

The Triple Challenge before Ghana

Part 1

AUSTERITY,
PARTICIPATION
AND DIALOGUE

These are the vital needs that Ghana's leaders must satisfy now

REGINALD
HERBOLD
GREEN

The main body of this article was written before the February 23-24 military-police coup. However, it remains relevant in two senses. First the patterns of unsolved challenges and forces outlined are not unconnected with the fall of Dr. Nkrumah's government. Second, the basic problems of austerity, participation, and dialogue are no less critical for the National Liberation Council regime.

IT IS CONVENIENT TO THINK that the fall of a government indicates its total ineptness and lack of achievement on the one hand and on the other that its successor starts free from the basic problems which beset the fallen regime. Neither is generally valid, certainly neither applies to Ghana. Indeed there is reason to believe the trio of challenges posed will be harder for the new regime to solve lacking, as it does, any positive mass base. It is almost certainly both false and misleading to either the causation of the coup or the preceding discontent of many low-income Ghanaians. Equality of sacrifice, an end to nepotism, broader participation in government, a clearer and more coherent presentation of state policy combined with a more cogent case for it — these have been the broad demands of the past three years. They conflict sharply with the upper-middle-class demand for lesser sacrifices for themselves (a position typical of many army and police officers complaints since 1962), the business motivation of much of the United Opposition whether old UP or cashiered CPP, and the desire of a significant number of civil servants and other public officials to mix public job security and private enterprise.

The coup itself was a surprise. This was not because there was no evidence of dissatisfaction or because army-police loyalty was assured. As in most successful military coups, there was little reason to suspect an organised group of officers capable of taking effective action had been formed. Equally, with the exceptions of Togo and possibly the Central African Republic, African army coups had previously been directed against governments which had lost the capacity to operate civil authority in much or all of the country (Dahomey, Upper Volta, Nigeria, Sudan) or against attempts to whittle down the army's political influence (Algeria, Congo-L). The Ghana model of a coup against a government clearly able to carry out its civil functions and not faced by mass demonstrations must be extremely disquieting to most African states. In virtually all the army-police are capable of seizing power while the degree of passionate devotion needed for unarmed citizens to block or reverse such action is rare anywhere in the world. It probably exists in

Tanzania, Tunisia, Mali, possibly Guinea and Zambia but where else in Africa?

It is by no means self-evident that either the United Opposition — whose previous abortive coup attempts were marked by almost unbelievable ineptness in contrast to the smoothness of the February 23-24 venture — or foreign states were integrally involved in the coup despite the UP's claims on both counts. The Ghana military establishment was quite capable of planning and executing the takeover on its own. However, as President Julius Nyerere has underlined, reactions of joy were most marked among governments and groups hardly to be numbered among the friends of independent Africa. Among African states and individuals genuinely committed to national development and Pan-African cooperation there was grief. The latter is at least partly because the aims, aspirations, and strategies of the Ghanaian government were far more widely known abroad than its increasing deviations from its own standards in practice. Ghana as an external symbol has been perceived by both friends and enemies alike in terms rather different from reality.

Unless the new government rapidly makes clear that broadening of opportunity, lessening of inequality, rapid economic development, and the pursuit of an independent foreign policy and of greater African co-operation are its major aims and that it is seriously committed to pursuing them in practice the inevitable results will be grave suspicion in many African quarters (including some quite critical of the Nkrumah government) and rapidly rising discontent at home. The CPP government did *not* fall because of mass disagreement with its basic aims. Board discontent at the way in which they were pursued exists and may provide a potential base for support of the new regime. But it is by no means clear that it will demonstrate greater efficiency, intelligence, and honesty in implementation nor that it can provide at least a modicum of relief from 1965 levels of austerity. There is a danger of the new government crystallising into a military elitist regime like the Abboud government in the Sudan or turning into an elitist political establishment (based on the exiles) similar to that of the fallen Nigerian regime.

The analysis which follows was written before the coup in Ghana. It will be concluded in the May issue.

IT IS EXTREMELY DIFFICULT to write intelligibly — let alone intelligently — about a state so vitriolically (and often unfairly) criticised and so uncritically (and often erroneously) praised as Ghana. One tends either to avoid any criticism in rebutting biased or inane attacks or to gloss over achievements in irritation at vainglorious, Panglossian rhetoric.

Ghana's record from 1952 through 1965 is an impressive one. National product (in real terms) has risen steadily — despite drastic falls in export prices — while the base for a diversified modern economy with a strong industrial sector has been laid. Investment has been kept high — even at the expense of sacrifices in current private and public consumption. Overall, it has been largely rational if not always correlated closely enough to immediate needs or the appropriateness of less than the highest, most expensive

standards. Foreign exchange stringency is the result of pushing ahead with a sound — if probably overambitious — development strategy not, as in Nigeria, from frittering away time and resources while failing to implement plan projects.

Education has been expanded massively. Universal primary education is virtually achieved in perhaps two-thirds of Ghana and a realistic 1970 goal elsewhere, over 1,000,000 students (nearly one-sixth of the population) are enrolled. Health services have been massively expanded and a national insurance and retirement scheme based on an actuarially plausible contribution system, has been inaugurated.

The civil service is possibly the most efficient, able, and honest outside the two dozen high income industrialised economies. Its weaknesses stem from overly rapid expansion of duties. To date, however, this stretching of staff has led to expanding capabilities rather than a breakdown of services.

