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**IN SEARCH OF AN ALTERNATIVE MODEL OF DEVELOPMENT IN AFRICA:
THE ROLE OF THE STATE, DONOR AGENCIES, INTERNATIONAL
NON-GOVERNMENTAL ORGANIZATIONS AND COMMUNITY-BASED
ORGANIZATIONS IN GHANA'S DEVELOPMENT**

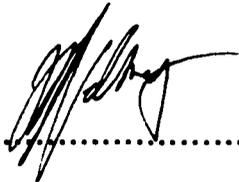
**A thesis submitted in partial fulfillment of the requirements for the
Degree of Master of Arts in International Development Studies
at
Saint Mary's University, Halifax, Nova Scotia, Canada.**

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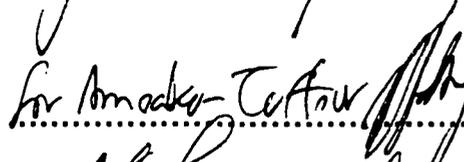
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DEDICATION

This study is dedicated to my parents, Prof. Dominic K. Fobih and Madam Agnes Fynn and my guardians, Mr. & Mrs. Robert/Sarah Kutin for their contribution to my life and education. I would not have achieved my goals without your support and encouragement. God bless you all.

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Finally, I wish to emphasize that my supervisor, Henry Veltmeyer and advisors; James Morrison, Francis Boabang and Joe Amoako-Tuffour are not responsible for any flaws in this work. I take full responsibility for any such flaws.

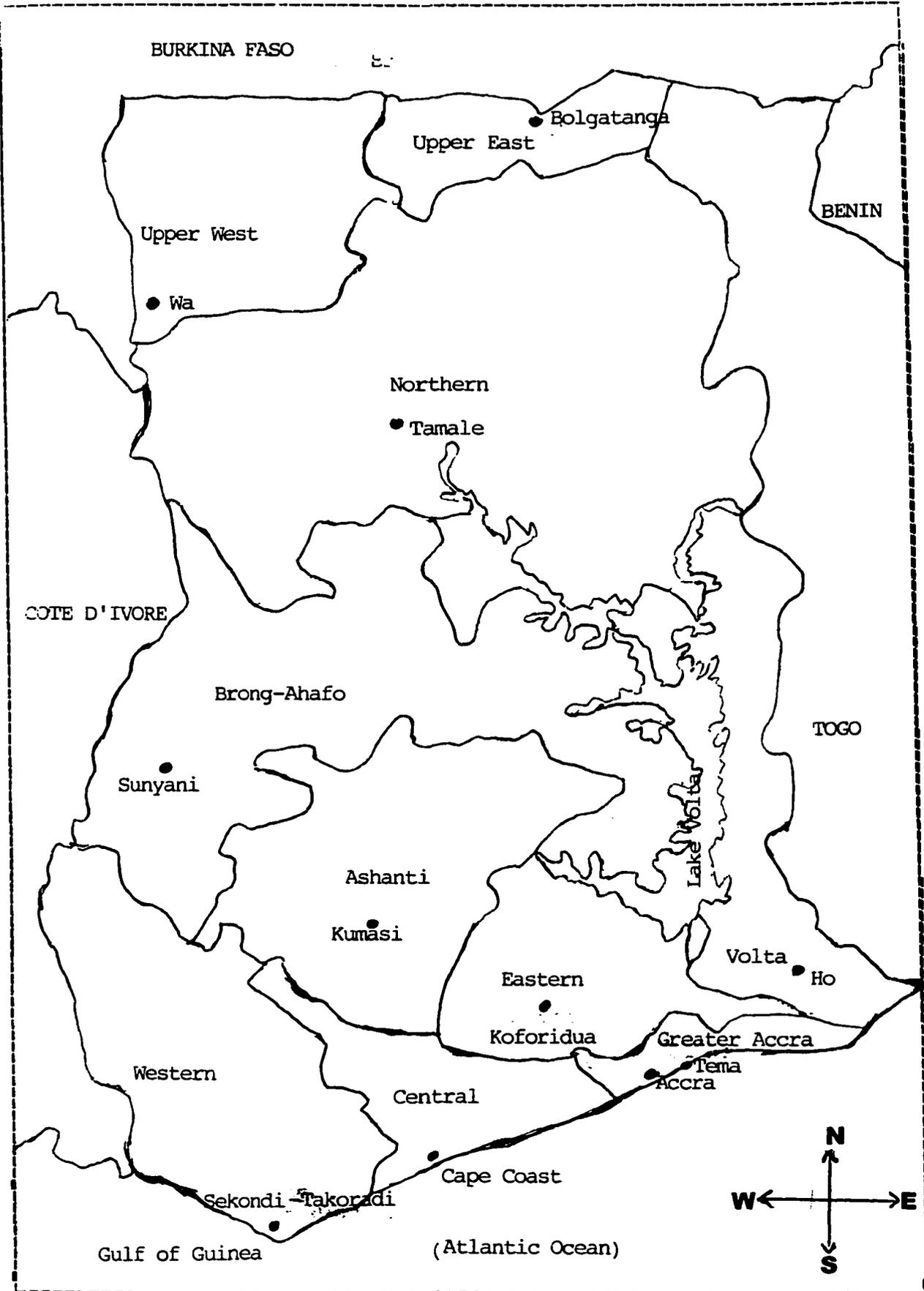
ABBREVIATIONS

ACDR	Army Cadets for the Defence of the Revolution
ADB	African Development Bank
AD	Alternative/Another Development Approach
AFRC	Armed Forces Revolutionary Council
CBOs	Community-Based Organizations
CIDA	Canadian International Development Agency
CCA	Canadian Cooperatives Association
CPP	Convention People's Party
CUA	Cooperatives Union Association
DCEs	District Chief Executives
DOD	Disbursement Outstanding Debt
ECA	Economic Commission for Africa
ECOSOC	Economic and Social Council
ECOWAS	Economic Community of West African States
ESAF	Enhanced Structural Adjustment Facility
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
HIPC	Highly Indebted Poor Country Initiative
IFI	International Financial institutions
IMF	International Monetary Fund
INGOs	International Non-governmental Organizations
ISI	Import Substitution Industrialization
LNGOs	Local Non-Governmental Organizations
LPA	Lagos Plan of Action
NCD	National Commission on Democracy
NDC	New Democratic Party
NLC	National Liberation Council
NPP	New Patriotic Party
NORRIP	Northern Regional Rural Integrated Project

ABBREVIATIONS

NRC	National Liberation Council
ODA	Overseas Development Assistance
OECD	Organization of Economic Cooperation and Development
OFY	Operation Feed Yourself
PAMSCAD	Programme of Action to Mitigate the Social Cost of Adjustment
PDC	People's Defence Committees
PNDC	Provisional National Defence Council
PNP	Peoples National Party
PP	Progress Party
SAP	Structural Adjustment Programme
SLA	Sustainable Livelihoods Approach
SMC	Supreme Military Council
SSA	Sub-Saharan Africa
TNCs	Transnational Corporations
TVDCs	Town and Village Development Committees
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Education Fund
UNIGOV	Union Government
UNRISD	United Nations Research Institute for Social Development
WB	World Bank
WDC	Workers Defence Committees
WTO	World Trade Organization

GHANA ADMINISTRATIVE MAP



Regions and Capital Cities in Ghana
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ABSTRACT

IN SEARCH OF AN ALTERNATIVE MODEL OF DEVELOPMENT IN AFRICA: THE ROLE OF THE STATE, DONOR AGENCIES, INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS AND COMMUNITY-BASED ORGANIZATIONS IN GHANA'S DEVELOPMENT.

The thesis is a contribution to the on-going debate on the question of the appropriate agency of development in Africa in terms of encouraging participation, empowerment and social transformation. Contemporary development literature has addressed the issues of the impacts of development on the people who are often seen as the target beneficiaries. An overview of Africa's development experience in the past decades shows various approaches initiated by the main agents of development.

The first two decades following independence was predominated by the post-colonial state's 'initiative from above' approach to development which excluded the people from the planning, implementation and monitoring of development projects and decision-making. The crisis of the late 1970s and early 1980s led to a shift in the power to initiate development and in policy-making from the state to the donor agencies whose approach to development was through the Structural Adjustment Programme (SAP) in the 1980s and 1990s. However, the failure of the SAP to alleviate poverty and its adverse effects on poor groups in Ghana and Africa in general led to the resurgence of the INGOs to occupy the vacuum created to initiate development in both rural and urban communities in the 1980s and 1990s. Notwithstanding the role of the INGOs and its minimal impact on the poor, the late 1980s and 1990s have witnessed an upsurge of CBOs activities in Ghana to transform their lives and livelihoods. This is seen in the increasing departure from the previous approaches and the focusing of attention on CBOs due to the apparent failure of the state, donors and INGOs framework for development in Ghana during the past four decades.

The study therefore seeks to investigate and present some of the key characteristics of the initiatives of the state, donor agencies, INGOs and CBOs and analyze the impacts and outcomes of their respective development approaches. It concludes with the argument that the most appropriate agency of development in Africa is the CBOs. Hence, they should be given more financial and logistic support to undertake their own development. Finally, the study makes necessary recommendations that would help improve the theory and practice of development in Africa.

Nick Fobih
June 2001.

GHANA: COUNTRY PROFILE

Ghana, (formerly known as the Gold Coast) was the first country in sub-Saharan Africa to attain independence from colonial rule on 6 March 1957. Since independence, Ghana has experimented with virtually every conceivable type of democratic and non-democratic regime during its 44 years of existence. Shellington (1992:4) has argued that Ghana was indeed 'The black star of Africa'ⁱ as its independence inspired other African countries to emulate its pace. Dr. Kwame Nkrumah who had served as the Prime Minister in the former Gold Coast under the British since 1952, became the President under the Convention People's Party regime when Ghana became a Republic on 1 July 1960. Under the terms of the constitution, Ghana has a multi-party political system. Executive power is rested in the President, who is the Head of state and Commander-in-Chief of the Ghana Armed Forces.

Furthermore, both the President and the Vice President are elected for a maximum of two-four year terms in office. Legislative power is rested in a 200-member unicameral parliament, which is elected by direct universal suffrage for a four-year term. The president appoints a vice-president and nominates all the Ministers, subject to approval by the parliament. The constitution also provides for a 25-member Council of State, principally comprising of regional representatives presidential nominees, and a 20-member National Security Council, chaired by the Vice President, which act as advisory bodies to the President. Although the Constitution provides for an independent judiciary body, however, authoritarianism and power centralization have often led to the President or Head of State interfering in the judiciary. Ghana has ten regions, each headed by a Regional Minister, who is assisted by a regional co-ordinating council. Each region has a regional House of Chiefs. The regions constitute one hundred and ten administrative districts, each with a District Assembly, which is

headed by a District Chief Executive. Regional colleges which comprise of representatives selected by the District Assemblies and by regional Houses of Chiefs, elect a number of representatives to the council of state.

The Ghanaian society, like that of most African countries, consists of various cultural groups, each with its own history, institutions, symbols and norms of behavior. The most important linguistic constellation, namely the Akan-speaking people (subdivided into the Asante, Fante, Akwapim, Brong, Nzima and other smaller groupings) inhabit the forest and major coastal areas of the country and make up 44.1 percent of the population. The Mole-Dagbani concentrated in the North constitute 15.9 percent; the Ewe in the East, 13.0 percent; the Ga-Adamgbe who originated in the Accra region, 8.3 percent; and other smaller groupings spread throughout the country an additional 18.2 percent. Kinship, geography, custom, history and administration characterize ethnic divisions in Ghana. Households, local communities, lineage and chieftaincies, which are central frameworks in the daily lives of Ghanaians. About 73.4 percent of the people live in the rural areas (Diamond, Linz and Lipset, 1988:pg94) and the predominant occupation of the people is the agricultural industry. However, in recent times, there has been a growing activity in the service and trading sectors. The history of community development in Ghana dates back to the pre-colonial era when it was initiated by the traditional authorities and the people to meet their development needs. Later in the post-colonial period, the role of the state overshadowed the local initiatives. However, from the 1980s, development in Ghana was designed by the donor agencies. Hence, the failure of the donor agencies' policy prescriptions resulted in an upsurge of development activities by the INGOs and the CBOs from the 1980s to date.

ENDNOTE

i Kevin Shellington, "From Nkrumah to the Evolving Democratic Process", Ghana and the Rawlings Factor. 1992.

CHAPTER 1

BACKGROUND TO THE STUDY

1.1. INTRODUCTION

The past few decades have witnessed a rapid growth of development approaches in Ghana initiated by both internal and external agents. In the 1960s and 1970s, development was practiced through the agency of the state, which promoted the centralized planning system. However, the economic crisis of the late 1970s led to shift in the agency of development from the state to the International Monetary Fund (IMF) and the World Bank (WB). The donors' intervention in the domestic affairs of the state and their emphasis on the market system of development through the structural adjustment programme (SAP) led to a remarkable change in the development dynamics and a considerable decline in the state's control of over development policies. The reduction in the power of the state led to the rise in the activities of International Non-governmental organizations (INGOs) in Ghana in recent decades. As a result of the adverse effects of SAP on the people and their environment, the INGOs became the main channel for alternative development in Ghana to promote popular participation in projects and decision-making processes. It is important to note that attempts to measure the extent of popular participation in INGO development initiatives in Ghana have been an issue of controversy since the impacts of INGOs projects is highly debatable. Hence, the general disillusionment with the state, the market and the INGOs development approach increased the scope and activities of the

community-based organizations¹ (CBOs) in Ghana in the 1980s and 1990s. This brought with it opportunities and constraints to the CBOs development initiatives.

In this context, the primary objective in this study is to examine and make an argument to the on-going development debates. This focuses on the issue of whether the appropriate agent of development in Ghana is the state, donor agencies, INGOs or CBOs in terms of encouraging participation, empowerment and creating the enabling conditions for social transformation. Within the framework of these debates a number of old and new ideas mark a departure from the decades of development that marginalized the majority of the local people from the development agenda and have renewed interest in INGOs and CBOs' involvement in the development process in Ghana. The research behind this study and the thesis that will be argued relates to the forces that have shaped, and continue to shape the development process in Ghana.

1.2. DEVELOPMENT DEBATES

Development is a complex notion that has been interpreted and applied in different ways to capture the minds of the people in developing countries. The issues of development and underdevelopment have been the subjects of much concern for decades. Theorists, policy-makers and practitioners have given various interpretations to the idea of development from different perspectives. For close to fifty years western theorists and development practitioners have labeled the less developed countries in the global context as underdeveloped because they lacked modern, western knowledge and technology – that they

were oriented towards traditional values that inhibit development.² This misconception about development has been refuted by a number of theorists for its one-dimensional view. In this context, many theorists have criticized this westernized neoliberal euro-centric idea of development and their approach to it. Vincent Tucker, for one, has noted that development is the process whereby other peoples are dominated and their destinies are shaped according to an essentially Western way of conceiving and perceiving the world.³ In similarities, Chambers (1993) has argued that outsiders have believed their professional knowledge to be superior and so have behaved in ways that have almost universally inhibited the expression of local people's capabilities.⁴

According to Sithembiso Nyoni, development is a process of articulation and participation, which implies that the starting point and the end product of development are people themselves, knowing what they want and acting to get it.⁵ Griesgraber and Gunter have also argued that the goal of development is to create conditions that will enable each human being to realize her/his potential for political, social, and economic fulfillment in a manner consistent with the common good.⁶ Thus, development must involve all aspects of human life, including the need for participation; it must in short, empower people and transform the social and economic structures that inhibit the full realization of their human potential and capabilities.⁷ Teddy Brett has defined development as a change process characterized by increased productivity, equalization in the distribution of the social product, and the emergence of indigenous institutions whose relations with the outside world are characterized by equality rather than

by dependence or subordination.... but one primarily of people and social, economic and political relationships.⁸ Veltmeyer and Petras, in the same context have argued that the process of development is multi-dimensional with its critical dimensions being:

- economic, with reference to the process of increasing productive capacity and the output of goods and services, a process that traditionally has depended on industrialization;
- social, with reference to the process of improving the quality of life of the population and more equitable or just distribution of society's productive resources and the benefits of the process;
- political, with reference to the process of releasing and freeing individuals (oppressed peoples) from structures and conditions that inhibit or limit their capacity to develop their human potential;
- cultural and ethnic, with reference to the process of assuring the respect for autonomy, human rights, cultural identity, and indigenous forms of organization particularly of the indigenous peoples that for centuries have been marginalized and oppressed- lost in the interstices of the dominant society and culture; and
- ecological, with reference to the need to protect the environment and not to exceed the limits of the ecological systems on which human life and the development process depends.⁹

It implies that development has many dimensions and each dimension must fulfill the people's needs on the basis of people-led, self-reliant actions taken to bring about improvement in the quality of peoples lives and corresponding structural change. Hettne in this context has argued that there can be no fixed definition of development.¹⁰ Development can take different forms depending on how the people themselves perceive it. Therefore, the idea and process of development can vary from place to place and culture to culture. What may be regarded as development in one country or geographical area may impede progress in another due to the differences in cultural background, political orientation and socio-economic experience. Ivan Illich has argued that

underdevelopment is a state of mind, and understanding it as such is the critical problem.¹¹ Thus, the current challenge facing development theorists and practitioners is to search for “human centred” development strategies which emphasize on active participation of the people at the grassroots level.¹² This is reminiscent of the fact that there has been a change from the welfare-oriented and one-sided approach to development with the state and market as the key agents and the people as passive beneficiaries, to alternative development approaches aimed at empowering the people to achieve self-reliance through bottom-up initiatives.

