

AUFS

American  
Universities  
Field Staff

1978/No. 49  
Africa

Reports

Politics in Ghana, 1978

by Barbara Harrell-Bond



In March 1978 Ghana held a referendum on union government and in November it lifted the ban on political party activity. But the attempt to reintroduce civilian rule is frustrated by economic problems of standing.

[BHB-3-78]

ISSN 0161-0724

# American Universities Field Staff

The American Universities Field Staff, Inc., founded in 1951, is a non-profit, membership corporation of American educational institutions. It employs a full-time staff of foreign area specialists who write from abroad and make periodic visits to member institutions. AUFS serves the public through its seminar programs, films, and wide-ranging publications on significant developments in foreign societies.

## INSTITUTIONAL MEMBERS

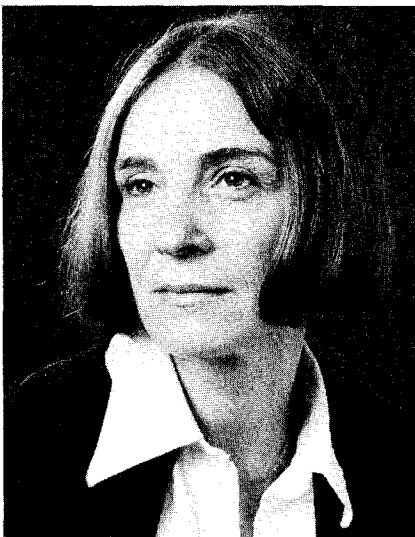
University of Alabama  
The Asia Society  
Brown University  
Dartmouth College  
Indiana University  
Institute for the Study of World Politics  
University of Connecticut  
University of Kansas  
Michigan State University  
Ramapo College of New Jersey  
University of Pittsburgh  
University of Wisconsin

## Reports

AUFS Reports are a continuing series on international affairs and major global issues of our time. Reports have for almost three decades reached a group of readers—both academic and non-academic—who find them a useful source of firsthand observation of political, economic, and social trends in foreign countries. Reports in the series are prepared by writers who are full-time Associates of the American Universities Field Staff and occasionally by persons on leave from the organizations and universities that are the Field Staff's sponsors.

Associates of the Field Staff are chosen for their ability to cut across the boundaries of the academic disciplines in order to study societies in their totality, and for their skill in collecting, reporting, and evaluating data. They combine long residence abroad with scholarly studies relating to their geographic areas of interest. Each Field Staff Associate returns to the United States periodically to lecture on the campuses of the consortium's member institutions.

## THE AUTHOR



BARBARA E. HARRELL-BOND is a social anthropologist who has conducted research in England and in West Africa. Her special interests are family, urban problems, law, and the history of the imposition of alien law in colonial Africa. She received a B. Litt. and D. Phil. in anthropology from the University of Oxford. Her publications include *Modern Marriage in Sierra Leone: A Study of the Professional Group and Community Leadership and the Transformation of Freetown (1801-1976)*, the latter being co-researched and written with two historians, Dr. Allan Howard and Dr. David Skinner. She has also published widely in academic journals, lectured in a number of universities including the University of Illinois (Urbana), the University of Helsinki, and the University of Warsaw, and was a Visiting Scholar at

the Afrika-Studiecentrum, Leiden. Appointed a Senior Research Fellow at the School of Law, University of Warwick, in 1976, Dr. Harrell-Bond joined the Field Staff in 1978 to report on West Africa.

© 1979, American Universities Field Staff, Hanover, NH

*So let us look at history as history—men placed in actual contexts which they have not chosen, and confronted by indivertible forces, with an overwhelming immediacy of relations and duties and with only a scanty opportunity for inserting their own agency—and not as a text for hectoring might-have-beens.*

*The Making of the British Working Class*

The period 1969-1978 is a particularly interesting decade in Ghana's political history. It began with the promulgation of a new Constitution and the election of a civilian government. Since then Ghana has undergone a military/police coup d'etat in 1972, seven years of military dictatorship—it was interrupted by the forced "resignation" of General Acheampong in July 1978 as head of the military government (he was replaced by Lieutenant General F.W.K. Akuffo)—and seems likely to return to some form of constitutional rule in 1979.

During this period both of Ghana's only civilian leaders have died in exile. Dr. Kwame Nkrumah, first Prime Minister and President, died in Romania in May 1972 and Dr. Kofi Busia, who was elected Prime Minister in 1969, died in Oxford, England, in August 1978. Once leaders of the two main political parties in Ghana, their deaths mark

the end of the first political era in independent Ghana.

The Supreme Military Council is committed to a "return to constitutional rule" with a National Interim Government to be elected in June 1979. The Supreme Military Council had banned all political party activity and in the district council elections which were held in November 1978, candidates were allowed to campaign on the basis of individual merit, but not to identify themselves with a political party: "Each candidate should win or lose elections purely on his own merit and consequent upon the natural or charismatic qualities he possesses as well as the concrete contributions he has personally made to the socioeconomic advancement of his district" (*Daily Graphic*).

There is some evidence, however, that Dr. Nkrumah's Convention People's Party (CPP) and Dr. Busia's Progress Party (PP) are actively rebuilding their party machines around a number of still influential figures who served in previous governments. Some of the most prominent are Mr. J.H. Mensah, Minister of Finance under Nkrumah; Mr. Victor Owusu, Minister of Justice under Busia; General Akwasi Afrifa, who succeeded General J. Ankras as head of state before the National Liberation Council handed over power to Dr. Busia's elected government; and Mr. William Ofori-Atta, Foreign Minister under Busia.

The rebuilding is taking place in an atmosphere of political and economic crisis more serious than at any previous time in Ghana's independent history. The first measure carried out by the newly installed Akuffo was the devaluation of the cedi, which resulted in a general price rise of 140 percent. Food prices have risen continually: by March 1977 they were 13 times higher than in 1963 and they have skyrocketed since then, the rate of inflation running at 500 percent.

Within four months of the overthrow of General Acheampong, General Akuffo cited economic problems to justify extraordinary measures to deal with growing industrial unrest. Declaring a state of emergency on November 6, 1978, General Akuffo listed 80 different strikes in the country affecting every sector of the economy. He warned that strikers who had not returned to work by 8 A.M. the following morning could consider themselves dismissed. A week later there seemed to be little evidence that his warning had produced the desired effect and so all military police and prison staff who were on leave were ordered to report immediately for duty.

