whether to lower the targets in the plan, to drive harder bargains for public loans from the west, or to seek further aid from socialist countries. The neo-colonialists lose no opportunity of exaggerating some of the very real difficulties of ex-

tending trade and economic co-operation with the socialist lands. There are problems of inexperience on both sides, of language, of differences in technical standards and range of goods, of the smaller possibilities of private profit from socialist deals. These could all be sources of disunity in the national movement, but with goodwill and a clear perspective they can be overcome. Ghana will beware of relying too heavily on training schemes, expert assistance, and similar developments that tend to tie the economy to the use of equipment and methods from the capitalist sphere.

These are just a few of the problems that will have to be faced in carrying through, refining and improving the seven year plan. Will Ghana be allowed to complete the task without outside interference or internal strife? Last year's bomb attacks on the President and on patriotic crowds show that some reactionary opponents of the C.P.P. are prepared to create chaos in their attempt to hold back progress. But they also show that such elements cannot hope to win any democratic support. However, if the plan runs into unforeseen difficulties and if the masses are not convinced of the need to bend every effort to ensure its success, then there could be a mass basis for reactionary opposition to the present policies. In such a situation neo-colonialist forces would use all their influence to procure a region more favourable to their interests. The strike at Takoradi in 1961 showed that workers who are not completely convinced of the determination of the government to carry out its promises can become the victims of reactionary plotters. The ever greater extension of democratic processes, the drawing of the mass of the people into the discussion and implementation of the party's policies, can ensure that neo-colonialism is unable to turn to its advantage any crises that arise.

Political Leadership

Ghanaian patriots will work above all to ensure the success of the seven year plan. For it is this that can unite many diverse sections for the immediate tasks while at the same time strengthening the forces that will resolve some of the contradictions ready for future advances. Though there will be some growth of capitalist elements, the

working class will increase more than any other section. Nkrumah has said: "From the ranks of the workers must come the most devoted and active party cadres." The working class played a decisive part in the struggle for independence — particularly through the Positive Action strikes in 1950 — but it is still small in numbers and lacking in experience. There are now about half a million employed persons in Ghana — about a fifth of the total labour force — but the industrial proletariat is still small. As a result of the building of state sectors in industry and agriculture the working class will become increasingly concentrated and in touch with modern technique. In carrying through the plan it will establish new links with the farmers and the intelligentsia.

In her six years of independence Ghana has made a big name on the world stage. Her representatives have won respect in the United Nations and many other international bodies. Her ships have flown the red, yellow and green flag with the black star of Africa in the ports of the Atlantic, the Baltic and the Mediterranean. All over the great African continent fighters for national liberation are grateful for Ghana's support. At home the construction of the mighty Volta dam is a year ahead of schedule and Ghana will soon be one of the few countries in the world with a surplus of electric power. The three universities are preparing to turn out a much greater number of scientists and teachers. The seven year plan is by far the greatest challenge put before the Ghanaian people. The balance of world forces is moving all the time in Ghana's favour; the advance of socialism and the crisis of imperialism make it even easier for newly emerging nations to follow a truly independent policy. Ghana needs devoted socialists at every level from the higher civil service to the village development committee, consolidating and deepening the unity that has been built up around her most devoted citizen—Kwame Nkrumah. The plan will not be achieved without many stresses and strains, but if it is successfully carried through Ghana will be well on the way to economic independence and will be able to continue her progressive role in world affairs and make still greater contributions to the advance of united Africa.