1.3. CONCEPTUAL FRAMEWORK

The conceptual framework of the study will focus on concepts that have been identified by the proponents of the Alternative/Another Development (AD) paradigm. The analysis of the issue of the appropriate agent(s) of development in Ghana must take into account the forces that influence development in Ghana. The study will therefore discuss the state, the donor agencies and INGOs initiatives from ‘above and outside’ approaches to development as practiced in Ghana and the CBOs initiative from ‘below and within’ approaches to determine which have more effective outcomes in terms of participation, empowerment and social transformation. These concepts have been widely both in the theory and practice of development.

1.3. 1. PARTICIPATION

As a development concept, participation has been given various interpretations both in theory and practice. Uphoff, Cohen, and Goldsmith (1979:4) defined participation as the "involvement of a significant number of persons in situations or actions, which enhance their well being, e.g., their income, security, or self-esteem."¹³ Other proponents of the AD argue that there is the need for popular participation by way of the active involvement of the majority of the people in all aspects of development, from planning to implementation through to the monitoring stage. The Arusha conference convened by the UN and NGOs endorsed the need for popular participation by adopting the "African Charter for Popular Participation in development," which clearly identified the lack of democracy as the primary cause of Africa's economic, social and environmental decline.¹⁴ Paulo Freire is one of the strongest advocates of the participation of people in decision-making processes. Freire argued that the crucial issue in development is the need for the people who were previously ignored to assume the center stage in decision-making, enabling them to determine their own lives and thereby leading to an "authentic" development.¹⁵

Ivan D. Illich is also credited with the idea of the need for participation in development and called for the involvement of non-professionals in all aspects of society's life.¹⁶ This widespread attention to participation has been brought about by the popular view that the centralized planning system and the role of the state as the agency of development, especially the post-colonial nation-states in Africa

has failed to achieve success in this direction. Therefore, popular participation could serve as a channel for facilitating the development process and the active involvement of the people. Participation has therefore been used extensively to promote the involvement of groups in development. The level of the people's participation in development varies in many respects, ranging from a high level of participation to nominal participation.¹⁷ These depend on many factors including the level of involvement, the model of development, the type of project, the level of empowerment, the type of the initiative and the type of education given to the participants. Participation of the local people in projects provides an effective means to mobilize the necessary local material and human resources in the development process and ensures sustainable development.

Several definitions are associated with the concept of participation and are used interchangeably by theorists and policy-makers from various perspectives. These include "citizen participation", "popular participation," or "peoples' participation." The two most commonly identified forms of participation are: (a) liberal representative democracy form of participation involving the decentralization, voting in the electoral process in governance, and (b) popular participation-the involvement of stakeholders in development projects. The discussion in this study will focus more on popular participation than the liberal democratic sense of the word. By the term popular participation, participation is seen as a purposive activity,¹⁸ which implies that the value of participation could only be determined by its impact on the participants in the development process. Hence, participation is seen as a means and an end, which involves the inclusion

of the people who were previously marginalized in decision-making and the development process to enhance their political and socio-economic empowerment through the actions of the local people to introduce changes from 'below and within'.

Steifel and Wolfe have argued that the call for popular participation is a rejection of the traditional institutions of the liberal representative system for grassroots participation through the creation of new institutions at the local levels to facilitate the active participation of the majority of the people in an effective decision-making process.¹⁹ Therefore, participation offers the people an effective role in the decision-making process and enables them to make decisions that affect their welfare and environment. Again, it provides them with a form of education thereby enabling them to acquire new skills necessary for continued participation. It gives them a sense of dignity and help them become self-reliant. Thus, popular participation leads to the restructuring of society.²⁰ It also enables individuals to rely on one another for mutual assistance as it performs an integrative role by increasing the sense of "community" among participants.²¹ Some advocates of AD have argued that popular participation enhances the performance of governments in terms of efficiency in the delivery of services to the people. This leads to more accountability and responsibility on the part of public officials as it allows citizens communicate their needs to governments and make the government more responsive to the people. Thus, participation is an "activity by private citizens designed to influence governmental decision-making,"²²

In spite of the rhetoric about the benefits and expectations for encouraging popular participation in development projects by the proponents of the AD, the concept has been manipulated by the state, the donor agencies and INGOs. This is because much of the talk about popular participation is based on the desire to meet the development agendas of the agents and not to empower the people and transform the structures that impede their progress. The evidence for this assertion is the virtual absence of civic education training as a key component of many development programmes and projects.²³ In this context, Veltmeyer and Petras have argued that no concept is as central in the study of development, or as problematic in its application as 'participation', viewed from the most diverse theoretical perspectives as a critically important precondition and condition of the development process.²⁴ The concept of participation or participatory development has been closely linked to a widespread process of government decentralization and local community-based development²⁵ to empower the local beneficiaries of development as there is a general consensus that empowering the people will help them become self-reliant.

Institutions such as the United Nations Development Programme (UNDP), the Food and Agricultural Organization (FAO), Economic and Social Council (ECOSOC), United Nations Research Institute for Social Development (UNRISD) and the World Bank have all promoted the idea of popular participation in development in the past decades. ECOSOC has advocated that, as part of the national development strategy governments should "...encourage the widest possible active participation of all individuals and national NGOs such as trade

unions, youth and women's organizations in the development process in setting goals, formulating policies and implementing plans." ²⁶ The World Bank initiative is called the "stakeholder" approach, which regards participation as a "...process through which stakeholders influence and share control over development initiatives and the decisions and resources which affect them,"²⁷ which implies a collaborative participation of the stakeholders if development is to be meaningful. The Bank argues that the stakeholder approach will "...strengthen the organizational capacities of the poor so that they can act for themselves" which would occur when they receive the benefits of the projects and ultimately become their "owners."²⁸ Hence, the Bank sees the link between participatory development and "good governance" as one that would facilitate the strengthening of social justice and equity in the developing countries.²⁹ The World Bank has therefore promoted political decentralization in Ghana and other sub-Saharan Africa countries as a way of increasing participation. To a certain extent, this approach has promoted both popular and liberal participation at some levels. However, the question is what is to be decentralized, through what agency and by what means? The bank's position shows that the idea of participation is of a consultative nature in which the beneficiaries of projects are excluded from participating in the design and evaluation processes. The initiative of other regional donor agencies such as the African Development Bank (ADB) is not far-fetched from the position of the World Bank as it is within the same framework.

In this connection, a systematic analysis of the origins and application of this concept makes it apparent that 'participation' has many different interpretations and that it has frequently been used to manipulate the beneficiaries rather than allowing them greater control over direct socio-economic changes affecting their lives. Veltmeyer and Petras have further argued that over the years, the concept of participation has had diverse points of reference and has been subject to a numerous twist both in its conception and various efforts to institutionalize it – to put it into practice.³⁰ Undoubtedly, few concepts in the field of development policy-making have been as widely used – and misused – as that of 'participation',³¹ because the current jargon about popular participation is based on the administrative desire for project success and effectiveness.³² Although governments, donor agencies and INGOs have adopted this new development orientation, however, its meanings and social impacts on the people are not clear. One of the objectives of this thesis is to clarify the uses and misuses of 'participation' and to establish the necessary conditions for implementing truly participatory forms of development. It is evident from the above discussion that the concept of participation has been corrupted in a sense both in its use and application by the agents of development since it has failed to empower the local people. Rather it has helped the state and the international organizations to maintain their control over the development process and the people.

1.3. 2. EMPOWERMENT

Empowerment is a process that allows people to develop and implement plans to reach their goals based on self-reliance, mutual dependence and power sharing. Chambers has argued that empowerment means people, especially poorer people, are enabled to take more control and ownership over their lives, and secure a better livelihood with ownership and control of productive assets as one key element.³³ Therefore, decentralization and empowerment enable local people to exploit the diverse complexities of their own conditions, and to adapt to rapid change. The concept of empowerment is located within the discourse of community development, connected to concepts of self-help, participation, networking and equity. Therefore, empowerment is the taking on of power, at both the individual and social levels. Other theorists have given various definitions to the concept of empowerment. R.L. Baker (1991) defines empowerment as the process of helping a group or community to achieve political influence or relevant legal authority. N. Mayer (1984) also defines empowerment as building "community capacity" which involves enhancing the aptitude of community groups to procure and manage social and economic resources. Moreover, A. Bandura (1986) defines empowerment as a process through which individuals gain 'efficacy', defined as the degree to which an individual perceives that he or she controls his or her environment. Also, J.K. Pillai (1995) defines empowerment as an active, multi-dimensional process, which enables women to realize their full identity and power in all spheres of life.

According to Rappaport, empowerment conveys both a psychological sense of personal control or influence and a concern with actual social influence, political power and legal rights (1987:121). McArdle (1989) also defines empowerment as 'the process whereby decisions are made by the people who have to wear the consequences of those decisions'.³⁴ As a concept empowerment goes beyond participation because it allows people to decide where they are now, where they want to go, and developing and implementing plans to reach their goals.³⁵ Empowerment therefore implies enabling people to understand the reality of their environment, reflect on factors shaping the environment, and take steps to effect changes to improve the situation.³⁶ The idea of empowering stakeholders to take control of their own development resulted from the increased poverty levels, the failure of the growth and modernization theories' "trickle-down" economics and the neoliberal policies to eradicate or alleviate global poverty. Also, there is widespread perception of the state's inability to intervene successfully on the part of the poor; natural resource depletion; and environmental degradation.³⁷ Recent development theorists, policy-makers and practitioners have agreed on the importance of participation in development if the local people should be empowered to take control of their development.

Participation and empowerment have therefore become central issues in the development process and more rather problematic and controversial in the global development debate. Mayo and Craig have argued that 'community participation' and 'empowerment' have become more vital and yet more overtly problematic than ever in the global context.³⁸ Hence, there has been increasing emphasis on

the importance of alternative, grassroots approaches to development, starting from empowerment of local communities.³⁹ In this context, Singh and Titi have identified a number of key elements of empowerment, which include:

- Local self-reliance, autonomy in the decision-making process of communities at the village level, and direct participatory democracy in the larger process of representative governance;
- provision of space for cultural assertion and spiritual welfare, and experimental social learning, including the articulation and application of indigenous knowledge, in addition to theoretical/scientific knowledge;
- access to land and resources, education for change, and housing and health facilities;
- ability to achieve food and sustain self-sufficiency; access to income, assets and credit facilities and the ability to create credit facilities;
- access to knowledge and skills (both endogenous and external) for the maintenance of constant natural capital stock and the environmental sink capacity;
- access to skills training, problem-solving techniques, and best available appropriate technologies and information; and
- participation in decision-making processes by all people, in women and youth.⁴⁰

Within the framework of the wider strategies to promote economic, political, social and cultural transformation, community participation and empowerment have been increasingly widely advocated by development theorists, international organizations, policy-makers and practitioners. Thus, empowering the poor has become an almost universal slogan.⁴¹ These views raise questions about the seriousness of the various advocates of participation and empowerment of the local people in development theory and practice. Like participation, empowerment is multidimensional and has been used extensively by development theorists and policy-makers to determine whether a project is participatory, inclusive, transparent and accountable. According to Garcia-Zamor

empowering people and communities for self-sustaining activity is not a mysterious process. Thus ownership offers a sharing of the rewards of life among members of a community, however, equitable ownership and accessibility to physical and economic resources continues to be a major challenge for many of the world's people.⁴² The concept of empowerment has been at the centre of a reconceptualization of development – a paradigm shift – and the development of strategies for poverty alleviation.⁴³ Most importantly, empowerment helps people to liberate themselves from mental and physical dependence. It is in essence, the ability to stand independently, think progressively, plan and implement changes systematically, and accept the outcomes rationally.⁴⁴ The Human Development Report states that, "Development must be woven around people, not people around development – and it should empower individuals and groups rather than disempower them" (UNDP 1993:1).⁴⁵ Within the "development" discourse, the concept of empowerment has evolved concurrently with the "bottom up" approach and has been used to imply the following:

- Good governance, legitimacy and creativity for a flourishing private sector;
- transformation of economies to self-reliant, endogenous, human-centred development;
- promotion of community development through self-help with an emphasis on the process rather than on the completion of particular projects;
- a process enabling collective decision-making and collective action; and popular participation, a concept that has gained popularity within the development agenda.⁴⁶

Hence, these perspectives on empowerment call for the need to strengthen communities to respond to the changing development environment through internal and external innovations in development policy.

In this connection, Friedman has argued that the empowerment approach, which is fundamental to an alternative development, places the emphasis on autonomy in the decision-making of territorially organized communities, local self-reliance (but not autarchy) direct (participatory) democracy, and experiential social learning.⁴⁷ Also, an alternative development involves a process of social and political empowerment whose long-term objective is to re-balance the structure of power in society by making state actions more accountable, strengthening the powers of civil society in the management of its own affairs, and making corporate business more socially responsible.⁴⁸ Empowering of communities is an integral and essential part of development programs designed in the long term to achieve more general regional and national goals.⁴⁹ In sum, a common African proverb to illustrate the empowerment process is that, "Give a man a fish and he eats today: teach a man to fish and he can eat every day". Thus, empowerment involves strengthening the political, social and economic power of the people to assess their problems, allow them to make their own decisions, take action and evaluate their progress without any outside influence by the state, donor agencies or INGOs. Through this process the people can socially transform their environment and the structures that impede their progress.

1.3. 3. SOCIAL TRANSFORMATION

Social transformation entails removing the structures that impede the development of the local people to enable them pursue development through their own initiatives based on their socio-economic experience, political orientation and cultural background. As development necessarily involves transforming the internal or external structures that impede the people's progress, which implies political, social and economic changes. It must be noted that participation and empowerment are necessary factors to bring about social transformation. Hence, the two concepts are different but interwoven concepts that bring about social transformation in the development process.

Friedmann has argued that if poverty is a condition of bases of social power, then a key to the overcoming of mass poverty is the social and political empowerment of the poor.⁵⁰ Thus, if an alternative development is to advocate the social empowerment of the poor, it must also advocate their political empowerment⁵¹ to bring about structural changes and/or clear improvements in the conditions of the poor to enable them effect changes and make decisions that affect their livelihoods and development.

The proponents of AD have therefore argued that by removing the structural barriers created by the bureaucratic state to impede the progress of poor groups will lead to the people's empowerment and facilitate social transformation. Also, the AD saw poverty as a form of social and political dis-empowerment and blocking access to political and socio-economic power. The AD paradigm was therefore formulated to increase the participation of the stakeholders and

beneficiaries in the development process that will lead to desired improvements and/or change in the lives of the people. Hence, progress towards people-centred development requires fundamental structural reforms at the local and national government and global levels. Therefore, increasing the people's level of involvement in development will enhance their level of empowerment and bring about social transformation. Thus, the purpose of development should be:

need-oriented, geared to meeting both material and non-material human needs; endogenous, stemming from the heart of each society; self-reliant, implying each society relies primarily on its own strength and resources; ecologically sound, utilizing rationally the resources of the biosphere; and based on structural transformation as an integrated whole.⁵²

In effect, it could be argued that improving the conditions of life and livelihood for the excluded majority will enhance their power to make choices and thus advance their 'human development'. However, Burkey has argued that the direction of this structural transformation shows that there is no universal path to development. Every society head must find its own strategy.⁵³ The process of achieving social transformation therefore involves encouraging local people to participate in decision-making processes and empowering them to take initiatives to identify their problems, set priorities based on their immediate needs, seek solutions to meet these needs and take the necessary action to realize their goals. Thus, a genuine process of social transformation is essential for a process of sustainable and self-reliant development.

