

INSTITUTE OF CURRENT WORLD AFFAIRS

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The Bet

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Dear Peter,

In the beginning was The Bet:

On April 5, 1957, Kwame Nkrumah, a radical African nationalist who had put Ghana in the vanguard of the independence movement, made his first state visit as head of government to neighboring Ivory Coast. He was received by Felix Houphouet-Boigny, the francophone African leader most sympathetic to the French government's desire to retain a colonial empire. The two men, leading countries that were remarkably similar in physical characteristics, held exactly opposite political and economic beliefs. They challenged each other's views and agreed to compare the progress each country had made after ten years to determine who had chosen the correct path.

So goes part of the creation myth of modern Africa. The outcome? One of the richest African colonies, with about \$500 million in foreign currency reserves at independence, Ghana was in debt a decade later. The Ghanaian currency was devalued by 30 percent in July, 1967. Politically, the country was in turmoil. The army had overthrown Nkrumah in 1966, a coup welcomed by the Ghanaian people. Nkrumah observed the consequences of his misguided policies from exile in Guinea. Meanwhile, Houphouet-Boigny benignly watched over an expanding laissez-faire economy that admiring Westerners called "the Ivorian miracle".

Today, nine years after Nkrumah's death, Ghana is still haunted by his memory and plagued by his economic legacy, while foreign journalists and businessmen visiting the Ivory Coast admire the dazzling skyscrapers of its capital and the first few democratic steps of its aged ruler toward finding a successor.

The Bet has been the subject of many magazine and newspaper articles and at least one book (Jon Woronoff, West African Wager, The Scarecrow Press, Metuchen, N.J., 1972), so several writers may have received a shock earlier this year when Houphouet denied having issued the challenge. In an interview with the French-language weekly Jeune Afrique in February, the Ivorian president said he would never have insulted a guest that way. His recollection is supported by the only press report quoted by Woronoff from the time of the visit, which appeared in the French trade

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weekly Marchés Tropicaux du Monde. Speaking at a reception for the Ghanaian leader, Houphouet expressed his admiration for Nkrumah's "experiment". The Africans of the French territories had chosen a different experiment, he said—"the interdependence of peoples...a Franco-African Community based on equality and fraternity"—but he invited no comparisons.

Perhaps in private, exchanges between the two leaders were more challenging, but the first report Woronoff cites that refers to a competition with a ten-year time limit is an article in the French newspaper Le Monde appearing 11 days after the visit. At issue in these first reports was independence. Houphouet was engaged in an argument with other francophone African leaders over what status they should seek in their relationship with France. He was satisfied with the French offer of a federal system dominated by Paris. Leopold Senghor of Senegal wanted more autonomy for the African territories. Of the prominent francophone African leaders, only Guinea's Sekou Touré demanded independence. He was an admirer of Nkrumah, and the two men were linked in the Western press as firebrand nationalists and socialists. By promoting the differences between Houphouet and Nkrumah, the French press was issuing an implied challenge to Sekou Touré and people like him in the French African community who wanted to follow Ghana to freedom.

In 1958, Guinea behind Sekou Touré insisted on its independence. Paris reacted harshly, withdrawing all support for its former colony. White businessmen and farmers accompanied French government workers out of the country, crippling Guinea's economy. Much of the private capital removed from Guinea was invested in the Ivory Coast—the immaculate conception of the Ivorian miracle. Despite the punishment meted out on Guinea, Senghor and other African leaders continued to press for more power. Houphouet defended the French position, but the tide of freedom couldn't be resisted. Even the imperial Charles de Gaulle, president of France, was no mad Canute. He decreed that independent states could remain in the French community. Most of the African colonies, the Ivory Coast among them, tumbled into independence in 1960.

By the original terms of The Bet, Nkrumah had won, but Houphouet would not admit defeat. He changed the competition from independence vs. federalism to socialism vs. capitalism. Talking again to Marchés Tropicaux in 1959, he gave a different rendition of Nkrumah's visit than the one he described to Jeune Afrique 22 years later. As quoted by Woronoff, he said, "In 1957 I made a wager with Nkrumah, but the bases were not then clearly defined. Today they are clearer...If Ghana can assure its population an appreciable improvement in its lot, I will have lost the wager. If we do so in the Ivory Coast, we will have won."

The basis of this challenge is misleading, for the economic strategies of Ghana and the Ivory Coast cannot be neatly defined as socialist and capitalist. Because leaders of liberation struggles refer to successful revolutionaries of this century like Lenin, Mao and Castro, the Western press usually describes freedom fighters as leftists, Marxists or communists. Often, the economic policies these leaders follow once they get to rule cannot be so easily labeled. In Development Economics in Action (St. Martin's Press, New York, 1978), economist Tony Killick

says Nkrumah adhered to the economic policies of his British predecessors until about 1961. At that point, needing to explain why paradise had not been achieved in a decade as he had promised, he increased his attacks on Western capitalists, imperialists and neo-colonialists. He returned from a visit to the Soviet Union full of admiration for the Communists' feat of bringing that nation from serfdom to superpower in less than 50 years. He thought the same program of government control of the economy, state ownership, rapid industrialization and cooperative farming would work wonders for Ghana. Yet, according to Killick, Nkrumah's theories put him in the mainstream of development economics. Western economists from Gunnar Myrdal to W.W. Rostow advocated planned economies and government intervention to break the poverty cycle that trapped underdeveloped countries. On the other hand, Nkrumah's emphasis on industrialization and mechanized agriculture went against the advice of socialist experts on the Third World like French agronomist René Dumont.