Such strikes, particularly the electricity strike, are only one of the many problems the military government must face in a situation where the working classes are finding it difficult even to buy food for one meal a day. The order to

return to work is likely to contribute to the climate of tension and uncertainty.

### Background to Crisis

One feels hesitant to report on the contemporary political situation in Ghana in case the information will be superficially interpreted and lend support to the widespread view in the West that Africans were insufficiently prepared for independence or that they are not "mature" enough to govern themselves. Such inaccurate or even racist interpretations of events in Ghana are illustrated by the fact that ever since the overthrow of Nkrumah in 1966 observers of the repeated crises in Ghana have pointed out that the "present ills" have been inherited from a previous inept and corrupt government or governments. The present economic problems of Ghana are said to stem from the 1960s. The



*Lieutenant-General Akwasi Afrifa being sworn in as President of the National Liberation Council in April 1969. He was chairman of a three-man Presidential Commission that was dissolved in August 1970, and now is a leading member of the People's Movement for Freedom and Justice formed in January 1978.*

*"The strength of the police force and the power of the army are proportionate to the stagnation in which the rest of the nation is sunk."*

Frantz Fanon

choice of this date is highly significant, for during the first ten years of Nkrumah's Convention People's Party there were no attempts to make structural changes of any kind in the economy. A symbiotic relationship between Britain and Ghana for the marketing of cocoa, Ghana's chief export, preserved the old colonial ties, and at the same time, helped the CPP to consolidate its influence. Between 1961 and 1966 Nkrumah attempted to take the first steps toward uprooting the actual causes of the disease from which Ghana, like most other Third World countries, is suffering. Ghana's experiment in socialism failed because the attempt to break with its colonial past was not soon or complete enough.

Ghana was the first sub-Saharan African colony to be granted independence from Britain. Whether because of this, or because of its economic importance to Britain at the time of independence, or because of Nkrumah's personal influence throughout Africa, Ghana's political history has been the subject of many extended surveys.<sup>1</sup> As a result there is a fairly complete documentation of the processes whereby Ghana's present state of underdevelopment has been achieved, making it a classic example for analysis of the economic dependency relations which persist between metropolitan countries and the Third World.

The history of Ghana at the level of the state is one in which ideologies, despite Nkrumah's "socialist leanings," have been of little importance. It is a history in which the state apparatus has remained relatively untroubled by apparent changes in political direction from the top and has been relatively untouched by "their differing touches on the tiller." The machinery of Ghana's state has a trajectory of its own.

British rule was established in the area now called Ghana in 1900 after a period of armed resistance by the

central Ashanti kingdom under the Asantehene. He was exiled in 1896 after his defeat by the British, and only returned to Ghana in 1925. Free trade along the Gold Coast was replaced by colonial management of the peasant export economy, supplemented by the mining of gold and manganese. By 1931 smaller competitors, both foreign and African, had been effectively eliminated by a small group of trading companies, themselves dominated by the United Africa Company. Until the Second World War the role of the state in the economy was minimal beyond providing for the coercive forces to protect the peace required for the activities of the companies.

The financial crisis that confronted Britain during and after the war motivated the Colonial Office to develop efficient state institutions which would control the expropriation of wealth from all the colonies. Ghana's role in providing Britain with capital during the war and throughout the postwar period was larger than that of any other colony with the exception of Malaya.<sup>2</sup> The primary means by which this transfer of wealth was accomplished was through the establishment of a network of marketing boards, of which the Cocoa Marketing Board in the Gold Coast was only one example. In West Africa there was a marketing board for every commodity through which the British, "once the free trade center of the world, carried out what was perhaps the most thorough-going attempt to control the marketplace since the Diocletian Code."<sup>3</sup>

The boards, which controlled practically 100 percent of agricultural exports, all operated in the same manner. First they established buying and selling monopolies, set producer prices well below the world market price, and scooped in the difference. These surpluses were then invested in long-term British government securities at remarkably low interest rates which were, in turn,

reinvested. Between 1950 and 1957, Ghana's cocoa alone provided the mother country with £1,322.4 million.<sup>4</sup>

To trace the complicated saga of the development of the social, economic, political, and educational elite within Ghana during the colonial period is beyond the scope of this Report. Suffice it to say that by the time the British handed over political power they had established institutions and a bureaucracy designed to protect their economic interests complete with an educated indigenous elite to staff them. Observers have noted two factors which shaped the national consciousness of the professional strata in postwar Ghana. The first was their symbiotic relationship with the colonial government and conception of themselves as political and cultural mediators between the British and their own traditional rulers. They were competitors with these rulers for British favor and they viewed



*Dr. Kofi Busia, Prime Minister of Ghana from October 1969 to January 1972.*

*"Oxford has made me what I am today. I have had eleven years contact with it and now consider it my second home. Most of my friends are here."*

K.A. Busia, 1950

*"A permanent wish for identification with the bourgeois representatives of the mother country is to be found among the native intellectuals and merchants."*

Frantz Fanon



themselves as heirs-apparent to British colonial rule.

The second factor was the struggle with the British import-export oligopoly. Only 13 firms controlled prices in Ghana; they also controlled import licenses and wholesale credit. The only economic activities the Ghanaian trader could engage in freely were those these companies deemed too insignificant to merit their concern. Because cocoa production was left in the hands of Ghanaian farmers and was accumulated by the buyer at the port, there was ample opportunity for Ghanaian middlemen to penetrate the rural areas to organize transport of this and other commodities, to collect the produce, and to provide financial backing to landowners. These middlemen were dependent upon the large foreign-owned firms for capital and these same firms were their only customers. When the middlemen tried to circumvent these economic restrictions by selling directly on the world market, their efforts were easily suppressed by their creditors.

Those elites who were employed as intermediaries by the colonial power and who had ambitions for controlling political power after

*General I.K. Acheampong, Ghana's former Head of State and chairman of the Supreme Military Council. He was replaced in July 1978.*

independence were acutely aware that Britain would only withdraw when "suitable" political machinery had been created and "tamed" politicians were available to continue serving her economic interests. This awareness had an important impact upon the development of political parties and platforms in the pre-independence period. Britain's acceptance of Nkrumah and his CPP as the "obvious people's choice" for ruling the independent Ghanaian state was possible only after the party had proved itself cooperative and the British were assured that after independence all the old colonial institutions would be maintained: the substance of economic domination. In its managerial capacity the colonial state had organized the infrastructure and imposed monetization, an institutionalized political order, and an educational and legal system all designed to guarantee the safety of British capital.