Inequality of incomes — while still appallingly high by North Atlantic or Eastern European standards — has been reduced and is among the lowest albeit not the lowest, in Africa. The tax system has been radically revised to render it progressive rather than regressive as it was at least until 1961 and possibly until 1963.

Ghana's foreign policy, whatever its polemic excesses, has been one of those demonstrating that a small, economically and militarily weak state can pursue an independent, self-chosen, set of positions and has played a major role in drawing attention to African needs and aspirations. In Africa her dedicated, if too often rigid or heavy-handed, advocacy of Pan-Africanism has contributed substantially to creating a climate of opinion in which at least substantial technical and economic functional co-operation is a live possibility. However, leadership in this field has now passed to other states including Tanzania, Tunisia and possibly Mali and the Cameroun Republic.

Even the vehemence and volume of criticism of Ghana bear evidence to the fact that she has achieved the status of being taken seriously — even if not at her own evaluation. This is an achievement that the majority of African (or for that matter world) states cannot claim.

The past record, however, should not be allowed to obscure a series of basic and increasingly serious challenges which confront Ghana today. That of economic strategy for development to which Ghana has evolved a basically sound strategy, if not consistently effective policy combinations, will be treated in a separate article. The most pressing trio are *Austerity* or seen equality of sacrifice, *Participation* or effective involvement of the population in the political-governmental process, and *Dialogue* or the attainment of an intelligent, broadly based discussion, formulation, and dissemination of truly national goals, policies, and socio-political outlook or ideology. None is being adequately faced, much less met, today and on improvement in these respects is dependent the continuation of an effective national (not simply economic) development effort and therefore of Ghana's past record of achievement and conceivably the continued viability of the present government.

The failure to meet these three challenges effectively does not represent a weakness in government-Party goals so much as inconsistency in formulating them in terms of operational policy and even more in ensuring their consistent and impartial implementation. The most cogent case against the present leadership of Ghana is not that of its enemies but of those who agree with its principles

and aims, at least in the main, but challenge the growing deviations from them which have occurred in practice.

Except for the very lucky country, the political economy of development has always been and still remains one of austerity, at least for the vast majority of the population. Ghana is no exception — only the brief 1950-4 cocoa boom and the spending based on reserves accumulated then created the illusion that it was. However, with per capita national product of over £90, wage employment rising at least as rapidly as the population, and urban unemployment about 10% of the potential labour force (cf. 25% in the Cameroun and 40% in Nigeria, Senegal, and Leopoldville) Ghana is absolutely far better off than any other independent African state — with the possible exception of the Ivory Coast — and than most of the *Tiers Monde*.

However, the political viability of austerity is not really based on absolutes but on actual *versus* expected improvements nor is it enough to look at aggregates without examining the distribution of gains and sacrifices. From 1955 through 1960 real incomes of all major groups rose rapidly (3.5%-plus yearly overall). Since 1960 any increase in average real consumption per capita has been prevented by stagnant export earnings (despite a 50% volume increase), continued expansion of public services (education and health facilities more than doubled), and maintenance of massive investment aimed at changing the structure of production but involving 2.5 to 8 year payoff lags. (The buildup of investment not yet fully productive to perhaps £400 million or 20% of total capital stock has been especially critical in this regard.)

The problem is rendered more acute because some groups are seen to be gaining at the expense of others, in a situation of rising prices, import control reductions in the range of goods available and a freeze in the wage-salary structure. Furthermore faulty control management has created periodic shortages of imported consumer necessities.

The main losers have been the upper middle class — the civil service, intellectual, army and police officer elite — whose average salary increments (about 5%) have not kept pace with the cost of living and who have, necessarily, been hardest hit by the reduction in non-essential consumer imports and the creation of a progressive tax structure. From 1963 to 1966 their effective per capita after tax purchasing power probably fell by 20-25%. The dangers in terms of civil service and teacher morale and army-police loyalty are as clear as is the difficulty of satisfying the demands of this relatively well-off elite except at the expense of the poor or of future growth. The income range of this elite is £1,000-3,000, compared with £235 average for semi-skilled workers.

The cocoa farmers saw a steady erosion of their real incomes from 1960 through mid-1964. The 1964-5 40% increase in output sent their incomes back to record levels. It also broke the world market and touched off wild price inflation by placing an additional £20 million in the hands of a moderately well off group (the bulk of the cocoa is produced by farmers with cash incomes in the £400-600 range). The autumn 1965 cocoa price cut (on joint Cocoa Board, civil service, IMF advice) combined with a lower crop will lead to a 40% fall in cocoa-farmer cash incomes, a draconic slash. The probable rural reactions to this draconic slash to which do not appear to have received adequate consideration.

The wage labour force has expanded steadily since 1960 (by no means true of all African states) and new entrants to it are clearly better off than they were previously. Workers employed throughout probably had increases in cash earnings parallel to cost of living until the early 1965 inflationary spiral. Drought caused crop failures in 1963 and 1964. There was a false cocoa "boom", and the inept handling of import licensing led to spring 1965 rationing of key consumer goods and the breakdown of previously moderately effective price controls. All these factors have cut their real incomes in recent months. Indeed, until hasty imports of sugar, tea, coffee, corned beef, sardines, rice and condensed milk alleviated the acute 1965 shortages, the urban labour force was on the verge of mass protest riots. The shortage of consumer imports, as far as this group is concerned, is not one of absolutely reduced quantities. The main problems are rapidly rising monetary demand, erratic controls, and favouritism-cum-profiteering in distribution.

[To be concluded