1.4. POSING THE PROBLEM: THE RESEARCH QUESTIONS

The purpose of the study is to examine the respective roles of the state, the donor agencies, the INGOs and the CBOs development initiatives in Ghana to determine which one is the appropriate agency in terms of the political, socio-economic and cultural dynamics of development. Also to examine whether the projects/programs initiated by these agents encourage participation and create the enabling conditions for empowerment and social transformation.

The significance of this question of the agency lies in the fact that over the years, due to the limited role of the state in development in recent years, Ghana's CBOs with the support of the INGOs have risen to the challenge, initiating developments at the grassroots. Indeed, community-based approach to national development has had a long history, dating back at least 30 to 40 years.

However, the overall contributions, outcomes and impacts of these development efforts are not clear.

The central objective and the thesis of the study relate to the question of determining the relative strengths, limitations and prospects of community development as practiced by the major agents of development in Ghana – the state, donor agencies, INGOs and CBOs. Out of the primary question, the study will address the following questions by raising the question and posing the problem addressed in this study: What is the overall contribution of participatory development as practiced in Ghana? What are the main agencies of this development as practiced by the respective agents of development in Ghana in the past decades? What has been the role of the state? Has the state, market-

led and other alternative strategies resulted in development as we have defined it? If so, what were the dynamics, conditions, prospects and limitations of this development?. These questions will be discussed and to some extent answered, in the subsequent chapters.

1.5. THESIS STATEMENT

The thesis of this study is that development in the Ghanaian context as practiced by the state, donor agencies and INGOs have minimal outcomes and impacts. That is, it has not been truly participatory and has not resulted in empowerment of the people or social transformation. The focus of development is often misdirected from the political and socio-economic needs of the local people. This view limits development projects to a minimum level of participation without empowering the people. As a result, the people have not had real control over the projects because the most important aspects of development projects - their design, implementation and evaluation - are initiated from "outside and above". Invariably, most of the benefits go to the donor countries and organizations, the INGOs and the bureaucrats in the State. In short, the thesis of the study is that the limitations of participatory development are largely the result of the failure to engage the participants in the development process in its critical phases. In view of this, it could be argued that the agency of the state, donor agencies and INGOs initiated from above approach to development has not been truly participatory.

1.6. RESEARCH METHODOLOGY

The research data, and the evidence used to argue the thesis of the study, are based on the documented history of development projects in Ghana. As a result of the on-going debate on the issue of the appropriate agent of development, there have been various literatures from different perspectives on the subject of 'development'. Hence, the study will draw extensively on published materials by various authors, theorists and development practitioners. The study will identify and compile data from available project reports, periodicals, library and Internet sources, journals, government documents and some independent newspapers in Ghana. The database relates to development initiatives by the respective post-colonial governments in Ghana since independence to assess the developmental role of the state over the past years. In addition, data were collected on Ghana's Economic Recovery Programme (ERP) and Structural Adjustment Programme (SAP) implemented by the International Monetary Fund (IMF) and the World Bank (WB) in the 1980s and 1990s. These data are interrelated on the basis of ideas outlined in the conceptual framework above and the theoretical framework reviewed in chapter two. This development approach by the donors remarkably changed the development dynamics culminating in the reduction of the centralized control of the state, which influenced key roles and decisions in development in Ghana during this period. The reduction in the power of the state witnessed the rise in the activities of the INGOs in Ghana during the past couple of decades.

The INGOs became the main channel for alternative development in Ghana to promote popular participation in projects and decision-making processes in the 1980s as a result of the adverse effects of SAP on the people and their environment. Therefore, the study will collect data and reports on the design, implementation and evaluation of development projects initiated by some INGOs in Ghana. It is important to note that attempts to measure the extent of popular participation in INGO development initiatives in Ghana have been an issue of controversy. In terms of promoting participation, empowerment and social transformation in the lives of the local people, the impacts of the role of the INGOs in Ghana's development over the years is debatable.

Moreover, the failure of the state to meet the needs of the people coupled with their frustration with the INGOs has increased the activities of CBOs in Ghana. The study will gather information from CBOs in Ghana and abroad to determine how effective they have been and how they can expand their scope and activities at both the local and national levels. Evidence in supporting the thesis and the study will therefore be drawn from the available data on development projects in Ghana. These sources of data are sufficient to allow for a general analysis of the role of the internal and external agents of development in Ghana.

1.7. STRUCTURE OF THE ARGUMENT FOR THE THESIS

The arguments for the thesis have been structured into seven chapters. Chapter one provides a background to the study and outlines the development debates that have been put forward by theorists. It will also give a preliminary background to the issues to be discussed in the subsequent chapters relating to the appropriate agency of development in Ghana. The chapter will make an analysis of the conceptual framework to explain some of the concepts used by the proponents of the alternative development in the theory and practice of development. The chapter will therefore examine the concepts of participation, empowerment and social transformation as proposed by the proponents of the Alternative/Another Development (AD) theory.

Chapter two describes the analytical framework within which the theory and practice of development in Ghana is analyzed. The chapter focuses on the theoretical framework found in the AD, which is relevant to this study and that provides the limits within which to analyze the development initiatives under debate in the study. The theoretical framework also provides a basis for the debates within the AD and linking it to the alternative approaches as practiced by the respective agents of development in Ghana. The chapter will therefore discuss the theoretical debates between the proponents and critics of the AD and a critical analysis of the strengths and weaknesses of AD theory. The conclusion to the chapter outlines an argument for the thesis derived from a review of the literature.

Chapter three focuses on the role of the post-colonial state as the main agency of development in Ghana. The chapter will examine the development strategies adopted by past post-colonial governments in Ghana and the level of participation and empowerment that was encouraged in the development process during this period. Thus, the discussion will focus on this monopolistic role and initiatives of the post-colonial governments initiated from 'above and outside' approach to development in Ghana. This role was uncontested until the conditionalities of the SAP policies in the 1980s, which led to the spread of INGOs and CBOs across the country in the 1980s and 1990s. These developments came to limit the centralized control of the state in the development process in Ghana.

Chapter four also focuses on the IMF and the World Bank's development strategy in Ghana in the early 1980s and 1990s, which involves the ERP and SAP. The chapter will therefore examine the Bank's initiatives from 'above and outside' and 'top down' approach adopted in the SAP to determine whether it was participatory and resulted in empowerment and social transformation. Although the Bank changed its development strategy in the late 1990s to include equity and other social programmes which it termed New Social Policy (NSP). The chapter will also assess how effective this new development direction has changed the Bank's development agenda in Ghana to make it more participatory, empowering and socially transform the structures that impede the progress of the poor groups.

Chapter five centres on the role of the INGOs and their pursuit of alternative development strategy in Ghana as they have occupied much of the vacuum created as a result of the shrinking the role of the state. In this regard, the study will discuss the activities of some INGOs that operate in Ghana to promote development to determine whether the activities of the INGOs lead to participation, empowerment and transformation. The decreasing role of the state as an agent of development in Ghana increased the activities of the INGOs in the 1980s and 1990s to take over the implementation of development programmes in urban and mostly rural communities. However, it is not clear what impacts their development initiatives have had on the people. Some critics have argued that the INGOs alternative development strategy is not a complete diversion from the role of the state and the market, but rather seem to fill a space for the state and the donors to propagate their interests. The chapter will therefore examine the extent to which participation, empowerment, and social transformation were practiced as often as preached by the INGOs.

Chapter six is concerned with the CBOs in Ghana to examine their role in the developmental process. In the 1990s, the activities of the CBOs and other local private voluntary organizations increased remarkably possibly due to the local people's disillusionment with the state and market systems approach. Other conditions was the people's frustration with the INGOs who promised so much in the 1980s but delivered far less than expected and have had little or no major impacts on the lives and livelihoods of the people in terms of participation, empowerment and social transformation. The activities of most INGOs in Ghana

have been criticized for being self-serving and were seen to serve the interest of the state and their funding agencies than the local people's interests they intend to protect. In this case, the role of the INGOs have been questioned by theorists and local groups who are disappointed with the practice of alternative development by the western INGOs.

Chapter seven presents a summary, recommendations and conclusion to the thesis. The recommendations made will contribute to the scholarly literature on the issues involved in a critical assessment in the area. That is, the scope, contributions and limitations of participatory development as practiced by the agents of development in Ghana. The concluding chapter therefore offers alternative policy recommendations to help resolve some of the challenges facing development theorists and practitioners on the question of the appropriate agency of development in any future study on the subject. The recommendations will also have immense impacts on development projects/programs in Ghana and Africa in general in terms of theory, practice and policy formulation.

¹ Community-based organizations (CBOs) as used in the context of this study refers to local community associations/community network groups, producer groups, social movements and initiatives by Chiefs, religious organizations and local NGOs in Ghana. Although some theorists and development practitioners refer to the CBOs as "civil society" while others refer to the CBOs and the INGOs together as civil society.

² This approach is based on what has been termed as modernization theories of development.

³ Cited in Ronaldo Munck and Denis O'Hearn, Critical Development Theory: Contributions to a New Paradigm, (London: Zed Books, 1999), 1.

⁴ Robert Chambers, Challenging the Professions: Frontier for Rural Development, (London: Intermediate Technology Publications, 1993), 98.

⁵ Cited in Michael Barrat Brown, Africa's Choices, (Boulder, Colorado: Westview Press, 1996), 17.

⁶ Jo Marie Griesgraber & Bernhard G. Gunter (eds.), Development: New Paradigms and Principles for the Twenty-first Century, (London: Pluto Press, 1996), xiv.

⁷ This view is consistent with the concept of human development elaborated by the UNDP (1990-2000). On this point see Bjorn Hettne, Development Theory and the Three Worlds, (London: Zed Books, 1991).

⁸ Stan Burkey, People First: A guide to Self-Reliant, Participatory Rural Development, (London: Zed Books, 1993), 8.

⁹ Henry Veltmeyer and James Petras, The Dynamics of Social Change in Latin America, edited by Timothy M. Shaw, (London: Macmillan Press, 2000), 23-60.

¹⁰ Magnus Blomstrom and Bjorn Hettne, Development Theory in Transition (1991), 8.

¹¹ Ivan Illich, "Development as Planned Poverty", quoted in The Post Development Reader, Majid Rahnema and Victoria Bawtree eds., (London: Zed books, 1997), 97.

¹² Stanley Gajanayake and Jaya Gajanayake, Community Empowerment: A Participatory Training Manual on Community Project Development (New York: Pact Publications, 1993) 1.

¹³ William Derman and Scott Whiteford (eds.), Social Impact Analysis and Development Planning in the Third World (Boulder, Colorado: Westview Press, 1985), 10.

¹⁴ Naresh Singh and Vangile Titi, eds., "Empowerment for Sustainable Development: An Overview, in Empowerment: Towards Sustainable Development, p25.

¹⁵ Paulo Freire, Cultural Action for Freedom (Cambridge MA.: Harvard Education Review, 1970); See also Pedagogy of the Oppressed (New York: Herder & Herder, 1970).

¹⁶ Ivan D. Illich, Toward A History of Needs (New York: Pantheon, 1978); See also Deschooling Society (New York: Harper & Row, 1983).

¹⁷ Gajanayake & Gajanayake, 5.

¹⁸ J. J. Rousseau, The Social Contract trans. M. Cranston (London: Penguin Books, 1968) cited in Pateman, 24.

¹⁹ Ibid., 9.

²⁰ Mary Grisez Kweit & Robert W. Kweit, Implementing Citizen in a Bureaucratic Society, (New York: Praeger, 1981), 33-35.

²¹ United Nations, Popular Participation in Decision Making for Development (New York: Department of Economic & Social Affairs, 1975), 11.

²² Samuel P. Huntington and Joan M. Nelson, No Easy Choice: Political Participation in Developing Countries, (Cambridge, Mass.: Harvard University Press, 1976), 4.

²³ UNECA, Studies in Participatory Development, 1993, No.4, 7.

²⁴ Veltmeyer and Petras, The Dynamics, 60.

²⁵ Ibid.

²⁶ United Nations, Popular Participation in Decision Making for Development (New York: Department of Economic & Social Affairs, 1975) 11.

²⁷ World Bank, The World Bank Participation Sourcebook, (Washington, D.C.: WB, 1996), 3.

²⁸ Ibid., 8.

²⁹ OECD, Participatory Development and Good Governance (Paris: OECD, 1995), 7.

³⁰ Veltmeyer and Petras, The Dynamics, 60.

³¹ Anthony Hall, "Community Participation and Development Policy: A Sociological Perspective" 91.

³² UNECA, Studies in Participatory Development, 1993, no.4, 7.

³³ Chambers, Challenging the Professions, 11.

³⁴ Gary Craig & Marjorie Mayo, eds., Community Empowerment: A Reader in Participation and Development (London: Zed Books, 1995), 50.

³⁵ Gajanayake & Gajanayake, 6.

³⁶ Ibid., 4.

³⁷ Singh and Titi, 7.

³⁸ Craig and Mayo, 1.

³⁹ Singh and Titi, 7.

⁴⁰ Ibid., 14.

⁴¹ Mayo and Craig, 2.

⁴² Jean-Claude Garcia-Zamor, Public Participation in Development Planning and Management: Cases from Africa and Asia (Boulder, Colorado: Westview Press, 1985), 19.

⁴³ Singh and Titi, 6.

⁴⁴ Gajanayake & Gajanayake, 6.

⁴⁵ Singh and Titi, 6.

⁴⁶ Ibid., 13.

⁴⁷ John Friedman, Empowerment: The Politics of Alternative Development (Oxford: Blackwell Publishers, 1992), vii.

⁴⁸ Ibid., 31.

⁴⁹ Jean-Claude Garcia-Zamor, 18.

⁵⁰ Friedmann, viii.

⁵¹ Ibid., 7.

⁵² Burkey, 31.

⁵³ Ibid.

CHAPTER 2

LITERATURE REVIEW ON ALTERNATIVE DEVELOPMENT DEBATES

2.1. INTRODUCTION

The working ideas used in the study are derived from various theories advanced in the tradition of the 'Another/Alternative Development' (AD), which is a theoretical proposition adopted by a group of writers within the development framework.⁵⁴ Within this tradition an alternative theoretical framework for the analysis of the study has been constructed. The review will bring into focus the question of agency and structural factors in the development process. It will also highlight the general literature on the theory and practice in development with regards to the critical issues of establishing the role and weight of the strategic and structural factors involved in the development process. Analysis of this process and the corresponding literature is divided on this question. That is, is development primarily the result of human agency, that is, the working of strategic factors - the goal, means, and agency or of conditions generated by the institutional structure of the social, economic and political system - structural factors? The literature review will address this issue which has been at the centre of diverse arguments and assessments of the process of alternative development in general as well as in the Ghanaian context.

2.2. THEORETICAL FRAMEWORK

The review of the theoretical framework focuses on the debates between the proponents and critics of the alternative development paradigm to show how development has been perceived and practiced by the state, donor agencies and INGOs on consultative lines since the people had limited control over the process of development. Stan Burkey has argued that until fairly recently, programmes and projects aimed at improving the socio-economic and health conditions of the poor tended to be initiated, designed and implemented from the 'top-down' by agencies and institutions without systematic consultation and involvement of the intended beneficiaries.⁵⁵ The main agency for this top-down approaches was the state, whose role in the development process was generally defined in relation to the market – whether it should be regulated, as argued by structuralists or whether it should be free, as argued by proponents of neoliberal capitalist development. These issues under debate provided what form the state should be and did take, and what role should be assigned the state vis-à-vis the allocation of resources; and in what context was this role played out?

Furthermore, in this specific post world war two context shared by Ghana with other countries in sub-Saharan Africa, these issues were addressed with reference to the notion of a post-colonial state (Doornbos, 1990; Wunsch and Olowu, 1990). Within the alternative framework liberal and structural analysis, the key issue then was what was the role of the post-colonial state vis-à-vis the development process and existing markets for goods and services produced in Ghana and other countries in the region. In this context, development was

defined and measured solely in terms of economic growth and the means of this development were macroeconomic policy instruments⁵⁶.

However, over the past three decades, there have been major shifts in development theory and practice, which have greatly influenced the development agendas of nation-states and the international organizations in Africa.