The newly independent government had learned its lessons well. The Convention People's Party kept the Cocoa Marketing Board intact as a

source of state revenue and even created a new institution, the Cocoa Purchasing Company, which sought to establish a monopoly on purchasing. In the meantime, the surpluses from these institutions continued to accumulate in British banks. Development within the country was to be accomplished through foreign investment which failed to materialize. In formulating its economic policy, Ghana was guided by an economist named W. Arthur Lewis, whose advocacy of total dependence on foreign capital to industrialize the country almost brought complete disaster. In the first four years of independence Ghana's balance of payments position deteriorated rapidly and her external reserves were seriously depleted. The few feeble attempts at industrialization were financed by loans.

By 1964 the economy began to be disrupted by Ghana's mounting foreign debts. In that year these obligations reached £349.2 million and confidence in her ability to pay was proportionately diminished. Despite its increasing economic problems during this period, many observers point to the Volta River project—the dam and aluminum smelter complex which was financed by the World Bank and the Kaiser Company—as evidence that Lewis's faith in foreign capital investment was not totally misguided. It has been widely acclaimed as a successful example of one possible way of developing an industrial African economy. But what exactly has the Volta project done for Ghanaians?

### The Volta Project

The dam at Akosombo is capable of generating 833,000 kilowatts and behind it is a lake which is potentially suitable for inland fishing. The power from the dam runs a smelter (but not an aluminum factory) located nearby at Tema. The project does not provide many jobs: the early estimates indicated that only 145 employees were

required for the operation of the project. This means that £400,000 worth of capital was invested *per man*.

The early British plans for the Volta project before 1956 had included an integrated aluminum industry using hydroelectric power to refine Ghanaian bauxite. It was also intended that an irrigation project would be included as well as the development of a fishing industry. In 1958 Nkrumah turned to Edgar Kaiser who, because no other aluminum company was interested, was able to drive a very hard bargain. As a result, the Kaiser project did not provide for irrigation or fishing and the public utilities project was separated from the aluminum industry.

Most important, as the article by Fitch and Oppenheimer points out, Ghana did not get an integrated aluminum industry. It only got a smelter. Moreover, this smelter *imports* alumina which has been mined in Jamaica and processed in the United States. The development of Ghana's own mines has been "deferred" indefinitely.

Why should Kaiser ship alumina from abroad to Ghana when bauxite deposits lie so near the new source of power? The answer is that the price of power Kaiser contracted to buy from Ghana was so low it was more profitable to import alumina than to utilize local resources. Had Ghana been able to set a higher-than-cost price for its power, Kaiser might have been willing to develop the local bauxite deposits. The contract, however, runs for 30 years. While Ghana may have hydroelectric power, it did not have and still does not have the resources to build its own factories.

### The Nkrumah Period

How did Nkrumah, who was so willing to follow the economic policy advised by Britain and other Western nations, come to be the target of vicious attacks by the free world? Ultimately there were rumors and even documented incidents of



*President Kwame Nkrumah waves to crowds outside the State House with President Sekou Touré of Guinea, July 1, 1960.*

deliberate attempts by the United States and Britain to overthrow his regime. The answer is to be found in the fact that there were two distinct periods during Nkrumah's rule: one was a pro-Western Ghana which lasted from 1957 to 1961 and the second was a pro-socialist Ghana from 1961 to February 1966. During the first period Ghana operated as an ordinary neo-colony stagnating within the British sphere of influence. The British pound sterling was its "anchor of safety" and it kept its reserves in London instead of Accra. It allowed British banks, foreign firms, and "development" aid to deflate the economy systematically.

During the period between 1961 and 1966 Ghana attempted to adopt socialist planning techniques. It tried to build up the state industrial sector and sought to bring the British banks under some measure of control.

*Historical accuracy is not the only reason for emphasizing the existence of two stages of Ghanaian history and attempting to describe how one stage led to the next. There are also important political reasons. By telescoping Ghanaian history into one horrendous "socialistic-communistic dictatorship," the NATO intellectuals are able to ignore the neocolonial background from which Ghana tried to escape;*

they are not required to defend the embarrassing Lewis period. This period provides an obvious case study of how the most "affluent" of the oppressed nations carefully followed the orthodox teachings of a respected NATO intellectual and achieved rapid progress to the brink of economic disaster.<sup>5</sup>

Whether or not Western powers were accomplices in the Ghana coup which overthrew Nkrumah in 1966 remains an open question. Certainly intelligence agencies and financial and trading interests helped create an environment in which the indigenous coup-makers felt sure that a move against Nkrumah would be greeted by enthusiastic approval from the West. Like all Third World countries, Ghana had been caught between the falling prices for primary exports and the increasing costs of industrial and other imports. The main sources of credit were the international agencies—supposedly disinterested mechanisms of international aid cooperation whose policies, nonetheless, are preoccupied with the needs and policies of the creditors. A regime that was flirting with the Soviet bloc could certainly not provide the "climate of confidence" required by these agencies for the subvention of capital from those whose interests were jeopardized by Nkrumah's socialist leanings.

The National Liberation Council (NLC) assumed power in February 1966 after a coup d'état and its policies represented the approved swing to the right. There was a general rejoicing in Ghana as well as in London and elsewhere. Editorials in the British press declared that "Ghana would be worth salvaging again" and "Ghana has swung back to reliance on the West." Although the NLC governed Ghana for three and a half years, it was clear from the outset that its rule was temporary and the Council began almost immediately to put in motion the machinery of constitutional reform whereby it could be replaced by civilian rulers.

### Democracy in Ghana 1969-1972

The National Liberation Council fulfilled its promise to return the country to constitutional rule in 1969. The Constitution was drafted under the chairmanship of the then Chief Justice Edward Akuffo-Addo, who later became the non-executive President of Ghana in 1970 after the Presidential Council, composed of the NLC leaders, disbanded itself. The Constitution was said to bear the imprint of Dr. Kofi Busia's influence. As Director of the Centre for Civic Education under the NLC regime, Busia had a platform to proclaim his ideas on liberal democracy. His series of lectures entitled "What went wrong?" was aimed at justifying the overthrow of Nkrumah on the grounds of the restoration of a liberal democracy in Ghana.