The Ivory Coast's economy is harder to typify. Houphouet and his admirers call it economic liberalism, but its resemblance to the Ghanaian economy is striking in some aspects. The government plays just as large a role in the economy, investing in the tourist industry, food-processing, retailing and other areas that are left to the private sector in capitalist economies. An American economist I spoke with, who has worked and lived in Ghana and the Ivory Coast but wishes not to have his name or organization mentioned, said: "Both countries have mixed economies. Any developing-country government has to take a strong role. Some areas are not suitable for private investment."

One of the differences between the two economies is the number of controls. In Ghana, the colonial administration controlled prices, rents and interest rates, but Killick says Nkrumah appeared to be "turning Ghana into a 'command economy' in which the state was gradually taking over all major economic initiatives." The Ivory Coast has some controls; for example, certain basic food items have fixed prices. In general, the market determines the cost of its goods, but the American economist said the economy cannot be called a free-enterprise system.

Another difference has been the amount of foreign investment in the two countries. Houphouet invited foreign investment. Nkrumah scared it away with his talk of socialism, but Ghana had a liberal investment code. Killick says that foreign investors never showed much interest in Ghana. "It seems that for Ghana, neo-colonialism is a paper tiger, and that the large role of foreign capital in the Ivory Coast results from an historical experience which Ghana could not reproduce even in the unlikely event that she should wish to." As stated earlier, the Ivory Coast benefited from Guinea's too rapid rush to independence. Nkrumah made a virtue of necessity; Houphouet, of opportunity.

The main reason for the Ivory Coast's economic success has been its emphasis on export-oriented agriculture. Nkrumah neglected the agricultural sector, took advantage of the cocoa farmers and seemed to despise the peasants. Although he talked of African socialism and the African personality, he showed no appreciation of African culture. Born of poor parents, he was in love with new ideas and always in a hurry to put them into effect. Houphouet, by contrast, comes from the ruling class. The policies the two men followed were outgrowths of their back-

grounds and their temperaments—Nkrumah, impatient and progressive; Houphouet, pragmatic and conservative.

In his 1959 revision, Houphouet did not put the contest on purely economic criteria. An appreciable improvement in the lot of the people would be the grounds on which to judge the winner, he said. Casual observers would give the palm to Houphouet. The economist I spoke with disputes that conclusion. He cites health statistics that show Ghana probably takes better care of its citizens, although they also reveal that the Ivory Coast generally has made greater progress since 1960 in expanding its health services. Moreover, conditions in Ghana have worsened considerably in the past few years. How much Nkrumah can be blamed for this is questionable, but Killick shows that Ghana's economic policies changed little after the coup, and today the government claims to be following his policies. The results seem much the same. Educated Ghanaians have fled to better paying jobs in other countries. The economist's wife is among them. She is a Ghanaian doctor now practicing in Abidjan. According to the husband, she finds more cases of malnutrition here than she did in Accra, Ghana's capital, but neither she nor her husband can be considered unbiased observers.

The economist is angered by the disparity of living conditions here, and the government's hypocrisy in claiming, for example, that malnutrition doesn't exist in this country. Accepting that the poor in Abidjan are as bad off as the poor in Accra, and even allowing that the numbers may be equivalent, one cannot deny that the Ivory Coast's wealth has improved the standard of living of civil servants and those Ivorians lucky enough to get a middle-level job in the French-owned private companies. The economist deplors the materialistic attitudes of Ivorians, but he is also unhappy that Ghanaian governments have responded to their economic difficulties by limiting wage increases for professionals. Ghanaian society is undoubtedly more egalitarian—everybody suffers.

So hats off to Houphouet? The problem is, one can't put a time limit on bets of this nature. Creation myths don't remain static, they are changed by succeeding generations to serve current needs. Houphouet and Nkrumah are founding fathers, bigger than their deeds. Despite Ghana's continuing problems, Nkrumah's name has returned to favor there, and he will always be considered one of Africa's greatest nationalists. Even Houphouet, in the Jeune Afrique interview, said Nkrumah was the African leader he admired most. In the same interview, Houphouet expressed his admiration for George Washington, and despite the Ivorian tardiness in retiring to his plantation, he will surely be reverentially remembered as the father of his country. Meanwhile, the fortunes of each country will rise and fall under the influence of conditions that no one man or government can control or take credit for. Call it a draw.

Regards,



Bowden Quinn