The need to shift development planning and thinking away from the centralized control of the state and market was due to the widespread disillusionment with the state and the market as agents of development. These shifts were due to the failure of the state and market to alleviate and/or eradicate poverty, which led to the criticisms and challenges of mainstream models of development and their policies for failing to address the question of mass poverty and sustainability.⁵⁷

Other major factors contributing to this shift are the failure of the trickle-down approaches to development and the inadequacy of the basic needs and redistribution-with-growth approaches to poverty alleviation. In this connection, Stiefel and Wolfe have pointed to the "declining state capacity to provide services and reduce income inequalities," accompanied by an equal reduction in "public confidence in the legitimacy of its efforts."⁵⁸

As a result of the failure of the state and the disillusionment with the market systems in the development process, an alternative paradigm came to represent a third worldview⁵⁹ in the development process. This was termed as "Alternative/Another Development (AD) Approach based on the participation of the local people, especially poor and marginalized groups. At the centre of this search was the notion that development was both possible and necessary but

that it had to be conceived and put into practice in very different terms⁶⁰. The origins of the idea of the search for an alternative form of development can be traced to the works of the Dag Hammarskjold Foundation for Alternative Development, the Cocoyoc Declaration and the International Foundation for Development Alternatives (IFDA) in 1974. The AD has been given different definitions by various theorists. On a global scale, theorists, states and the international organizations have advanced their own version of the alternative approach to development, each of these bodies putting forth its own ideas about how development should be pursued and having its own interest and agendas at stake. According to Veltmeyer and Petras, forms of definitions given to the AD approach include: conceptions of development on a human scale (Max-Neef, Elizonda and Hopenhayn); that is participatory (Rahman, UNSRID), equitable and sustainable (Wolf-gang Sachs), human (Max-Neef, UNDP, ICPF), liberating (Goulet) self-centred and self-reliant (Schuldt, Amin), from the inside (Sunkel), from below, peopled-centred (Korten), community-based and directed (UNICEF), and equitable (ECLAC).⁶¹

The UNICEF Report of 1987 also advocated Adjustment with a Human Face,⁶² another approach by the International Labour Organization (ILO) saw popular participation of the people in the decision-making process that determine their needs as a solution to underdevelopment.⁶³ Hence, the meeting of basic human needs of the poor groups became an important element in alternative development strategies. Therefore, at the 'Other Economic Summit' in 1984, topics such as "putting people first, in search of self-reliance, local economic

regeneration" were brought to the forefront of the debates.⁶⁴ This form of development was to be outside the control of the state and probably contradictory to the state because the proponents of the AD saw the state as the 'enemy' because it tends to be bureaucratic, corrupt, and unsympathetic to the needs of the poor.⁶⁵ Thus, the proponents of AD argued that the state, western expertise and capital were the causes rather than the cure for developmental problems and as part of the problem, they cannot be part of the solution.⁶⁶ In the face of the deepening poverty resulting from international recession and restructuring, international agencies, theorists and states have demonstrated increasing interest in strategies to promote community participation as a means of enhancing people's involvement in the development process. There has been increasing emphasis on the importance of alternative grassroots approaches to development, starting from the empowerment of local communities⁶⁷ because social and economic development must mean a clear improvement in the conditions of life and livelihood of the ordinary people.⁶⁸

In this context the AD approach involved new strategies to development, a deviation from the two preceding approaches that emphasize the state and the market as the main agents of development. The position of the AD theorists reflects widespread skepticism about the capacity of the state to act as the provider of the people's basic needs. Gran has argued for the need for structural transformation in the role of the state to allow the people to play a more active role in development so that they can achieve self-management and participate in decision-making processes⁶⁹. In this connection, Friedmann has also argued

that an alternative development involves a process of social and political empowerment whose long-term objective is to re-balance the structure of power in society by making state action more accountable, strengthening the powers of civil society in the management of its own affairs, and making corporate business more socially responsible.⁷⁰

The proponents of AD further argued that by encouraging the local people to actively participate in development would stimulate their awareness and result in more effective outcomes in development projects. Chambers among others emphasized the need for an abandonment of top-down approaches to development and argued that the knowledge and analytical skills of the poor, no matter their education, can be brought to light and strengthened through participatory methods which will lead to true empowerment and development.⁷¹ Such arguments in favour of people's involvement in development have led to the emergence of a number of new perspectives for alternative development such as "bottom-up development", "putting people first and putting the last first" and "peopled-managed development". Thus, Burkey has argued that development should be need oriented, geared to meeting both material and non-material human needs; endogenous, stemming from the heart of each society; self-reliant, implying that each society relies primarily on its own strength and resources; ecologically sound, utilizing rationally the resources of the biosphere; and based on structural transformation as an integrated whole.⁷² The proponents of AD also argue that the interest and needs of the majority of the local people could best be served if these needs and interests are determined and

implemented by the people themselves. Veltmeyer and Petras have argued that some common elements that characterize the AD are:

- a move toward direct, redistributive measures targeting the poor, instead of continued reliance on the eventual indirect trickle-down effects of growth;
- a focus on local, small-scale projects, often linked with either rural development initiatives or urban, community-based development programs;
- an emphasis on basic-needs and human-resource development, especially through the provision of public goods and services;
- a refocusing away from a narrow growth-first definition of development toward a more broadly based, human –centred conception;
- a concern for local or community participation in the design and implementation of development projects; and
- a stress on increased self-reliance, which might extend to a variety of scales, to reduce outside dependency and create the conditions for more cooperative, socially and environmentally sustainable development.⁷³

In this connection, it is becoming more apparent that the problems of the rural poor, in the final instance, cannot be solved by anyone but themselves, and all solidarity efforts must be aimed at strengthening their own capacity for independent action.⁷⁴ Within the framework of the AD paradigm, there have been divergent and multidimensional approaches by its proponents to the development process. All these debates about AD take cognizance of the fact that in the past years, there has been a major shift from the dominant neoliberal approach which emphasizes the market systems, and the alternative political economy or marxist/socialist/radical approach towards a sustainable livelihoods approach (SLA). The SLA approach is formulated by scholars associated with the society for international development and among others Chambers and championed by UNDP and UNRISD.⁷⁵ Hence, UNRISD conferences and

publications over the years have been instrumental in the propagation of the idea of a community-based, people-led and people-centred participatory form of development.⁷⁶ The basis of the SLA is to place local and community-based development within the context of conditions created by "external" structures (levels of government, private sector, etc.) and processes (policies, institutions, etc.).⁷⁷ Within this context, the focus of analysis and action is on the impact of these structures and processes on the "livelihood assets" of the community - their capacity to generate financial, social, human, natural and physical capital.

Another concern of the SLA is to identify the forms of action that are capable of minimizing the negative effects of the external processes and transforming them. In this connection, much attention has been focussed on "associations" – social movements, producer groups, cooperatives, and community-based organizations. The reason for the focus on these local groups and grassroots organizations is that analysis of the outcome of development with such associations has proven to possess immense potential for achieving collective or social empowerment. Through this development process, individuals and groups within such communities have learned to interact with one another in a constructive manner, cooperate towards a common objective (identifying and addressing their problems), and on the basis of this social capital undertake the collective action needed for social transformation and economic development.⁷⁸ Other critics have argued that growth is necessary but not sufficient; it must be buttressed by equity and, above all, by people's participation in designing, implementing and evaluating rural development programmes and policies.⁷⁹

2.3. AD IN SUB-SAHARAN AFRICA

For the most part, AD in sub-Saharan Africa has centred on alternative frameworks for development organized through a number of collective and regional initiatives in the 1980s and 1990s. The Lagos Plan of Action⁸⁰ (LPA) put forward by the Organization of Africa Unity (OAU) in the early 1980s was an alternative framework to SAP which was intended to promote the political and economic emancipation of Africa by promoting national and collective self-reliance.⁸¹ The LPA took a different approach to the Bank/Fund in that the status of women was not considered separate or marginal from the overall question of development. The Lagos Plan also stressed food and energy self-sufficiency and an approach of continental economic integration to be brought about gradually via sub-regional groupings such as ECOWAS. The key emphasis of the LPA was primarily the indigenization of African economies⁸² to bring about improvements and change for the local people. According to Garcia-Zamor, the LPA argued for long-term development policies aimed at: (a) reducing mass poverty and improving the living standards of the population; (b) attaining, in particular, greater food sufficiency; (c) promoting self-sustained development through structural changes in patterns of production, consumption and foreign trade in the area of technological dependence; and (d) attaining collective self-reliance through a better integration of African production structures, markets and transport, as well as communication and trade infrastructures.⁸³ However, for a number of reasons⁸⁴ the LPA failed to be the basis on which alternative development could be modeled in Africa. Critics have attributed this failure partly

to the organization's silence on internal dimensions of the African crisis, by its inadequate consideration of contradictions, inequalities, modes of exploitation, corruption and human rights abuses. This failure has also been explained in terms of the effects of SAPs on the people and the continued unbalanced nature of Africa's relationship in the world economy.⁸⁵

However, one of the most recent collective proponents for alternative development a response to the development agenda of the IMF/World Bank approach has been advocated by the United Nations-Economic Commission for Africa's (UNECA) Alternative Economic Framework of 1989.⁸⁶

The ECA in effect has adopted its own alternative framework for economic recovery and development. This alternative framework is not simply a critique of the IMF-World Bank structural adjustment programs, but potentially an alternative development agenda for Africa.⁸⁷ This approach emphasizes on the participation and control of development by the local people. The ECA proposals emphasized human-centredness and human development as the ultimate measure for alternative development. Thus, a conference organized under the auspices of ECA in Arusha, Tanzania in 1990 resulted in the charter for Popular Participation in Development and Transformation.⁸⁸ At this conference, the absence of democracy and the lack of participation in development were noted as the main cause of the crisis in Africa. Therefore, in political terms, the idea of alternative development was seen as the need for democracy and decentralization of power to the grassroots for effective participation to occur. Hence, the social and economic aspects of the AD theory concern participation, empowerment and

sustainable livelihoods both in the production process and environmental protection. The ECA argued that the primary principle of development strategy is that the people have to be the agents, the means, and the end of development, which is the underpinning of the AD development approach⁸⁹.

The African Charter for Popular Participation in Development and Transformation in 1990 stated that development, self-reliance and stability can only come through the empowerment of the people, democratization of society, provision of basic human needs, expansion of democratic space, respect for human rights, governmental accountability, decentralization and deconcentration of power, increased roles for popular and non-governmental organizations, and effective participation of the people in the development process.⁹⁰ To quote Julius Nyerere (the late President of Tanzania) who argued that: "rural development is the participation of people in a mutual learning experience involving themselves, their local resources, external change agents and outside resources. People cannot be developed unless they participate in decision and cooperative activities, which affect their well being. People are not being developed when they are herded like animals into new ventures."⁹¹ This statement is therefore synonymous to what is referred to in the alternative development literature as "alternative development", "another development", "people-centred development", "counter development" or "participatory development"⁹². These arguments point to the fact that alternative development should be less profit-oriented and geared towards change and/or improvements in peoples lives and their environment.

In analyzing the AD approach, it becomes apparent that the underlying theory has certain distinct features that make it explicitly different from the previous dominant development approaches. The proponents of AD emphasize human-centred development, which is participatory, equitable and self-reliant. Hence, they argue that progress toward people-centred development requires fundamental structural reforms at national and global levels⁹³. Advocates of AD also propose policies that are human in scale, socially inclined, equitable and people-led with a focus on rural development which emphasize on the participation of the poor in development projects and decision-making processes. They have therefore advanced the following ideas with regard to the development process;

- The exponents of the AD argue that development⁹⁴ is a method of empowerment and social transformation. In terms of this definition, development is defined as a means and an end, which must empower and result in social transformation.
- The AD proponents also see the community as the basis of development and argue that the appropriate agents of development are the community-based organizations and grassroots. That is, development based not only on involvement but directed by community-based grassroots initiatives from below and within.
- The AD advocates further argue that the requirements for community-based participatory development are: (a) incorporation of the intended beneficiaries into all the phases of the development process; and (b) the involvement of the beneficiaries in the planning, implementation and evaluation of the projects to determine the impacts it had on the life of the participants. That is, whether it resulted in improvements and change. They therefore attribute the failure of development projects to the lack of involvement of the local people to participate in the development process.
- The AD also argue that participation is a necessary condition because the beneficiaries, the object of the process, are at the same time the self-constituted social subject or agent of the development process. Since the goal and strategic objective of the alternative development approach is to constitute the beneficiaries as a collective social subject, with the objective of empowering people directly⁹⁵. The proponents of AD further argue that through participation the poor could play an active role

in the development process and create an enabling condition for improvements in their lives. Hence, whereas the structuralists and neoliberals saw the state and market as the agent of development respectively, the AD regards the local people as the agent of their own development. Therefore, the AD idea of participation is both a means to an end and an end in itself to resolve the situation of the poor.

- Proponents of the AD emphasize local action and control of the development process by the local people by making projects and funding accessible to the local people to give them the power to make the necessary decisions and focus on issues that affect them. This, they argued, will create the enabling conditions for effective implementation of projects and enhance the efficiency of the development process.
- AD advocates also argue for an integrated approach characterized by their emphasis on the multidimensionality and an integral form of development.⁹⁶ Specifically, they argue that giving power of decision-making to the people and allowing them to participate in development would enhance their political and socio-economic development. It is further argued that development undertaken by the people and based on community action is more efficient.⁹⁷

In this context, Burkey has argued that with experience has come the awareness that top-down approaches to development create an increasing dependence of the people on outside resources and also sharpen social divisions.⁹⁸ Since the intended beneficiaries of development do not necessarily share the perception that programme planners have of their priority needs, services offered to the people were often rejected or underutilized because they did not meet their needs, respect their sensitivities or respond to local realities.⁹⁹ Cernea has argued that if the social variables remain unaddressed or mishandled, then the project will be unsustainable and fail, no matter which governmental or international agency promotes it.¹⁰⁰ Thus, putting people first in development projects comes down to tailoring the design and implementation of projects to the needs and capabilities of people who are supposed to benefit from them. No longer should people be identified as “target groups.”¹⁰¹ The

proponents of AD have also criticized mainstream models of development and the policies based on them were challenged for failing to address the question of mass poverty and sustainability,¹⁰² notably the adverse socio-economic effects of SAP on the poor.

In this connection, the proponents of AD have criticized how modern development excludes a substantial majority of the world's population, especially poor groups in developing countries from the benefits of growth. They have argued the need to take into consideration the human and environmental costs of maximizing growth and international trade to the poor without their participation in the development process. AD advocates have further argued for the rectification of existing imbalances in social, economic, and political power. Hence, it is noted that if popular participation were encouraged, the people would have the opportunity to make improvements in their own lives and play key roles in their political and socio-economic development. In the mainstream view, however, increased participation in the development process is seen as a primary responsibility of governments, which, in partnership with NGOs, are still viewed as the major executing agency for development. From the perspective of the AD, however, participatory development is seen as a strategy to be implemented not from above and the outside but from below and within, that is, with the agency of community-based or grassroots social organizations.¹⁰³

AD is therefore widely regarded as a form of development that is people-led, human (small) in scale, participatory in form and responsive to social mobilization from below. AD strategies encourage participation and empowerment within the

framework of promoting political, economic, social and cultural transformation in the development process. Exponents of AD believe that by improving the conditions of life and livelihood of the marginalized groups, it will empower them to further their self-development. AD therefore argues that there is no universal path to development. Hence, a motto of alternative development is to "think in global terms but act locally".¹⁰⁴ That every society has different needs that are unique to that particular society and due to this fact, every society's definition of development is different. This implies that every society must find its own strategy in accordance with its own needs.¹⁰⁵ A society must therefore choose the definition that is most appropriate to its needs and rely basically on its own strength and resources to determine its pattern of development. Hence, the greater part of the solution lies within the society itself and not from outside forces. It can therefore be noted that all the proponents of AD have argued for an alternative form of development that is not predicated on the agency of the state or the market.