The election was freely contested and has been described as "scrupulously conducted." Ghana's political parties have never had a broad popular base in terms of numbers voting in elections, but Dr. Busia's Progress Party won a sweeping victory which should have been predictable. He was an Akan, the ethnic group that forms nearly half the population, and was said to be in close touch with the dominant Akan group on the National Liberation Council. For those Ghanaians who participated in the election, Busia represented a new start in national life.

Busia was a well-known academic, having taken his degrees at the University of Oxford, and had written two books on social change in Ghana. According to the *Legon Observer* (September 15, 1978), Busia was a "brilliant administrator during colonial days" and he has been quoted as saying that Ghana was not sufficiently prepared for independence by the British, a statement which must have warmed the hearts of Western observers. Although the Busia regime was characterized by high intellectual caliber, this was shown to be quite a different thing from the political acumen and policy-making qualities which the situation required.

Ghana needed a sound, comprehensive strategy for economic recovery and social reform; instead Busia produced a series of sweeping yet disconnected measures. In December 1969, almost without warning he expelled thousands of aliens—Nigerians, Beninois, and Togolese—a policy which was supposed to encourage indigenous capitalism. As one Ghanaian wrote, "Thousands of Nigerians who were born in Ghana, and whose parents and grandparents were born there, were deported. . . . They were not allowed to take with them more than a bare minimum of cedis. It did not matter to Busia. . . that most of these people had no home in Nigeria. . . and that in the process of deportation many innocent children died" (*West Africa*, October 30, 1978). The civil service was the next to experience this style of government: 568 public officers were dismissed in 1970. When the courts reacted favorably to an appeal for redress from one of these officers, Busia warned the judges that if they wanted to play politics, he was "ready to take them on." Within a year economic problems, aggravated by the fall in cocoa prices, sent the cost of foodstuffs and imported items soaring. Busia's policy of liberalization of import practices resulted in a budget deficit of £60 million sterling which was nearly double that for the previous year. There was also the looming problem of the repayment of debts scheduled for 1972.

The 1971 budget contained a number of drastic measures to control the situation. These included the imposition of bans or prohibitive taxes on a wide range of imports, the removal of certain benefits to civil servants, such as car allowances, and the imposition of a 5 percent "national development" levy on incomes. University students were included in a new scheme to make the cost of higher education a repayable loan. But despite these austerity measures the economic situation continued to deteriorate and in November 1971

the cedi was unexpectedly pegged to the dollar. When this had no effect, there was an official devaluation of the cedi by 44 percent, which meant that Ghana had to pay as much as 93 percent more cedis to acquire one pound sterling. The price of local and imported goods again rose sharply.

The 5 percent development levy hit the pockets of all sectors of the population, including the military. The workers' reaction to their deteriorating standard of living was most consistent. There had been a wave of strikes in 1968 for more pay, and late in 1969 Busia's government had rejected a demand from the Trades Union Congress to raise the daily minimum wage from 75 pesewas to one cedi. The development levy set off more strikes in 1971 and thousands of workers were sacked. As the fears of a general strike grew, the government increased pressure on the TUC and in September 1971 it froze the union's assets, then rushed legislation dissolving the TUC through parliament in one day in an effort to smash the power of organized labor in Ghana.

On the positive side of Busia's ledger it may be said that during his short regime opposition parties were allowed to organize and they remained relatively unhampered in their activities. An Ombudsman Act (1970), the Chieftaincy Act of 1971 (which was aimed at relieving traditional authorities of political interference and establishing national and regional houses of chiefs), and the Lands Commission Act (1971) were all examples of liberalizing legislation. A Rural Development Fund was established in 1970 in an attempt to alleviate some of the most urgent problems in the rural area.

By the end of 1971, however, Busia's government was generally unpopular. The devaluation of the cedi, together with the decision to reduce the annual budget for military spending by £40 million, were probably the two acts which

sealed the fate of the government. On January 13, 1972 the armed forces and the police brought an abrupt end to civilian rule after little more than two years. Busia, a severe diabetic, was out of the country at the time, having flown to London for medical treatment.

Busia's attempt at liberal democracy failed, according to some observers, on several counts. These included corruption, tribalism, and neocolonialism. The expulsion of African "aliens" was only one of many actions which centralized the control of patronage in the hands of a few government officials. Busia caused a controversy in his own Cabinet over his policy of dialogue with South Africa—a policy that ran contrary to popular opinion, both domestic and continental. Perhaps the most telling legacy of this period of ineffectual government was the need to pass blanket legislation prohibiting any attempt to promote the rehabilitation of Nkrumah. One act banned the sale or display of any publication or pictures, T-shirts, or objects related to Kwame Nkrumah, another protected the Prime Minister from "insult."

#### The "January 13 Revolution"

The 1972 coup d'état was led by Lieutenant Colonel (later General) Ignatius Kutu Acheampong and established the National Redemption Council (NRC), composed of military and police personnel. Although two days later Major-General Akwasi Afrifa allegedly attempted to stage a countercoup and was arrested, the new government was generally welcomed by the opposition, the Justice Party, and by the Trades Union Congress. Commissions of inquiry were set up to examine the assets of members of the former government and several arrests were made. The currency was revalued by 42 percent, bringing the cedi to the equivalent of 78 U.S. cents. The development levy was abolished, the TUC was reconstituted, and, much more dramatic, the NRC declared "Yentua" (we shall not pay) by

repudiating £35 million worth of debts (half of them owed to Britain) incurred during Nkrumah's regime. The publicity surrounding this move covered up some rather delicate negotiations with Ghana's main creditors—Britain, France, West Germany, the United States, Japan, Italy, Canada, and Israel—because there remained some £100 million in short-term debts, including profits and dividends, which had not been remitted.

The rhetoric of the new military government was distinctly progressive and Ghanaians were informed by the state-owned media that there was a revolution going on. Enthusiasm for the regime was encouraged by abolishing the student loan scheme, raising the daily minimum wage for workers to ₵1, and the "Yentua" policy. Support from the students was short-lived, however, because the NRC found it expedient to reintroduce the university loan scheme in 1974. Workers' support also faded quickly and by April 1973 Major Kwame Asante, Commissioner for Labor, Social Welfare and Cooperatives, announced that "Trade Union officials and workers engaging in industrial strikes in Ghana will in the future be tried by military tribunal under the subversion decree" (*West Africa*, March 16, 1973).

Other progressive policies of self-reliance were genuinely popular and, given the circumstances, reasonably successful. "Operation Feed Yourself," by which the government hoped to make Ghana self-sufficient in food production, was followed by "Operation Feed Your Industries," which was launched in 1975 and aimed to eliminate Ghana's dependence upon industrial raw material imports, mainly by supplying cotton for the textile industry. The programs improved the economic situation and trade surpluses were recorded in the first two years of their operation. But the general picture of Ghana's industries shows a vicious circle of underutilized capacity, and



an excessive dependence on imports for the inefficient production of final consumer goods which contribute little to the balance of payments. An idea of the degree of dependence of Ghana's industries on imports can be gained from Ghana Commercial Bank figures which indicate that only about 14 percent of the total material inputs are supplied internally. The oil crisis affected the economic recovery adversely and resulted in a 1974 budget that included tax increases on consumer goods and the removal of subsidies on food imports. Once again food prices began to rise.

The death of Kwame Nkrumah in exile in May 1972 and the subsequent diplomatic and political moves to return his body from its temporary grave in Guinea for burial in his home country tended to increase the popularity of the NRC regime. A Charter of Redemption was published by the National Redemption Council and the first of its seven principles stated that Ghanaians were "one people," "one nation," and had "one heritage." The 1969 Constitution was suspended, the Supreme Court was abolished, and the military tribunal was declared the highest court. All forms of political activity were banned. Although there was some speculation that when General Acheampong led the 20,000 mourners for Nkrumah to his burial place at Nkroful (his birthplace in the Western Region) there would be a revival of his policies, the resurgence of Nkrumahism was limited to the circulation of his writings and his reinstatement as a "great nationalist leader."

The NRC followed a pragmatic approach to its external economic relations. Ghana made a grant to the

*The main entrance to the University of Ghana, Legon. It was an apparently unlikely scene for striking workers in a confrontation with riot police. An unfortunate student returning from town got caught up in the turmoil here and was fatally shot by what authorities called "a stray bullet."*

new state of Guinea-Bissau and trade was revived with both the U.S.S.R. and China. The issue of repudiation of Nkrumah's debts was renegotiated and the IMF and the World Bank continued to give soft loans. All these debts in addition to those inherited from the Busia regime imposed an extremely heavy burden on the NRC budget.

By 1973, however, more serious problems began to emerge. Increasing corruption and smuggling in the commercial sector and other malpractices aggravated the shortages of imported consumer goods. The suspension of food subsidies in February 1973 caused prices to rise suddenly, fueling the black-market activities of people whom the NRC called "hoarders, smugglers, profiteers, economic saboteurs and nation-wreckers." Later that year, the Commissioner for Information, Lieutenant Colonel Benni, held a press conference in which he intended to call on his colleagues to go back to the barracks since they were no less corrupt, and no less incompetent, than the civilian government they had overthrown. The press conference was broken up by armed soldiers who seized copies of the prepared statement.

Armed soldiers were much in evidence and their frequent gratuitous acts of violence against "economic saboteurs" or "enemies of the revolution" — workers who arrived late on the job, or bystanders — stirred considerable popular discontent. One confrontation between military personnel and a student resulted in demonstrations in Accra, Kumasi, and Cape Coast, and all three universities were closed for almost three months. As the economic situation deteriorated steadily, strikes broke out in Tema, Takoradi, Kumasi, and Accra, but these were ended by the army. In January 1975 when the workers at the University of Ghana-Legon campus went on strike and closed the university gates, armed riot policemen intervened and a student was killed (*West Africa*, October 23, 1978).

By 1976 corruption in import licensing and in the distribution of basic consumer goods had reached such proportions that the NRC decreed that such items as milk, sugar, washing soap, tinned fish, and toothpaste were to be allocated to designated supermarkets and anyone else caught selling them would be subject to fines and imprisonment. This policy did not



seem to curb black-market activities and speculation. Prices rose and smuggling to and from neighboring countries increased. Distribution of essential commodities had been the responsibility of a Logistics Committee under the NRC, but this was dissolved when several cases of "diversion of goods" were discovered. In one instance a woman was said to have received half the total allocation for an entire region. Articulated lorries belonging to the Ghana National Trading Corporation, a state-owned enterprise with 400 retail outlets, were seen discharging consignments of consumer goods at the homes of well-connected individuals.

The Ghana Association of University Teachers issued a statement in July 1977 objecting to the Specified Commodities Decree which allowed a small minority of individuals to control the nation's entire stock of scarce commodities and to secure them for personal consumption or diversion to clients at a profit. The association accused the instigators of the decree of subsidizing the living standards of those in positions of power and privilege and removing from circulation those commodities to which the working Ghanaians were entitled through their labor.

Why and how was this exploitation possible? Was it related to the inability of past and present governments to check bribery and corruption in society, which is itself undergirded by the elite's (urban and rural) manipulation of the administrative apparatus to distribute unevenly the national wealth that has been generated in the main by the cocoa growers? Since the beginning of the century, cocoa has been the largest earner of foreign exchange for Ghana, contributing over 66 percent of its annual receipts. Yet the cocoa farming group consumes relatively little of the imported commodities. It is one of the most exploited groups in Ghanaian society.

Internal problems led the military regime to inaugurate a new body:

the Supreme Military Council with General Acheampong still Head of State and Chairman of the SMC. Power struggles within the military continued and "corruption charges" were made against some of the losers. A number of cases were tried and death sentences passed, although most were later commuted to life imprisonment—a fairly standard practice in Ghanaian political history.

By 1977 the economic situation became all-important and generated a political crisis which persists to this day. The situation has been summarized best in a formal statement of the Association of University Teachers:

*Ghana after five years of military government has reached an unprecedented national crisis. The national economy has ground to a halt. The shops are lined with rows and rows of empty shelves. There are shortages of the basic and essential imported and local commodities, of medical drugs, items of daily consumption, and local and imported food.*

Queueing for long periods for the barest essentials such as soap, milk, and sugar became a routine in the cities and the situation in the rural areas was even more serious.