2.4. CRITICAL ANALYSIS OF THE AD PARADIGM

The alternative development approach has received much attention in recent years and has been given different interpretations by various development organizations and practitioners. The emergence of the idea of an alternative approach to development in the 1980s led to the proliferation of INGOs to carry out the role of an agency of development. In this context the role of community-based organizations to undertake development has equally expanded in recent

decades. There are several merits to the AD approach that make it a unique development strategy since it advocates participation, empowerment, poverty alleviation and social transformation. For the first time in the history of development thinking, the AD approach advocated the participation of poor and marginalized groups in development so as to create opportunities for themselves and contribute to the development of their own communities as a central agent not just as a victim. This has had significant impacts on the practice of development since the idea has been adopted by many institutions such as UNDP, UNRISD, FAO, the World Bank, INGOs and other international organizations; all of these development agencies have incorporated the model into their development agendas. AD is seen as a counter-balance to the neoliberal development theory and structural adjustment policies that have deprived the people from the necessary power to participate actively in the development process. AD also empowers local people rather than the state and the market, enabling poor groups to take control of their own development. AD has provided new insights into the theory and practice of development, which may help overcome the failings of the mainstream frameworks and development agendas.

However, in spite its merits relative to other previous development approaches, it has some major flaws, limits and contradictions that need to be highlighted. One of the criticisms that have been leveled against the AD are that it is often misdirected away from the political and socio-economic needs of the local people -that community development projects are often geared to a

minimum level of participation without empowering the people. Thus, the people do not have real control over the projects since the most important aspects of the development projects - development practitioners and policymakers control the design, implementation and evaluation. As a result, most of the benefits go to the INGOs, the donor countries and organizations, and the bureaucrats in the State. Therefore, in recent years the questions of equity and equality in the distribution of the benefits from development have become key elements in the ongoing debate on development policy and practice.¹⁰⁶

Although the scope of grassroots development has enormously increased, their effort cannot be fruitful if a social democratic content is not added to their initiatives in their economic schemes. As diverse development administrations have failed to link the policies and programmes of the government to the felt needs of the people (especially the poorest), the scope of grassroots development in this regard has enormously increased. But this role cannot be performed without giving a political content to their economic schemes.¹⁰⁷

Despite AD argument that both in theory and practice participation is an essential aspect and central to the development process, very often people's participation in development does not lead to the expected change in their living conditions. Nor does it transform the structures that impede their progress. Again, despite widespread implementation of AD, the great majority of people still do not have control over their development. Thus, it can be argued that the AD idea of participation does not go far enough empowering the poor. More often than not they are not included in the planning, implementation and evaluation of

development projects.¹⁰⁸ Therefore, there is a need to revitalize the approach to make it more appealing and have a greater development outcome and impact on local people. Although the AD strategies were generally eclectic and did not depend on any well-defined theoretical base, were characterized by a number of common elements, including the following:

- A move toward direct, redistributive measures targeting the poor, instead of continued reliance on the eventual indirect trickle-down effects of growth;
- A focus on local, small-scale projects, often linked with either rural development initiatives or urban, community-based development programs;
- An emphasis on basic-needs and human-resource development, especially through the provision of public goods and services;
- A refocusing away from a narrow, growth-first definition of development toward a more broadly based, human centered conception;
- A concern for local or community participation in the design and implementation of development projects; and
- A stress on increased self-reliance, which might extend to a variety of scales, to reduce outside dependency and create the conditions for more cooperative, socially and environmentally sustainable development.¹⁰⁹

Notwithstanding the existence of AD theory and practice for over two decades the conditions of the poor have not remarkably improved. Rather, problems such as poverty and inequality continue to increase, especially in the least developing or most underdeveloped countries, many of which are found in sub-Saharan Africa. This situation is reminiscent to Dudley Seers' famous statement that "What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality?... If one or two of these central problems have been growing worse, especially if all three have, it would be strange to call the result 'development' even if per capita income has

doubled."¹¹⁰ It is, therefore, doubtful if AD has had any significant impact on the poor and marginalized groups because poverty, inequality and unemployment have not reduced in the past couple of decades. In fact, these issues that characterize poor groups have greatly increased worldwide. Moreover, since the NGOs obtain funding from the state and donor agencies, their primary concern is to satisfy the concerns and conform to the objectives of the funding agencies and the state. As a result the level and form of participation by the poor in the development process has been severely limited. The idea of encouraging participation by the INGOs has often been based on the western concept of participation, which makes their development strategies often ineffective.

Again, despite its rhetoric about grassroots participation and empowerment AD in practice is not action-oriented. State policies and the actions of mainstream organizations often structure the critical decisions about project planning, implementation and evaluation. Many alternative projects in the sphere of rural development have been criticized for paying only lip service to local participation, supposedly one of the key elements distinguishing alternative strategies from their mainstream counterparts.¹¹¹ Critics have observed that the proponents of AD programmes generally are not truly participatory and rarely lead to empowerment. Typical examples of this are the UN institutions such as UNDP, the World Bank and other international organizations. Pearse and Stiefel have observed that, in spite of the insistence on popular participation in the United Nations development programmes, an examination of their performance is not

encouraging...authentic popular participation seldom occurs' (quoted in Oakley and Mardsen 1984, 29).¹¹²

Moreover, in the process of participation, people do not generally have the opportunity to influence development projects based on their cultural orientation and socio-economic experiences. The state, donors and INGOs often limit 'participation' to mean merely the incorporation of the intended beneficiaries into the development process but exclude them from most of its benefits. This practice has been criticized because it reduces the people to the level of actors by merely making them play marginal roles based on scripts written by others and projects often do not meet the needs of the local people, which makes most participatory practices manipulative or merely illusive. It has been argued that any authentic approach to participation must respect the traditions of the 'target population'¹¹³ and fully incorporate them in every phase of the development process, including planning.¹¹⁴ Critics of AD have also argued that participation and empowerment are multi-dimensional concepts in development that have been misapplied by mainstream theorists, governments and INGOs in development theory and practice in the Third World. In diverse political contexts, the level of participation by the poor is limited and very often, both liberal and popular participation in the western sense tend to undermine the organizational and political capacity of traditional communities and institutions.

It can also be concluded that the AD's view of participation through political decentralization and within the institutional framework of western liberal democracy is not sufficient to empower the poor. This is because under the

context of decentralization and the electoral process the level of popular involvement in the decision-making process is minimal, and therefore the poor do not have adequate power to effect changes in the broader structures.¹¹⁵ In effect, the proponents of AD do not go far enough to advocate political empowerment of the poor. Although the proponents of the AD advocate a diversion away from the control of the state and the market, they fail to specify how the power of the state and market could be eliminated to enable the people play a more active role in development. Thus, so long as the state and the donor agencies continue to wield excessive influence over political and socio-economic development, the AD proposition is an illusion. Friedmann has argued that if an alternative development is to advocate the social empowerment of the poor, it must also advocate their political empowerment.¹¹⁶

The offspring of the NGOs in the past few decades have witnessed the emergence of a new power structure in development whose intermediary role and agendas often conflict with that of the local people. Very often the idea of involving the poor in every phase of development from determination of community's problems and needs, planning, implementation and evaluation is not achieved because of the imposition of western views, the domination of NGOs perspective and their commitment to meet the agendas of their funding institutions. Therefore, the AD approach can be seen to be a reaffirmation of the World Bank's New Social Policy (NSP), which emphasize on popular participation, decentralization, poverty alleviation and other social issues but have less impact on the people. The proponents of AD erroneously assume that

once previously marginalized groups participate in development projects, their involvement will naturally lead to their empowerment, which often does not happen. While participation and empowerment are laudable goals to be pursued, nonetheless, it is difficult to conceive of how the latter could automatically derive from the former without making any structural changes to accommodate the transfer of control. Also, the AD can be seen as a western development ideology that is being promoted to refine the neoliberal development agenda of western governments and donor agencies through the INGOs. Critics have argued that AD programs and projects continue to be administered in a top-down, paternalistic manner that afford little opportunity for local organizations to participate meaningfully in decision-making because large bureaucracies staffed mainly by outside professionals who often exerted fundamental tensions against the empowerment of local people.¹¹⁷

Furthermore, in spite of the high level of participation and the proliferation of multi-party democracy and decentralization measures the AD propositions, formulated within the framework of 'new paradigms' have raised new questions such as: to what extent have these policies helped the rural poor to acquire more assets?; have democracy and decentralization measures resulted in more resources and power to the rural people?; has it brought about the transfer of power and resources from the elites and richer groups to poor groups?. In terms of these questions it has been argued that much of the current jargon about popular participation is based on the administrative desire for project success and effectiveness.¹¹⁸ Friedmann has argued that an alternative

development is centered on people and their environment rather than production and profits.¹¹⁹ Drabek has noted that a report on a conference by NGOs from the South in 1987 argued for the following changes, which should be paramount in the AD approach:

- Permitting the poor to reacquire “the power and control over their own lives and the natural and human resources that exist in their environment”;
- strengthening “their inherent capability to define development goals, draw up strategies for self-reliance and be masters of their own destinies”;
- “refusing to compromise on issues related to the social and cultural identity of [poor] societies”;
- placing “special emphasis on and attention to utilizing and developing the indigenous efforts, however small, that are promoting self-reliance”;
- uncoupling from development processes “all aid which is intrinsically tied to the foreign policies of donor states”;
- recognizing “that non-governmental development organizations working with the poor and having an indigenous evolution are important vehicles for change in the development process and [that] support should be primarily provided to them”, and
- recognizing “that all development efforts must have as equal partners women who have until now borne the burden of the anti-development process.”¹²⁰

Hence, it may be concluded that major studies done on alternative development in Ghana show that it has several limitations. These criticisms call for the need to revitalize the AD approach to make it more inclusive, participatory and empowering to enable structural changes to occur in the development process. This point will be argued in the following chapters in the context of Ghana’s development experience.

2.5. CONCLUSION

Based on the criticisms and identified weaknesses of the AD, the study argues that for the process of participation, empowerment and social transformation to occur, there should be a change from the western-style liberal democracy to social democracy to enhance the power of the masses in the development process. The increasing intermediary role of the INGOs between the state, the donor agencies and the community-based organizations (CBOs) should be curtailed so that the donor agencies can deal with the CBOs directly. It must be argued that without strengthening the livelihood interests of the CBOs, no significant achievement can be made in rural poverty eradication and grassroots empowerment. The INGOs' strategies have equally become ineffective and equally bureaucratic as the state. Hence, the elimination of their intermediary role would reduce the high cost of projects and simplify the development process, as the CBOs will have direct access to funding without any lengthy bureaucracies. This will also enable the local people assume more control over decisions that affect their lives as there has not been significant impact in the lives of the very poor groups, especially rural people and women. In this regard, the state and the INGOs should play a secondary role where necessary to support the CBOs in development projects. Again, There should be increased collaboration between the state and the CBOs so that the reluctance of the state to encourage the CBOs activities due to the fear of a destabilizing effect of CBOs through their political and socio-economic empowerment would diminish.

On the other hand, since the local people have better methods of doing things that are sustainable and ecologically friendly, they should be allowed to adopt their own development strategies and techniques. More emphasis should be placed on civic education programs for the poor to help them develop upon their already possessed local skills and knowledge. Through such consciousness-raising programs, the people can make use of their potentials to define their needs, develop plans and strategies to meet these needs and implement such plans to raise their living standards. Also, there should be less or no conditions attached to funding CBO projects in terms of what project to embark on and how to go about it. Thus, the CBOs should be allowed to use their local cultural knowledge and experiences in development. The CBOs must be oriented towards using their own resources and reducing their reliance on donor funding, western technology and outside practitioners in development project.

Moreover, there is the need to expand the political dimension of the development process to bring about participation, empowerment and social transformation. The CBOs must be equipped with the necessary power to broaden their social base and political dimension. The study will therefore argue that the political, socio-economic and cultural dimension of alternative development should genuinely be encouraged because effective participation and decentralization will result in the empowerment of the local people and eventually bring about social transformation. This will go a long way to help the people to attain economic self-sufficiency, to use their cultural experience in the production process and protect their environment from exploitation

⁵⁴ On this tradition see inter alia, Hettne (1991), and Veltmeyer (1999). To some extent this notion of AD is incorporated in what has been termed and now is widely viewed as 'new paradigm'. See also, Griesgrasber and Gunter.

⁵⁵ Stan Burkey, People First: A guide to Self-Reliant, Participatory Rural Development (London: Zed Books, 1993), xvi.

⁵⁶ Colon Leys, The Rise and Fall of Development Theory (London: James Currey Ltd., 1996), 7.

⁵⁷ John Friedmann, Empowerment: The Politics of Alternative Development (Oxford: Blackwell Publishers, 1992), 31. The debate on the failure of the state, according to neoclassical theory, there is the need for less state-control and increase in the role of the market. And the market failures according to the structuralists. A common argument by the structuralists for the failure of the state is that there is an overriding need-especially in the early stages of development- to ensure strong and decisive state policy intervention. Quoted in Healey and Robinson, Democracy, Governance (London: ODI, 1992), 103. See inter alia John Rapley, Understanding Development Theory and Practice in the Third World (Boulder, Colorado: Lynne Rienner Press, 1996), 27.

⁵⁸ Veltmeyer, "The Quest for Alternative Development", (2000), p11.

⁵⁹ Henry Veltmeyer and James Petras, The Dynamics of Social Change in Latin America, edited by Timothy M. Shaw, (London: Macmillan Press, 2000), 37.

⁶⁰ Veltmeyer, "The Quest," 2.

⁶¹ Veltmeyer and Petras, The Dynamics, 38.

⁶² Giovanna Andrea Cornia, Richard Jolly and Frances Stewart, (eds.), Adjustment with a Human Face: Protecting the Vulnerable and Promoting Growth, (Oxford: Clarendon Press for UNICEF, 1987), Vol.1, 1.

⁶³ International Labour Organization, Programme of Action, World Employment Conference, (Geneva: ILO, 1976)

⁶⁴ Friedmann, 31.

⁶⁵ Ibid.

⁶⁶ Jane Parpart, "Rethinking Participation, Empowerment and Development from a Gender Perspective", IDS Programme, Saint Marys University, Working Paper #99.1.

⁶⁷ Marjorie Mayo and Gary Craig (eds.), Community Empowerment: A Reader in Participation and Development (London: Zed Books Ltd., 1995),1.

⁶⁸ Friedmann, 9.

⁶⁹ See Gran in John Martinussen, Society, State and Market: A Guide to Competing Theories of Development, (London: Zed Books Ltd., 1997).

⁷⁰ Friedmann, 31.

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- ⁷¹ Jane Parpart,
- ⁷² Burkey, 1.
- ⁷³ Brohman, (1996).
- ⁷⁴ Burkey, 40.
- ⁷⁵ See Frank Amalric, "Sustainable Livelihoods: Enterprise, Political Strategy and Governance" 1998.
- ⁷⁶ Velmeyer, "The Quest," 5.
- ⁷⁷ See, inter alia, Amalric, (1998).
- ⁷⁸ Ibid.
- ⁷⁹ Burkey, 33
- ⁸⁰ Although the Lagos Plan of Action was written by the ECA, it was published by the OAU. See Robert S. Browne, "Alternative Policy Frameworks for African Development in the 1990s", in Nyang'oro and Shaw, eds. 71.
- ⁸¹ OAU, Lagos Plan of Action for the Economic Development of Africa: 1980-2000 (Geneva: Institute for Labour Studies, 1981).
- ⁸² Ibid. See inter alia, Adebayo Adedeji, ed., Indigenization of African Economies (London: Hutchison & Co. Ltd., 1981).
- ⁸³ Giovanni Andrea Cornea et al (eds.), Africa's Recovery in the 1990's: From Stagnation and Aadjustment to Human Development (London: Macmillan Press, 1992), 159.
- ⁸⁴Many of which are beyond the scope of this study, but mostly due to the overwhelming dominance of SAP and its socio-economic effects on countries south of the Sahara.
- ⁸⁵ David Luke and Timothy Shaw, (eds.), Continental Crisis: The Lagos Plan of Action and Africa's Future (Washington D.C.: UPA, 1984).
- ⁸⁶ Economic Commission for Africa, African Alternative Framework to Structural Adjustment Programmes (Addis Ababa: UNECA, 1989).
- ⁸⁷ Claude Ake, Democracy and Development in Africa (Washington D.C.: The Brookings Institutions, 1996), 36.
- ⁸⁸ Ibid., 134.
- ⁸⁹ Ibid.
- ⁹⁰ ECA, African Charter for Popular Participation in Development and Transformation Arusha February 1990, (Addis Ababa: ECA: 1990).
- ⁹¹ Peter Oakley et al, Projects With People: The Practice of Participation in Rural Development (Geneva: ILO, 1991), 2.

⁹² Ibid., 2.