The Supreme Military Council attributed the economic difficulties to "global inflation" caused by the 1973 oil price rises and the resulting shortages in foreign exchange. At the same time, however, cocoa was commanding record prices. In 1976 it exceeded £2000 per ton and by 1977 it was fetching £3340, a sharp contrast to the price of £85 per ton just before Nkrumah was overthrown. The question of where this money was going became a matter of public concern, and military expenditures were one obvious answer. It has been alleged that £20 million were paid out in 1976 for business and agricultural loans, car imports, and housing schemes to military personnel in addition to purchases of equipment

such as automobiles, motorcycles, armored cars, and six Macchi jet fighter-trainers.

To finance the growing gap between income and expenditure, the Supreme Military Council was borrowing heavily and forcing the Bank of Ghana to issue increasing quantities of currency. The 1978/79 budget statement revealed that whereas money supply rose annually by 20 percent between 1960 and 1965, by less than 2 percent per year from 1965 to 1969, and by less than 7.5 percent during each of the years of Busia's regime, it had been rising by over 80 percent since 1972. It also revealed that from 1976 onward when production was stagnating around 30 percent of installed capacity, C1 billion had been pumped into a seriously dislocated economy and the value of the cedi had been declining by 10 percent each month.

Inflation had risen by over 100 percent a year and black-market speculation was fueled by the overvalued cedi. Corruption was systematized in all sectors. Smuggling of cocoa and essential commodities to neighboring Togo and the Ivory Coast to obtain CFA francs and strong foreign currencies became common practice. It is estimated that up to 45,000 tons of the 1977 crop of cocoa was smuggled to the Ivory Coast alone and it is now alleged that military personnel were actively involved. Obviously, some military complicity among the border guard was required since the cocoa was transported across the border in large articulated lorries.

The agricultural policy was in ruins. There were serious shortages of all staple foods by 1977, including rice, maize, yam, cassava, gari, plantain, cassava leaf and other vegetables, and much foreign currency had to be spent on food imports. The most serious result of the regime's agricultural policy was the manner in which it complicated the famine situation in the north. The drought in certain areas in 1975 and 1976 had

an aggravating effect on the negative aspects of government-financed development projects. Loans and other imports had gone to those who could engage in large-scale farming, usually absentee landlords often growing nonfood crops, and the resulting land shortage crippled the production of food by the peasant farmers.

By the end of 1976 the United Nations Food and Agricultural Organization was ready to send in food relief if the Supreme Military Council announced there was a famine in the north. The government, however, refused to concede publicly the failure of its basic policy in the agriculture sector which it had followed since 1972. In June 1977 Oxfam released a report which appeared in the British national press stating that in Ghana there was an *increasing number of deaths from nutritional deficiency, food prices rocketing to five or six times above the normal level, gross irregularities among officials responsible for distributing supplies and a refusal by foreign governmental agencies to acknowledge the situation for fear of offending the Government in Accra.*

The report continued by noting that the food was not reaching *those who need it because those who do not need it are taking supplies for their own needs. This is not directly the fault of the national government who are successfully getting food to the north, but reflects the gross irregularities among officials in the north, especially local district chief executives and regional commissioners, but pervading throughout the local structure.*

This has resulted in such cases as that of some "women who have walked ten miles from Wale Wale in the north to collect grain left by combine harvesters to carry back home to their families" (*Guardian*, June 25, 1977).

The Supreme Military Council enlisted the help of such "impartial

observers" as the British Member of Parliament, Mr. Peter Emery, who himself has substantial business interests in Ghana, to make a tour to the north to investigate and report on the situation. He returned to Accra and then on to London to announce that there was "no famine in the north."

The political crisis grew and the increasingly discredited SMC tried to maintain its stability with such eye-catching programs as "Operation Bombshell" and "Operation Haul-out" for cocoa and foodstuffs, "Operation Carry the Fish to Workers" and "Operation Paint the Correct Picture to the People," this last a part of the SMC's educational program. The public was hardly convinced and during the January 13 demonstrations marking the fifth anniversary of the (1972) coup d'état, the university students began calling for the SMC to return to the barracks.

The SMC responded with further repressive measures and dismissed the Chief Justice, the Deputy Governor of the Bank of Ghana, and other senior officials. The dismissals provoked a strike in which students and lawyers, doctors and other members of the Association of Professional Bodies participated. The strife escalated as student and worker demonstrations on May 13-15 were violently suppressed. A general strike was announced for July 1 unless the SMC resigned and handed over power to a caretaker civilian government. Confrontations between the military and civilians increased in number and severity. The SMC attempted to demonstrate its authority by a show of power: Macchi jets swooped low over Makola Market in Accra and armored cars patrolled the streets. The professionals' strike was effectively undermined by such procedures as soldiers threatening to force medical personnel and their families out of their government-owned housing.

While the SMC did not resign, it did concede by announcing that a

referendum would be held on the main issue which concerned the professionals and the student opposition movement. This was the public discussion over union government.

### **Union Government**

In October 1976 General Acheampong began to speak openly of the transition to civilian rule. His ostensible concern, however, was to establish a form of government which would reflect the traditions of Ghanaian society and could be seen to be a truly indigenous system. The Supreme Military Council chose to promote a union or national government, a nonparty administration which would be composed of civilians, police, and military personnel. A 14-member ad hoc committee was established to consider what kind of civilian government would best suit the social conditions of Ghana. After 27 public meetings in the 9 regions of the country it submitted a report which then became the basis for public discussions. The report proposed a union government with a president having executive powers, a vice-president, and a unicameral legislature elected by universal adult suffrage. General Acheampong spared no expense to publicize this plan and sent envoys to countries where there were enclaves of Ghanaian citizens to enlist their support.

The professional groups were the most outspoken in objecting to the idea of union government and accused the SMC of only wishing to preserve their right to rule so as to avoid the repercussions of the obvious legal actions which any civilian government would take against the excesses of the military after coming to power. They called for an early and complete return to multiparty civilian rule. The students joined their protests and led several demonstrations which contributed to the rising violence in Ghana's cities. The universities were closed and when they reopened, students, for the most part, refused to return to their classes.

The military government attempted to appease the opposition by reorganizing the NRC, increasing the number of civilian members. Despite this effort, the students continued to strike and many of the professionals also threatened to withhold their labor. Ghanaian students in Hamburg, Washington, D.C., and elsewhere, held simultaneous anti-union demonstrations to support the opposition. Clearly, many people regarded union government as a ploy by which the military hoped to preserve political power.