⁹³ Kenneth E. Bauzon (ed), Development and Democratization in the Third World: Myths, Hopes, and Realities (Washington DC: Taylor & Francis Ltd., 1992), 65.

⁹⁴ Development by definition entails the following elements: Empowerment and 'Change'.

⁹⁵ Veltmeyer and Petras, The Dynamics, 38.

⁹⁶ Ibid.

⁹⁷ AD argues for the local people to pursue a development path through local/national self-reliance, which implies the need for (a) using locally available resources, both natural and human; (b) designing technologies appropriate to the human scale of small enterprises and the use of local resources; (c) to encourage the formation of local and regional centres of technological research and development, with respect to both appropriate technology and enterprise development management; (d) the creation of industry in or close to the rural communities in the countryside; (e) strengthening local – and regional – markets and reorienting the institutional framework for a cooperative form of production organization; (f) with eyes on these markets, to capitalize and to encourage the formation of small and cooperative enterprises with a high capacity for generating employment and income growth, raising thereby the level of mass participation as well as promoting community development; and (g) developing local financial institutions with the capacity to capitalize local companies and providing credit to local producers. See inter alia, Veltmeyer and Petras, The Dynamics of Social Change, 2000.

⁹⁸ Burkey, xvi

⁹⁹ Ibid..

¹⁰⁰ Michael M. Cernea ed. Putting People First: Sociological Variables in Rural Development (Oxford: Oxford University Press, 1985), 10.

¹⁰¹ Ibid., 467.

¹⁰² Friedmann, 3.

¹⁰³ Veltmeyer, "The Quest," p10.

¹⁰⁴ Gustavo Esteva and Madhu Suri Prakash, "From Global Thinking to Local Thinking", The Post-Development Reader, eds. Majid Rahnema with Victoria Bawtree, (London: Zed Books, 1997), 277. Also quoted in Veltmeyer and Petras, The Dynamics, 40.

¹⁰⁵ Bjorn Hettne, "Dimensions of Another Development", Development Theory and the Three Worlds, (1991).

¹⁰⁶ Burkey, 33.

¹⁰⁷ D.L. Sheth, "Alternatives from an Indian Grassroots Perspective" quoted in The Post-Development Reader, eds. Majid Rahnema with Victoria Bawtree, (London: Zed Books, 1997), 329.

¹⁰⁸ See Burkey, Blaikey and Chambers, 3.

¹⁰⁹ Brohman, 203-204.

¹¹⁰ Friedmann, 1.

¹¹¹ Brohman, 201-206.

¹¹² Anthony hall, "Community Participation and Development Policy: A Sociological Perspective" 95.

¹¹³ Veltmeyer and Petras, The Dynamics, 38.

¹¹⁴ Ibid.

¹¹⁵ This point has been made by Veltmeyer (1999) among others.

¹¹⁶ Friedmann, 7.

¹¹⁷ Brohman, 201-205.

¹¹⁸ UNECA, Studies in Participatory Development, #4, 7.

¹¹⁹ Friedmann, 31.

¹²⁰ Ibid., 72.

CHAPTER 3

THE DEVELOPMENTAL ROLE OF THE POST-COLONIAL STATE IN GHANA: FROM INDEPENDENCE TO THE DAWN OF THE 21ST CENTURY.

3.1. INTRODUCTION

The purpose of this chapter is to examine the role of the post-colonial state as the main agency of development in Ghana by identifying and analyzing the development strategies adopted by the respective post-colonial regimes namely, the Convention People's Party (CPP), National Liberation Council (NLC), Progress Party (PP), National Redemption Council (NRC)/Supreme Military Council (SMC) I & II, People's National Party (PNP) and the Provisional National Defence Council (PNDC)/National Democratic Congress (NDC) governments from the political, social and economic perspectives to show how the state perceived and practiced development to determine whether the state's initiative from above approach was participatory, empowering and led to structural transformation.

It must be argued that the Ghanaian State has had a turbulent ride over the past forty years due to constant regime changes and the tenacious military intervention in politics, which has led to a cycle of military and civilian regimes in Ghana. In this context, Naomi Chazan has argued that Ghana presents, both substantively and analytically, a fascinating model of the complexities of political processes in contemporary Africa.¹²¹

According to Healey and Robinson, in the early 1960s there was widespread agreement that the state ought to play a pivotal role in the post-independence period, both to promote development and to provide the basis of a unified national identity.¹²² Hence, the post-colonial state assumed primary responsibility of advancing the development process in Ghana. In this connection, Zolberg (1968) has argued that emphasis on state intervention reflected a prevailing trend in development thinking which saw the state as the principal actor responsible for fostering economic growth in the drive towards self-sufficiency.¹²³ Notwithstanding this role of agency, the institutional structure of the state in Ghana has made it impossible for the people to participate in the development process since the political leaders were not necessarily wholeheartedly committed to the general welfare.¹²⁴ Ake has therefore argued that the African leaders who proclaimed the need for development and made development the new ideology without necessarily translating it into a program of societal transformation.¹²⁵ Wunsch and Olowu (1990) have also pointed to other influential factors in the movement towards centralization:

- It was part of the colonial legacy of an administrative state;
- Outside development consultants from both Western countries and Eastern bloc were heavily emphasizing central direction and long-term planning;
- It complemented the expectation of potential donor agencies for “rational” planning and management of assistance programs;
- It provided a possible solution for the very real challenges African leaders faced.¹²⁶

With the view of restructuring the Ghanaian society, the civilian and military regimes have adopted both the ‘socialist’ and ‘capitalist’ development strategies to achieve self-reliance. However, irrespective of the development path the

regimes have taken, it had been pursued under the centralized control of the state and not through the initiatives from 'below and within.' State centralization has often eroded the local organization and technologies of the CBOs and the dexterity of the people, which is vital for development in Ghana. In view of this, Bates, Mawhood and Hyden have all argued that while the severity of the restriction obviously varied, in extreme cases of all political roles, social organizations were preempted or co-opted by the state.¹²⁷ Apparently, all the post-independence governments in Ghana adopted state-led development strategies until the intervention of the IMF and the World Bank in the 1980s. The introduction of SAP reduced the power of the state and paved the way for other players like the INGOs and CBOs to actively participate in Ghana's development process. Hence, the development strategies adopted by the respective post-colonial governments will be discussed in the subsequent sections.

3.2. THE CONVENTION PEOPLE'S PARTY (CPP) GOVERNMENT'S DEVELOPMENT STRATEGY: 1957-1966.

On March 6, 1957, Ghana became an independent nation-state and a new system of government under President Kwame Nkrumah's Convention People's Party (CPP) government assumed control of the state. According to Wallis, the ideology of 'African Socialism' was adopted as it was seen to be both authentically African in kind (rooted both in the tradition and realities)¹²⁸ and also in some ways a system that was distinguishable from the East and West blocs. The first Republic was intended to usher in a new set of institutional arrangement that would promote participation in development and governance.

Ake has argued that the one-party system eventually emerged as the classic form of the depoliticized African society.¹²⁹ Hence, the pivot of the new structure was the state apparatus controlled by Nkrumah. In this regard, Nkrumah's pronouncement that: "Seek ye the political kingdom and the rest will be added unto you"¹³⁰ was an orchestrated statement as it became apparent that the "political kingdom" sought was the independence gained and 'the rest that was added' was the centralization of power in the state. In this context, Nzongola-Ntalaja has argued that the post-colonial state is best characterized by the coexistence of absolute power and administrative decay, or by the dialectic of power and fragility.¹³¹

Accordingly, the state assumed a leading role as the main agency in developing a public sector and the CPP was assigned the role of mobilizing the masses in order to educate them in the ideology of socialism. Thus, the government forestalled the development of Ghanaian private capitalism and concentrating the ownership of the social means of production in the hands of the state.¹³² This idea of state-led development is emphasized in Nkrumah's statement that:

"I would like to emphasize my determination to maintain the unity of the country for our economic, political and social reconstruction. The organization of the Farmers Council, the Co-operative movement, the Builders Brigade, the Trade Union Congress...are all designed to achieve this objective. The CPP is the political vanguard of these movements".¹³³

With this intent, the CPP attempted to gain control over labour unions, cooperative organizations, private enterprises, local governments, traditional

political authorities, student groups, voluntary organizations and even religious organizations, which were at one point or the other banned or controlled.

At the political level, once Ghana's independence had been consolidated, attention turned to the expansion of bureaucratic apparatus inherited from the colonial era, the creation of new Ministries and a wide array of state corporations were established. The CPP's ideology of socialism denied the representative rights of those who did not agree with its vision and used repressive measures to curb civil and political liberties in terms of personal, associational, press and judicial freedom. Also, the concentration of power in the state deprived the local chiefs the autonomy they have enjoyed in both the pre-colonial and the colonial era. In 1959 traditional representation was abolished by the CPP government, which greatly undermined the institution of chieftaincy in local development and administration. All these culminated in significant inequalities and the concentration of wealth and power in the hands of a few party members, which have emerged alongside the rapid disintegration of traditional forms of governance as well as the power of the people and chiefs over the development agenda in their communities. Although the government continuously increased the number of councils (155 in 1962, 183 in 1965) and established the political role of the district commissioner, this was essentially a process of de-concentration which did not grant (but also could not deny) statutory powers to the locality.¹³⁴ The District Commissioners (DCs) were appointed by the government rather than being elected by the people to make the local administrators accountable and more responsive to the needs of the local

people. Despite the Local Government Act of 1961 in which the government expressed keen interest in the formation of Town and Village Development Committees (TVDCs), whereby each village was to organize its development activities. These TVDCs were promoted to facilitate the interest of the government and not that of the people as the level of participation and empowerment was extremely minimal.

In this connection, Amonoo has argued that the TVDC's in Ghana had become "...party creatures by 1963"¹³⁵ as the step was taken to satisfy the CPP political constituencies. Above all, the newly formed local government structures under the CPP government were not at liberty to take any development initiatives on their own without the control of the central government. Thus, the real meaning of what Nkrumah called "People's Democracy" became clear: power came from above and not from the bottom up. After 1960 the import-substitution orientation was consolidated in an explicitly state socialist type of mixed political economy.¹³⁶ Ghana instituted an ambitious program of large mechanized state farms that would supplant the small peasant farms that then dominated the rural economy. At the height of the program 105 farms covered 1 million acres. Thus, Ghana's focus on rapid industrialization and physical capital formation was quite respectable at the time.¹³⁷ Nevertheless, the advent of the "People's Democracy" drastically affected the relations of individuals and social groups to the state in many respects.¹³⁸ Ghana switched to single-party rule in 1964 largely as a result of what Dennis Austin refers to as "Nkrumah's pathological distaste for any manifestation of opposition."¹³⁹ The Preventive Detention Act

(PDA) enacted in 1958 outlawed all associational activities not initiated by the government and the power to arrest and imprison those who disobey this law without trial, which placed a great deal of fear and uneasiness in the majority of the population.

During the first years of independence, the centrality of the CPP was consciously augmented. The CPP attempted to gain control over voluntary associations through the creation and control of functional groups such as the United Farmers Council, the Ghana Trade Union (TUC), The Young Pioneers, the Workers Brigade and the National Union of Ghana Students (NUGS). Once the party had been consolidated, attention turned to the bureaucratic apparatus inherited from the colonial era. The government machinery functioned alongside the party-controlled bureaucracy, thereby institutionalizing a dualistic structure that limited the operational freedom of the mass of the population. By the early 1960's, while popular participation in decision-making was circumscribed, state institutions charged with enforcement of decisions were politicized and subjected to government pressures and the activities of non-party voluntary and religious groups were purposely curtailed. Nkrumaism, which became Ghana's brand of African socialism, was to provide the substantive direction for these structures. Thus, the socialist program of Nkrumah's era was predicated on ideological mobilization and the quest for political uniformity.

Furthermore, the Trade Unions Congress was incorporated as an integral wing of the CPP,¹⁴⁰ and the Farmers Council and women and youth's auxiliaries were all incorporated into the government in a calculated drive to undermine local

groups and formation of associations not initiated by the government. In a sense Nkrumah's strategy removed the participatory component from the state scene.¹⁴¹ It must be noted that one of the recurring elements in the turbulent history of Ghana since independence has been the action of workers to gain a better life for themselves.¹⁴² Hence, to the CPP, participatory government means the participation of the Trade Union Congress (TUC) and the workers who were forced to become an instrument of the CPP government became disempowered and those who opposed the government were also excluded from participating in decision-making.

In the area of economic development the government's desire to expand agriculture and embark on rapid industrialization is seen in Nkrumah's declaration that: "Every time we import goods that we could manufacture...we are continuing our economic dependence and delaying our industrial growth"¹⁴³ Hence, the Seven-Year Plan expressed in the government's goals as the creation of a society in which:

"The individual Ghanaian will be able to enjoy a modern standard of living in his home supplemented by an advanced level of public services outside... The Government regards the well being of the individual Ghanaian, however humble, as the supreme law. All the energies of the nation and the government must be mobilized to promote it."¹⁴⁴

While this was an inspirational statement, the dreams in both the Five-Year Plan (1958-1963) and Seven-Year Plan (1963/64-1969/70), which were introduced under Nkrumah's regime could not materialize to bring about the dramatic improvements in agriculture and industry that he wanted.¹⁴⁵ This was partly because the plan put major emphasis on central planning to regulate production,

distribution and exchange but mainly due to the view that the centralization of power by the government prevented the people from participating in the development process.

The basic development strategy was to alter the traditional emphasis on the export of primary products by encouraging the processing of raw materials and by fostering industrialization. Numerous state corporations were proposed in agriculture, trade, industry, tourism and infrastructure. Some of the results of the plan are judged to be impressive: the extension of health and education facilities, the provision of an extensive road network, the completion of the Volta River Project, and the construction of the port at Tema. New rail links were opened and trunk roads connected to towns and villages. A national airline (Ghana Airways) and a national shipping line (The Black Star Line) were established. Ghana had, by 1965, probably the most impressive social and economic infrastructure of any sub-Saharan independent African country.¹⁴⁶ Hence, the Seven-Year Plan for work and Happiness was introduced in 1962 to achieve these objectives.¹⁴⁷ There is no doubt that Nkrumah's government achieved great infrastructure development, which made Ghana the envy of much of independent Africa, but at a cost. However, these strategies for development were initiated from 'above and outside' the local communities and therefore were not participatory. At the end of 1964, the success of Seven-Year Plan was in doubt. Ultimately, the social, economic and political costs were such that they undermined much of what had originally been achieved since Ghana was taken to the verge of bankruptcy. Nkrumah's government committed itself to a massive

debt, which the country could not sustain. During the 1960s, there was drastic reduction in foreign capital inflows, per capita income growth was in "virtual stagnation", and serious problems emerged in the implementation of the plan¹⁴⁸.

In this connection, Price has argued that the strategy of transformation opted for by the Nkrumah regime necessitated placing the management of newly created state-owned enterprises as well as the overall control of the economy in the hands of public bureaucracies.¹⁴⁹ This had significant ramifications on the development process because the mass of the people were deprived the opportunity to participate in the development process, which resulted in the lack of egalitarian development. Nkrumah's CPP government acted to ban peasant purchasing cooperatives in key cash crop areas when the cooperatives demanded pricing policies inconsistent with the government's¹⁵⁰ which denied them access to income and livelihood. Thus the people were deprived from participating in the numerous development projects that were carried out by the state and their political and socio-economic activities were severely restricted. The economy had been deeply affected because of lack of foreign exchange, exhaustion of foreign reserve and steep decline of cocoa prices in the World market.¹⁵¹ Also, the establishment of the agricultural cooperatives and the amalgamation of the workers' brigade into the United Ghana Farmers Cooperative Council (UGFCC) and the State Farm program were seen as a state entity which was initiated and controlled from above and not through the initiatives of the local people.

In spite of the government's emphasis on the necessity of expanding agricultural output as a vital aspect of the nation's overall development strategy¹⁵² the drive towards rapid industrialization through the import substitution industrialization (ISI) was promoted at the expense of agriculture. However, by the late 1960s and 1970s, as the world economy slowed the failings of ISI started coming to light.¹⁵³ Thus, the regime failed to meet the needs of the rural settlers whose main occupation was based on the agricultural industry. In this regard, the benefits of development went to the bureaucrats in the state, leaving the mass of the population to vegetate to subsistence levels.¹⁵⁴ Hence, the failure of the Agricultural Development Corporation (ADC), the cooperative farms that were spread across the country and the development plan could partly be explained by the fact that new firms were capital intensive and relied heavily on expensive imported raw materials.¹⁵⁵ More importantly, the development approach was implemented without the inputs and participation of the local people in terms of project planning, implementation and monitoring.

Nkrumah's social policy was guided by the ultimate aim of universal free education, standard health facilities, high quality drinking water, good sanitation, affordable housing for all and above all, nationwide access to electricity supply. To sustain these ambitious socio-economic, health, educational and industrial programs with its huge expenditure, Nkrumah embarked on a centralized corporate socialism. There was constant construction and expansion of infrastructural facilities in both rural and urban areas. Hospitals were refurbished and new ones such as the Korle Bu teaching hospital where Ghana could train its

own doctors were constructed. A project was embarked upon to provide portable water for all rural villages while concrete sewage drainage systems were constructed in towns. In the field of education, Nkrumah's era brought about a nationwide proliferation of primary schools and various institutions of higher learning. He enforced universal compulsory education and free tuition at the primary school level. As part of his ambition to strengthen the nation's education system, numerous teacher-training colleges and two additional universities at Cape Coast and Kumasi were established to crown Ghana's independence. Nevertheless, most of the projects initiated by the government became 'white elephant' projects, as they were not human-centred, people-led and participatory. In this view, A.W. Seidman has argued that despite the adoption of socialist rhetoric, the development strategy followed in Ghana from 1951 to 1965 essentially left critical decisions for productive investment to be determined by "market forces" inextricably intertwined with the world capitalist system.¹⁵⁶

According to Andrzej Krassowski, Nkrumah's administration and its politicians had the capacity to do a great deal that was ambitious, but not the capacity to judge what it was best to do.¹⁵⁷ At any rate, the regime's approach did not amount to participatory development since there were no coherent strategies to transform the system to meet the needs of the people. Hence, the initiative of the state did not result in the much-needed improvement or change for the people. Hence, there was no participation in governance due to the one-party state system adopted by the CPP. In this connection, J. B. Danquah has argued that "...a state governed by the ideology of one-party state is a slave state. The

freedom of each individual having become mortgaged or sold to the state's one sacrosanct party." ¹⁵⁸ Although development requires a broadly based and far-reaching expansion of people's capacity to make choices and participate in decision-making process. However, Nkrumah's socialist program was based on ideological mobilization and the quest for political uniformity. Thus, the CPP government resorted to the use of force to achieve compliance and Ghanaians as a whole were thus effectively disenfranchised and disempowered. In this regard, Wiseman has argued that although Nkrumah became the ultimate symbol of the defiant assertion of African dignity...but his commitment to Africa was not matched by a similar consideration for Ghanaians. Within Ghana he drifted towards policies of bungling through and left Ghanaians much poorer and, as individuals, less free than he found them.¹⁵⁹ The period between 1962-1964 witnessed a wave of protests by students, associations and professional.

The Nkrumaist experiment may be explained by its denial of participation and the hostility it aroused among a multiplicity of specific groups who objected the CPP's centralization of power. Evidently, independence had offered the Ghanaians a high sense of hope that the end of colonialism will automatically bring about increased participation by the public in decision-making relating to development and governance. However, this sense of hope was turned into despair when the post-colonial government began to control all state apparatus for a centralized system that deprives the people of their capacity to make choices. In this context, Richard Jeffries has argued that the potent contemporary symbolism of Nkrumah's Ghana heralding a 'new dawn' in an Africa free from

colonialism, together with economic stagnation, corruption and recurrent political crises of the years since independence (including Nkrumah's overthrow in 1966) give Ghana a particularly sharp focus for examining struggles arising from frustrated hopes and aspirations.¹⁶⁰ Thus, the idea of the 'catching-up' theory that was envisaged by the CPP government was often to take the form of ambitious projects, many of which promoted industry at the expense of agriculture¹⁶¹ and people's participation in the decision-making process. Nkrumah's legacy was one of statism and the quest for control. Therefore, populist pretension policies were pursued at the expense of popular cooperation and participation. On 24 February 1966, Nkrumah's CPP government was toppled by a military/police coup d'état which formed the National Liberation Council regime. Thus, political power in Ghana changed hands from civilian to military rule.

3.3. THE DEVELOPMENT APPROACH ADOPTED BY THE NATIONAL LIBERATION COUNCIL (NLC) GOVERNMENT: 1966-1969.

The 1966 coup that overthrew President Nkrumah's CPP government set the pace for subsequent military regimes in Ghana as it institutionalized the army as a potent political force and an acceptable tunnel for political change. Thus, the coup set in motion an ill-fated precedent of civilian rule and military intervention in the political history of Ghana that is yet to end. The National Liberation Council (NLC) government that replaced the CPP adopted its own development strategies from a different perspective, which was contrary to the CPP approach as the regime intended to appease the people for the CPP's

extreme centralization and oppressive policies. Soon after the overthrow of the CPP government, there were major shifts and re-orientation of development policies by the NLC regime as the pan-African perceptions gave way to more pragmatic and nationalistic policies in order to tackle the immediate economic problems of Ghana¹⁶² and the deep political division in the country.

In his first broadcast as chairman of the NLC, Lt. General Ankrah described the grave economic consequences of the previous regime's policies. He announced certain immediate measures of relief while assuring the people of continued supply of all essential commodities and a tax relief on various items. A detailed draft on economic policy was prepared by the economic advisers and presented to the NLC on 2 March 1966, which was a blueprint for an alternative economic policy of the new regime. According to the new policy, Ghana was to be a "strong and progressive welfare society...in which the individual Ghanaian will be able to enjoy a modern standard of living based on gainful employment."¹⁶³ Thus, during the three years of NLC rule, the government adopted a strategy for development and expansion as framed in its short-term development agenda. Under this perspective, the NLC attempted to confine itself in correcting imbalances and encouraging certain trends in the direction of economic development of Ghana.¹⁶⁴ In this context, its plan was focussed on the achievement of short-term objectives, which include:

- (a) economic growth over a short period with an improved efficiency in the use of imports and investment resources likely to be available; (b) maintenance of internal financial equilibrium avoiding an inflationary rise in prices as well as creation of additional idle capacities; (c) and maintenance of external financial equilibrium in such a way that the balance of payments no longer show deficits.¹⁶⁵

The strategy to achieve these objectives was to cut down on imports, reduction in government expenditure to redress budget imbalances and to meet the trade deficits, retrenchment of workers and increase exports. However, the government's commitment to economic and fiscal restraint also resulted in the reduction of its commitment to support social programmes and the provision of infrastructural facilities to the people.

At the political level, in an attempt to dismantle Nkrumah's centralization of the administration and the development process, successive commissions were established to formulate a viable local government system for Ghana.¹⁶⁶ This led to the formation of Regional Committees, District Councils and local Councils as well as Town and Village Development Committees. The District and Local Councils were charged to oversee the development of their localities, collect taxes for both the local administration and the central government and maintain law and order. Although the NLC brought to Ghana a freedom unknown for years...for the vast majority of Ghanaians ...Indeed, the NLC encouraged associational life resulting in the resurgence of the sub units of civil society, reactivation of old ones dissolved by the Nkrumah regime.¹⁶⁷

In spite of these changes, political power rested with the central government, which controlled the national, regional and district level organization and development as the people were not empowered to be part of the development process to meet their needs. Although Akuoko-Frimpong has argued that the effort to de-concentrate power by the NLC government through the Town and Village Committees took the "decision-making function in respect of matters of a

purely local significance away from the national capital closer to the areas where the decisions are implemented.”¹⁶⁸

However, critics of the NLC regime have counter-argued that public opinion was irrelevant in determination of government policy.¹⁶⁹ In this context, Price has also argued that the NLC bungled every political move it made at institution building and showed that it lacked any clear programme of development for the nation.¹⁷⁰ Thus, the centralization of power was continued by the NLC regime without empowering the people to take control of their development. It could therefore be argued that the NLC’s policies failed to reach its objective partly because it was directed towards reducing government assistance to the people but mainly, in all the policies implemented, the people were not consulted or involved in the decision-making to determine their needs and priorities. Although the NLC sought to reverse some of the stringent centralized policies of Nkrumah’s CPP, it failed to meet the expectations of the people as it also tended to centralize power in the central government. This practice continued until the NLC handed over power to the progress party government in 1969.

3.4. THE PROGRESS PARTY (PP) GOVERNMENT’S DEVELOPMENT APPROACH: 1969-1972.

The Progress Party (PP) government under Prime Minister K.A. Busia is one of the three civilian administrations Ghana had before the dawn of the millennium. Soon after taking office, Busia’s PP government realized that the economic plight of Ghana was a result of “the regime of controls and extreme centralization under which the economy has been functioning for the past ten

years or so.”¹⁷¹ Therefore, while relying on many of the NLC outlooks, it cast its vision of the role of the state and the state actions in a more conceptually systematic mold.¹⁷² Consequently, PP government's solution was to liberalize the external trade sector, decentralize the economic decision-making apparatus and rely on market mechanisms. In its 1971 budget, aimed at tackling the worsening economic situation, the government imposed on all workers a National Development Levy to raise funds for rural development projects.¹⁷³

The PP government showed much concern about the disparity in the allocation of resources in terms of rural/urban dichotomy. The government therefore set itself the task of providing balanced development in the distribution of health, water, electricity, road network and transportation facilities in its rural development programme. Critics have noted that the PP government's effort to remedy the imbalance in rural/urban development is evidenced in its emphasis on feeder roads, rural health services and rural water supply.¹⁷⁴

In addition to agriculture and industry, housing was one area of priority to the government. The government embarked upon a programme of providing affordable housing for the low-income groups to keep unit cost of the houses in a low range. Although the PP regime undertook various rural development projects to meet the local people's needs, like its predecessors, its approach was 'top-down'. The PP government also attempted to increase the productivity of the agricultural sector of the economy through the encouragement of cash crop production. It must be noted that this approach to agricultural development that has been practiced by the post-colonial state often discriminates

disproportionately against food crop producers who form the majority of the rural poor farmers especially women.

The political strategy of the PP government, like the NLC before it, was concerned more with decentralization in the operative sense. Relying on the Mills-Odoi report on government restructuring of 1967, the 1969 constitution set up local councils (with two-thirds of the representation allotted to chiefs) and district councils with one-third of the members consisting of chiefs.¹⁷⁵ Thus, whereas Nkrumah rejected the traditional institutions as *persona non grata* in his administration as he saw them as impediments to societal transformation, Busia saw them as the bedrock for perpetuity and a means of strengthening the local administrations. In this connection, Naomi Chazan has argued that the PP government did develop two alternate structures aimed at somewhat bridging the widening participatory chasm. One was the National House of Chiefs created for the first time under the Second Republic and embedded in the 1969 constitution.¹⁷⁶ The House of Chiefs, composed of five representatives of the reconstituted regional houses of chiefs, had a rotating leadership and was the final court of appeal on many customary matters. Also, the formation of the voluntary National Service Corps (NSC), which was viewed as a self-help local development organization that would assist in rural development schemes.¹⁷⁷

In addition, the Busia government sponsored the Centre for Civic Education (CCE), which was charged with disseminating the fundamentals of civil rights and obligations.¹⁷⁸ The PP regime was democratic and the state's key functions, in

Busia's perspective, were to protect pluralism, civil liberties, and western-rooted notions of human rights, and to furnish opportunities for individual mobility.¹⁷⁹

With all intents and purposes, whatever good will the Busia regime might have had among the rural dwellers quickly evaporated with the drastic devaluation of the currency and its attendant high prices.¹⁸⁰ Thus, the PP government's choice of development strategy pursued was equally not participatory and empowering as it equally centralized power in decision-making. This gave the people a feeling of deja vue and detested some of the government's 'top-down' strategies and policies. Thus, whilst some critics have argued that disillusionment with Busia's government had grown rapidly because expectations were justifiably high,¹⁸¹ others have argued that the constraints inherited from the CPP and NLC were enormous that require time and expediency to deal with them. On 13 January 1972, Col. Acheampong's National Redemption Council (NRC) overthrew the PP government, and once again, Ghana returned to military rule.

3.5. DEVELOPMENT STRATEGIES OF THE NATIONAL REDEMPTION COUNCIL (NRC) AND SUPREME MILITARY COUNCIL (SMC) I & II GOVERNMENTS: 1972-1979

The National Redemption Council (NRC) government came to power on 13 January 1972 led by Col. I.K. Acheampong (later became General Acheampong). To effect fundamental changes and as a way to legitimize itself, the development strategy adopted by the NRC manifests some institutional reconstruction. On assuming office, Acheampong stated the NRC government's

broad goals for Ghana in a participatory and inclusive development process by stating that:

“The National Redemption Council aims at a complete and systematic transformation of our peoples in a SELF-RELIANT NATION, unique in its economic, social, cultural, political, technological and all-round development, a united modern nation with a spirit of its own. To this end, every necessary step must be taken to create a just society based on respect for the dignity of man, equal opportunities for all, equitable distribution of our resources; a society in which Ghanaians are the masters and beneficiaries of the wealth of the nation and in which the full development of each is a condition for the free and full development of all. For this purpose, we must have confidence in our ability to manage our own affairs. We must have pride in our African heritage and a firm conviction that our destiny lies in our own hands”.¹⁸²

For example, the government called for the expansion of the rural areas to give prospective investors and farmers in the rural areas easy access.¹⁸³

In a speech at the national launching of the second phase of the ‘Operation Feed Yourself’ (OFY) campaign, Acheampong said that the aims of the second phase of the OFY were “to feed ourselves, produce as much raw materials as possible for our factories and industries and develop export crops apart from cocoa”.¹⁸⁴

In the short-term, the government’s attempt to organize the people for a national agricultural programme in the OFY in its comprehensive five-year development plan was laudable and modestly successful since the government pledged its support for the people to take control of the “commanding heights” of the socio-economic development of Ghana. The establishment of the Grains Development Board, Food Distribution Corporation for food preservation and distribution purposes respectively, was intended to meet the needs of the ordinary people.

The modification of institutions and the formation of the Regional Development Corporations were to foster development at the regional and district

levels, which was to invest directly in agricultural, commercial and industrial projects. The Regional Planning Committees were under the direction of Regional Commissioners who were to "play more positive roles in resource allocation and the strengthening of physical infrastructural bases of the region."¹⁸⁵ Recognition of the potential of women was somewhat formalized by the establishment of the National Council on Women and Development (NCWD) in 1974.¹⁸⁶ The NRC government further argued that self-reliance, the further development of a united nation in which Ghanaian strengths are harnessed effectively, sustained and reasonably balanced social and economic development...."the Government...is anxious to build a society in which the people would have no anxiety about the basic needs of life: food, work and shelter".¹⁸⁷ This statement spells out the role of the state as the provider of basic needs and the people were seen as helpless beneficiaries. In Acheampong's view, self-reliance and resource distribution were defined as means for achieving economic development. However, the form of such development, its social and political ramifications, and the nature of the society to be molded were (rhetoric aside) left astoundingly unclear.¹⁸⁸ Although these were all devices to help make socio-economic nationalism a reality and to create opportunities for the people through the initiative of the government.

Despite these assertions there were no forms of participation or empowerment of the people to take control of their own development and the Centre for Civic Education which was established by the previous administration for public education was immediately disbanded after Acheampong's takeover in 1972.¹⁸⁹

In retrospect, the limitations that were placed on the people became more visible than the opportunities the NRC professed to bring to their doorsteps and constraints replaced choices as the underlying development orientation. In spite of its initiatives, the intention of the government could not materialize partly due to the haphazard, inconsistent, and often corrupt manner in which policies were implemented but mainly because the development approach adopted was not 'bottom-up'. Also, since the initiative was from 'above' and state-led, the idea did not 'cut ice' with the people's growing pessimism to diffuse the popular discontentment as their hopes faded into oblivion after a few years. In spite of the pronouncements and the goals set to pursue a human-centred development and to meet the needs of the people, the NRC government recoiled from the logic of the idea and reneged on its promises.