The campaign preceding the referendum on union government is estimated by some observers to have cost at least C80 million which, if Ghana did pay for it, could be ill afforded. Rumor alleged that the Soviet Union helped to finance the campaign to convince Ghanaian voters that union government was in their long-term interests, a view given some credence by Radio Moscow's overseas broadcasts produced after the referendum, although its analysis of the situation proved not entirely accurate.

... Thus the referendum and the discussion that preceded it show that public opinion in Ghana on a future government is sharply divided, and the differences between the two platforms concern not so much the form of a future government as its programme. Among those who support the idea of setting up a government of unity are the country's leading and influential organizations such as the Congress of Trade Unions, the African Youth Command, the National Youth Council, the Council of Peace and Solidarity. These organizations unite representatives of the working people, progressive intellectuals and students. The organizations underline that in the opinion of the groups of the population they represent, any future government must promote profound social and economic reforms in the country and work for the building of a society free of exploitation. This is fully in keeping

with the goal the military proclaimed in January 1972 after toppling the reactionary regime of Kofi Busia.

*The Government of Ghana, General Ignatius Acheampong, has underlined in public statements [that he] intends to build a society without exploitation, a society where every citizen will have equal opportunities and the national resources will be used in national interests. This is the kind of society the first president of independent Ghana, Dr. Kwame Nkrumah, wanted to build. The present military leaders have already carried out a whole number of projects planned by the late president. As a result, Ghana's gold, diamonds, manganese, cocoa beans, and bauxite are no longer a source of profit for foreign and local businessmen but serve the entire people.*

*The government of unity scheme was opposed by three political groups, hastily knocked up on the eve of the referendum. The People's Movement for Freedom and Justice, the Front for Prevention of Dictatorship, and the Third Force Movement. The names of persons who signed the manifesto of the groups show that the organizations largely unite representatives of the Ghanaian bourgeoisie, big landowners and intellectuals who were brought up in the former mother country and who still maintain close spiritual and often financial ties with it. Officially they advocate the establishment in Ghana of a multiparty regime after the pattern of so-called Western democracy. In fact, however, they are seeking rule by the bourgeoisie and big landowners, or in other words, those who make fortunes by exploitation of other people. Their idea is the Ghana under Kofi Busia when civil and trade unions were suppressed and when those who fought for the interests of the working people were thrown in jail. Ghana was then a paradise for local businessmen, profiteers and usurers, as well as for foreign companies which robbed the*

*country of its resources and ruthlessly exploited its people.*

*Small wonder that these groups have sympathy and support from certain circles in the capitalist West. It is obvious that Western corporations hope with their help to regain control of Ghana's gold and other resources now belonging to its people. Even after the defeat of the groups in the referendum, some Western news media continue their campaign in support of the opposition. In an attempt to aggravate the situation in Ghana and discredit the programmes of the Supreme Military Council for transition to civilian rule, the West spreads slander about the situation in that country. General Ignatius Acheampong has even been forced to warn the BBC and a number of British papers.*

*The attempts by international reactionaries to create tension in Ghana have compelled the military government to ban public assemblies and demonstrations and disband opposition groups. In an address to the army and the people, the government urged them to protect the gains of the Ghanaian revolution against encroachment by the country's enemies. (Broadcast by Radio Moscow, April 15, 1978.)*

The referendum was held on March 30, 1978. According to the Supreme Military Council, of the 43 percent of the electorate who went to the polls, 1,103,423—54 percent—voted in favor of union government, 880,255 against.

The campaign leading up to the referendum was, however, extremely one-sided, a fact which may be reflected in the low voter turnout. Both television and the newspapers disseminated pro-union government information exclusively. At the polls the referendum offered two alternatives—yes or no. The "yes" symbol was two hands locked in a handshake on a blue background with "'yes'" printed underneath. The "no" symbol consisted of three people facing



for union government. The Electoral Commissioner, Mr. Justice I.K. Abban, who had been elected to insure a fair referendum, disappeared on the day of the vote. It was reported that he had a disagreement with the SMC regarding its decision not to count votes at the polling stations but at the regional counting centers and there were alleged threats against his life. When he reappeared, he was, not surprisingly, relieved of his post, which he had, according to the SMC, deserted in favor of the opposition. Immediately after the referendum leading members of the opposition groups were arrested and detained. Others made their way via Lomé to London and one is said to have sent a cable to General Acheampong telling him that he was now living in Park Lane and riding in a Rolls Royce, as indeed he was.

Whether or not it is palatable in the West, it must be admitted that the Soviet Union was correct when it claimed that the main organized opposition to union government had come from the middle classes, not from the workers or peasants who showed every sign of being weary of party politics and the façade of liberal democracy. At the same time, the U.S.S.R. erred in stating that SMC policies had actually placed Ghana's wealth under the control of its own populace. In reality, Ghana's political history is the perfect illustration of the axiom "plus ça change; plus ça le meme chose": wherever there were contracts to be awarded, licenses to grant, commodities to allocate, customs duties and other taxes to pay — corruption was the order of the day. Each change in government resulted in little more than a change of faces in the network of contacts and peddlers of influence linking up with foreigners to "chop Ghana small."

By June 1978 opposition to the SMC had reached even more serious proportions, and the economic situation was seen as a result of the soldiers' incompetence. During the summer of 1978, one egg



in the market cost one pound sterling and an omelette in the Continental Hotel was priced at £15.00. More student demonstrations followed and the lawyers went on strike once again. Military rule seemed to be on its last legs. Faced with a situation in which the government had no credibility, junior officers of the Military Advisory Council forced General Acheampong's resignation. His expulsion was followed by that of Police Chief Ernest Ako, Army Commander General Kotei, and Border Guard Commander General Utuka from the SMC.

General Acheampong's Chief of Defence Staff, General Fred Akuffo, became the new Head of State and the palace coup was justified by statements that General Acheampong had been running a "one man show." The reconstituted Supreme Military Council

*The ballot for the referendum vote on Union Government.*

pronounced bold policies to stabilize the economy, reduce shortages of consumer goods, and eliminate trade and commercial malpractices. To show that it meant business, the SMC seized the assets and bank accounts of three of the most powerful Lebanese businessmen and deported them.

General Akuffo announced that the SMC would transfer power to a national government in July 1979 after elections to be contested by *individuals*, rather than political parties, which were banned until at least 1983. The only substantial difference between Akuffo's plan and the union plan was the specification that the government formed in mid-1979 to rule for a period of "not less than four years" and that the police and armed forces

said that they had accepted that they should *not* be represented as institutions in that government.

In late November the military government bowed to civilian pressure and announced that the ban on political parties to re-establish themselves is to be lifted as of January 1, 1979. The Political Parties Decree 1978 set out the terms. All old political parties which were in existence before the 1966 and 1972 "take-overs" are proscribed: United Party Convention, People's Party, Progress Party, National Alliance of Liberals, People's Action Party, All People's Republican Party, the People's Popular Party, Republican Party, Ghana Democratic Party, Justice Party, Labour Party, and the United Nationalist Party.

The decree also prohibits the formation of political parties on tribal, religious, regional, or professional bases. The slogans, symbols, and colors used during the referendum on Union Government are also proscribed.

No member of the Ghana armed forces, the police, prisons service, civil service, and no managing director or chief executive, chief accountant, financial controller of any statutory corporation or any other public officer shall offer himself as a candidate for any Parliamentary office unless he first resigns.

Any person who has held office as chairman, member, or commissioner in the National Liberation Council, the National Redemption Council or the Supreme Military Council who offers himself as a candidate must also offer that his assets be inquired into and examined. A commission for this purpose will be immediately established.

No Ghanaian or Ghanaian company is permitted to contribute more than 1,100 cedis (\$2.37 cedis = \$1.00) in cash or kind to any party in any one year and alien individuals and

companies are not permitted to make contribution whatsoever either directly or indirectly.

Finally, no party shall be registered unless at least three of the founding members are resident in each district council area and not more than 27 of these shall belong to any one particular tribe (sic).

#### Toward the 1980s

Ghana's economic future is seriously threatened by the future of cocoa, the source of revenue upon which it has been heavily dependent for so long. According to the International Cocoa Council, all cocoa-producing countries are increasing production except Ghana, where production has been falling and is estimated to fall by a further 16 percent by 1984-85. Given the increases elsewhere, however, experts predict a surplus by the mid-80s, with a corresponding fall in cocoa prices. Not only are the present cocoa trees in Ghana old and require replanting, but Ghana's cocoa farmers also are elderly and few sons follow their father's occupational footsteps. Unless the government takes an active role in encouraging the planting of new hybrid trees and improves transport and credit facilities, this important source of foreign exchange is threatened.

The Supreme Military Council devalued the cedi by nearly 58 percent on August 25, 1978. The standard of living and the purchasing power of the Ghanaian population is now lower than it was at independence and the rate of inflation is still climbing. The 1978-79 budget was presented as an austerity measure, imposing even greater hardships on people on the principle that "things must get worse before they can get better." Things have never been so bad: the local food index (March 1963 = 100) was 1,027.2 in December 1976 and 2,260.5 by the end of 1977.<sup>7</sup> The recent devaluation means that without taking inflation into account, the cost of local food has more than doubled; production is

still stagnant, shortages of consumer goods persist; hoarding and profiteering continue, and prices are rising uncontrollably.

Naturally, it is the workers who are suffering most. The minimum daily wage is C4 and, at present, it costs about C30 to provide a family of four with *one* decent meal a day (*Daily Graphic*, October 21, 1978). Since July, strikes have occurred in the breweries, at the airport in Accra, at the Post Office, in 16 divisions of the Ghana Industrial Holding Corporation, and at the only oil refinery; in all cases the basic reason was the demand for more pay. Strikes, of course, are political acts based on economic grievance—in Ghana as elsewhere, the political situation cannot be separated from the economic. The organized opposition to the military government during the past two years in particular has come from Ghana's middle classes. (The workers' representatives grouped in the Trades Union Congress have kept studiously silent and have done their best to prevent general strikes and to inhibit the politicization of workers.) The middle class, like the critics from outside Ghana, takes up the theme that Ghana's problems are due to "economic mismanagement," and thus implies that they will be resolved by a greater degree of efficiency and honesty. This diagnosis obscures the crucial fact that Ghana's basic economic problem is its legacy of colonialism, underdevelopment and dependency. The indigenous middle class who share and fight over political power is a classic feature of such situations, but its bickerings accomplish little in terms of progress toward genuine political and economic independence.

No government in Accra is completely in control of Ghana's economy. The well-intentioned attempts of the Acheampong government to subsidize the prices of staple commodities were frustrated by the smuggling of these commodities into neighboring countries. World cocoa and oil

prices, world demand for timber, the price of gold, the state of the market for aluminum, and the cost of imported machines are all outside the government's control, regardless of which group among the elite is in power.

The Ghanaian dilemma was aptly expressed by the words of the Teacher in Ayi Kwei Armah's novel,

*The Beautiful Ones Are Not Yet Born*: "We must break out of the circle of impotence in which we are trapped." But changes in the world economic system are unlikely to come about from the periphery. Because of the monopoly of power held by the center, change can only come from within the center. There may be variations in the dependency relations in the international

economic system, but it is unlikely that there will be radical changes in that system without there first being radical changes within the metropolitan societies. Until these changes occur, countries like Ghana will continue to be trapped in the circle of impotence with the ever-growing threat to world peace which their dependency status exacerbates.

(December 1978)

## NOTES

1. For a useful bibliography of writings on Ghana, see Rathbone, R. "Ghana" in Dunn, J. (ed.) *West African States: Failure and Promise: A Study in Comparative Politics*, London 1978.

2. Fitch, B. and Mary Oppenheimer *Ghana: End of An Illusion*, "Monthly Review, July-August 1966. The discussion in this report concerning the Nkrumah period draws heavily upon

Fitch and Oppenheimer's analysis as well as that of Ruth First and Tony Killick. (First, R. *The Barrel of a Gun: Political Power in Africa and the Coup d'Etat*, London, 1970; Killick, T. "The Monetary and Financial System," in Birmingham, W., I. Neustadt and E.N. Omaboe (eds.) *A Study of Contemporary Ghana; Vols. 1 and 2*, London, 1966.

3. Fitch and Oppenheimer 1966, p. 43.

4. Adapted from Killick (1966).

5. Fitch and Oppenheimer 1966, p. 83.

6. The poll was conducted in July-August 1977 by Peter Osei-Kwame of the Department of Geography, University of Iowa, and reported in *West Africa*, March 6, 1978, pp. 428-30.

7. Ghana Commercial Bank Quarterly Economic Review, April/June 1978.