In a statement on state participation in the mining industry Acheampong explicitly stated the unflinching cardinal role of the state in the development process. He noted that:

"The N.R.C. has, throughout its administration, proclaimed an economic philosophy based on the principle of self-reliance. It hardly needs emphasize that the idea of self-reliance enjoins us to rely primarily on our own resources, human as well as material, for the solution of Ghana's economic problems. But our endeavours in this area would be futile and meaningless unless the state were assured of effective control over the management of the vital sectors of the country's economy...The Government's position, which is no different from the position of most countries, is that the major resources of the sub-soil are part of the public domain not only de jure but also de facto. The Government, therefore, has a duty and the right to assume effective control over production of these resources to ensure that the country realizes maximum economic benefit from them".¹⁹⁰

Therefore, during the NRC rule, the move towards centralization was seen on all aspects of life in the society. In June 1973, a new law was passed which took

away the liberties that the Press had enjoyed under both the NLC and Busia¹⁹¹ and in 1974, Acheampong stated categorically to the information service secretariat that: 'Your loyalty to the government and the state should be unquestionably absolute'.¹⁹² Thus, the people's hopes of freedom of expression and popular participation in decision-making were quickly extinguished. This is evident that when military rulers have governmental control they are unconcerned with the realization of economic change and reform. Moreover, where there are civilian organizations or groups pressing for such economic changes these military officers will oppose them.¹⁹³ Furthermore, whereas the NRC/SMC government frequently called on Ghanaians to tighten their belt, government officials were reportedly loosening theirs through corruption and leading ostentatious lifestyles. The development strategies pursued by the NRC have been criticized for their lack of participation and initiative from below. Olurunsola has argued that the "OFY" was criticized as depending largely on spontaneity. In the years ahead, if the spontaneous efforts would continue to reap bountiful rewards, both tangible and intangible, the efforts would be sustained and perhaps institutionalized into the Ghanaian system.¹⁹⁴

At the political level, despite the Acheampong regime's proclamation of establishing a socialist, self-reliant society through "capturing the commanding heights of the economy" for Ghanaians as its ultimate goal, in the first phase of its rule (1972-75), the government's grand designs on civil society gradually unfolded. Thus, the government consciously avoided participatory organs and sought to work out a grand alliance of the military, bureaucracy, and traditional

rulers. Obviously neo-corporate in character, the alliance was designed to depoliticize public life.¹⁹⁵ The Union Government (UNIGOV) concept introduced in 1977 by Acheampong's government was ostensibly to bring about an all inclusive-government but the real motive behind it was to consolidate power in the hands of the few military leaders headed by head of state. In an effort to achieve this, an extensive and costly propaganda machinery was established to enlist support for UNIGOV. Thus, the desire to achieve ultimate control and power superceded the need to address the people's basic needs as huge sums of money were directed towards UNIGOV campaigns. In this context, Naomi Chazan has argued that during the SMC phase and through the Union government experiment, the government sought to substitute incorporation for representation as the modal form of participation.¹⁹⁶ In this view, the people's power to make choices was greatly limited and there was no effort to decentralize power at the local level, as the people were not allowed to elect their local representatives. All these deprived them of the much-needed political spaces and socio-economic power to make choices, which would otherwise offer them the opportunity to participate in their development. There were arbitrary arrests and widespread corruption among the army and civilians that were linked to the government and the country was in complete socio-economic disarray.

On 5 July 1978 Acheampong's colleagues in the SMC I forced him to resign and accused him of what they termed his "one man show". He was succeeded by Lt. Gen. F.W.K. Akuffo who became the leader of the third phase of the government under the name SMC II. Regrettably, the same policies that were

pursued by the NRC/SMC I were continued by the SMC II government, which implies no changes in the development strategy and governance, as a popular African adage goes: "Same Taxi, Different Driver."¹⁹⁷ In its short period of rule, the Akuffo government sought to apply stringent control on the economy¹⁹⁸ and adopted even stricter austerity measures. Nothing was changed by Akuffo to improve the socio-economic situation of Ghanaians, rather he decided to change the country's currency which was an exercise no matter how worthy in intent, was open to widespread abuse. Some senior army officers were seen to have been hurriedly acquiring properties and investing their money in liquidable assets in a few days before the currency exchange. Strikes persisted throughout the country and it was clear that the SMC era was destined to fall sooner or later.

Critics have argued that the tendency towards centralization of decision-making functions that was evident in the CPP, NLC and PP governments reached its highest proportions in the NRC/SMC I & II regimes. However, pressure from the people and various interest groups to hand-over the administration of the state to civilian rule compelled the SMC II government to reluctantly lift the ban on multi-party politics in January 1979, as they favoured a national government rather than the revival of party politics.¹⁹⁹ Notwithstanding the step towards democratization, before the elections could be conducted the Armed Forces Revolutionary Council (AFRC) overthrew Akuffo's SMC II government on 4 June 1979 under the leadership of Flt. Lt. J.J. Rawlings. Thus, the period of Acheampong and Akuffo's ill-fated military reformism came to an abrupt end without any significant impacts on the people.

3.5. THE PEOPLE'S NATIONAL PARTY (PNP) GOVERNMENT'S DEVELOPMENT APPROACH: 1979-1981.

The Limann government came to power following an extended period of authoritarian rule under successive military regimes: NRC/SMC I (1972-1978) under Acheampong and the SMC II (1978-1979) under Akuffo and later briefly under the Armed Forces Revolutionary Council (AFRC) under the leadership of Ft. Lt. J.J. Rawlings in 1979. Thus, after a few months in office, in September 1979, the interim AFRC government led by Rawlings that broke the almost decade long NRC/SMC I & II hegemony over the country decided to hand over power to the Peoples National Party (PNP) government under President Hilla Limann. According to Chazan, after undertaking a series of "housecleaning exercise" that were initiatives aimed at rooting out corrupt practices in the state, the AFRC, which had offered little in the way of a coherent economic policy decided that it had gone as far as it could with a program of economic populism and would now protect the corporate interests of the military by turning over power to a constitutionally elected government.²⁰⁰ Apart from the awakening of the spirit of the people there was no development agenda by the AFRC regime.

Apparently, by the time the PNP took office the state was in deep crisis which had been created by the reckless military authoritarianism of Acheampong and Akuffo's regimes and further worsened by the execution of 8 former military officers including three ex-heads of state in June 1979 by the AFRC. This resulted in the isolation of Ghana with economic embargo and severance of

diplomatic relations by most world leaders. Chazan has argued that the challenges facing the new PNP regime in 1979 were threefold:

First, it had to reconstruct a state apparatus that had been deformed and assaulted during the preceding period of military rule. Secondly, it had to attempt rehabilitation of an economy shattered by years of misguidance and abuse. Thirdly, it had to revive a confidence in government dissipated by years of exclusion, exploitation and impoverishment.²⁰¹

Thus, by the time the PNP government took office, hope was renewed among Ghanaians that after a long period of military rule, which had resulted in widespread deprivation, a civilian administration in power would offer them an opportunity to play active role in governance and development to meet their needs. However, the high expectations by the people turned into despair when the PNP regime failed to encourage participation as part of its overall development strategy.

In this context, Naomi Chazan has argued that when the Third Republic celebrated its second anniversary, state-society relations were in serious disrepair.²⁰² The government failed to meet the needs of the people and the acute shortages of basic necessities complicated the problem. This situation led to numerous protests by social groups such as peasants, students, and other professional bodies against the government. It must be argued that although the PNP government was criticized for the hardships but these harsh conditions and the deplorable state of the nation were created by Acheampong's mismanagement. Much in the same way, the AFRC government, which was an interlude between the long military authoritarianism and the PNP government offered little in the way of a coherent economic policy besides the promotion of

an economic populism which were haphazard short-term solutions. All these developments incapacitated the PNP administration to function effectively. Thus, the vacuum in development planning and lack of policy direction by the AFRC left Limann's government in a difficult economic predicament.²⁰³ Again, the economic hardships facing the country at the time was not unique to Ghana. By the late 1970s, the oil crisis and other related factors had stagnated development in most non-oil producing African countries. Zartman has therefore argued that forward momentum in the economic realm would only have been sustainable through successful rehabilitation of the agricultural and industrial sectors.²⁰⁴ To make matters worse, the level of stocks was abysmally low; and the state coffers were virtually empty.²⁰⁵

However, this was a very difficult task in the light of the structural nature of the problems confronting the regime. Thus, the Limann government operated under no illusions regarding the dimensions of the country's socio-economic crisis.²⁰⁶ The extent of the challenges facing the PNP administration is seen in the pronouncements of Limann and some other officials. Limann spoke of an economy "in shambles"; and Kofi Batsa, chairman of the PNP Publicity Committee, talked of the economy as being "in complete tatters": "Our voice is that of the sick old lion, its paws broken, its fangs removed. We need to be carefully tended back to health".²⁰⁷ All these statements show the intensity of the socio-economic crisis facing the government at the time and the PNP government's effort to figure out how best to deal with the situation, as it was delicate and complex. The PNP government was torn between adopting

austerity socio-economic measures and liberal/welfare policies. Therefore, in an effort to revive the economy, Limann outlined a plan of giving price incentives and providing such inputs as cutlasses, hoes, fertilizers, and improved seeds and insecticides to farmers.²⁰⁸

The government attempted to lay the foundations for a long-term agricultural and industrial growth. With agriculture accounting for more than 40 per cent of GDP and 70 per cent of export earnings, it was logical for the government to concentrate his attention on increasing the output of cash crop and subsistence farming in Ghana.²⁰⁹ The PNP's industrial development approach was to adopt policies aimed at overcoming the artificial and inefficient structure of production resulting from the past import substitution industrialization (ISI) strategies, calling instead for greater utilization of local inputs and the promotion of new industries linked to the country's natural resources.²¹⁰ Hence, critics have argued that the Limann economic package was eminently rational under the circumstances, however, it was much too cautious to fulfill public expectations²¹¹ and it was not directed towards grassroots participation and was 'top-down'. Further more, government services had eroded, acute food shortage persisted, cocoa production reached its lowest levels since de-colonization at precisely the time that the world's cocoa prices dropped to a nadir in the post-war period. On every conceivable skill, economic performance during the PNP regime was poor as it failed to make any significant changes in the country's economic morale.

In political terms, although Limann respected the constitution and democracy and there was freedom of expression, association and the press but

development was planned and practiced solely by the PNP. In this regard, the government did not meet the high expectations of the people, which made a greater majority of the population impatient with the slow manner in which the government was administering its development agenda. The central government failed to give the people at the local level more power and promote popular participation and inclusiveness. Although the PNP had no doubt, the critical task of responding to multiple challenges, the extreme caution in which the government pursued its policies showed that it was threading on a thin line as it felt constantly threatened by Rawlings and the AFRC, which made the regime act in an extremely tentative fashion. Critics have therefore argued that given the immensity of Ghana's problems, tentative government was unlikely to provide solutions since the results of these half-hearted efforts were meager.

Unquestionably, by the end of 1981, the political centre in Ghana had "collapsed" because the government had lost what little control it held over the population. Also, a number of scandals attributed to some high-ranking members of the party eroded any credibility the government may have enjoyed in the initial stages of its term in office. Rothchild has argued that as a political manager, the Limann administration had certainly lost its capacity to exert a decisive influence over the groups making up the society²¹² and the propensity towards centralization was apparent. As noted by Ninsin and Drah, the PNP itself had hardly settled down to the business of ruling when it began to be torn apart by dissension among its leaders centred on power brokerage, the distribution of patronage, and accusations and counter accusations of corrupt deals.²¹³

Worse of all, the PNP had to contend with Rawlings' threatening pronouncements issued in his handing-over address that the PNP was on probation and later his sabotaging populist rhetoric acts against the government. On December 31, 1981, the seemingly inevitable happened, and Rawlings was returned to power in yet another coup²¹⁴ and set-up the Provisional National Defence Council (PNDC) government. Once again, Ghana's experiment with liberal democracy was short-lived.

3.7. DEVELOPMENT STRATEGIES OF THE PROVISIONAL NATIONAL DEFENCE COUNCIL (PNDC) AND NATIONAL DEMOCRATIC CONGRESS (NDC) GOVERNMENTS – 1981-2000.

The overthrow of the Limann's PNP government by Rawlings on 31 December 1981 and the formation of the Provisional National Defence Council (PNDC) government set in motion another chapter of militarism in the history of Ghana. In no uncertain terms, the return of Rawlings to power differed in design and intent from his first intervention. PNDC overthrew an elected civilian government who has the mandate of the people to rule for four years and not against a disdained military establishment. It has therefore argued that regardless of the flaws of the PNP, Rawlings and some of his tribesmen like Captain Tsikata and Kofi Awoonor had their personal and ethnic motivated political ambitions. Hence, the return of Rawlings was greeted with a mixture of enthusiasm, skepticism and fear since many people were apprehensive about the prospect of another era of military rule. As time goes by, his second regime did not retain the popularity it had enjoyed under the AFRC period for too long. In his broadcast to legitimize his coup and to consolidate his regime, Rawlings

proclaimed that the people would be the object of development and decision-making. He stated that:

"Fellow Ghanaians, as you noticed we are not playing the national anthem, in other words this is not a coup. It is nothing less than a Revolution... we are looking for a popular democracy, we are asking nothing more than the power to organize this country in such a way that nothing will be done from the castle without the consent and authority of the people,...the people, the farmers, the Police, the Soldiers, the Workers, You, the Guardians - rich or poor should be a part of the decision making process of this country."²¹⁵

The initial approach of the PNDC governments grassroots development initiative, its quest for inclusiveness, accountability and transparency in development and governance touched the hearts of many average Ghanaians who felt that the hour of redemption from political and socio-economic exploitation and deprivation had come. Majority of the people hailed Rawlings as their 'earthly messiah', 'Junior Jesus', 'a man of the people' as was evident on the placards and billboards during demonstrations. What facilitated this view was that Rawlings was initially able to project himself as the personification of the honest underdog combating a decadent establishment.²¹⁶ He promoted a vision of a return to a more prosperous and more egalitarian Ghana and a belief in himself as the man who can provide the necessary leadership.²¹⁷ Thus, the PNDC government declared that:

its major aim was the "revolutionary transformation of Ghana" which would involve the complete "transfer of power from the group of power brokers to the ordinary people of this country" to enable them participate effectively in decision-making process. The distinguishing features of the "new participatory democracy" were said to be probity, accountability, and the pursuit of social justice.²¹⁸

In terms of political strategies, to make “the ordinary people’s powers” a reality, certain popular organs were established. These included People’s and Workers’ Defence Committees (PDCs and WDCs) in the community and at workplaces respectively as well as National Defence Committees (NDCs).²¹⁹ The PDC/WDCs encompassed the underprivileged, disadvantaged, marginalized, downtrodden, and the exploited; whilst the NDCs were made up of social elites – professionals like lawyers, judges, managers, doctors, bureaucrats, university teachers; wealthy business people; top military and police officers and so on.²²⁰ The concept of workers’/People’s defence committees were formed at the district, regional, and national levels to mobilize the citizenry to support and defend the PNDC policies. All these bodies were later amalgamated into the Committees for the Defence of the Revolution (CDRs). Hence, Zaya Yeebo has argued that the fundamental reason for the call for the setting up of revolutionary committees was the broader question of “democratic participation of the ordinary people in national political and economic issues.”²²¹

Evidently, during this initial period Rawlings’ support coalition could be found among the rural and urban unemployed, the disadvantaged workers, and the lower ranks of the military and civil service, and radical university students and intellectuals. Populist slogans on “power to the people” and “social revolution” were conspicuous everywhere, appearing in newspapers, on billboards, and at public rallies.²²² Although their composition was distinctly populist, however, they were violent, harsh and apparently became an instrument of control and oppression by the government. Through these committees, the PNDC hoped to

link people with the government but they became a political instrument and loyal supporters whose main duty was to persecute any opposing elements in the society. Thus, both political and socio-economic activities of individuals were scrutinized by series of investigation committees. Prominent among these was the Citizens vetting committee (CVC) and Public Tribunals, which haphazardly dispensed justice to the public, especially critics of the regime. The government proclaimed that workers and peasants, being in the majority, would ultimately take charge of their own destinies.²²³

In creating these organs the PNDC sought to bypass the establishment of sub-units of civil society and deal directly with the ordinary people: no intermediary organizations of the "old order" should interpose themselves between such people and the state. Therefore, true citizen participation was thus redefined to mean direct involvement of the ordinary people in the revolutionary transformation of Ghana and the struggle against "bourgeois decadence." In view of this, the true citizen was the true representative of the exploited majority. Whoever did not answer to such a description could not become part of the revolutionary project.²²⁴ The establishment of the 31st December Women's Movement was ostensibly to address women issues in a more pragmatic way and encourage women to participate in the development process. However, with all intense and purposes, the motive behind the formation of the movement was an orchestrated strategy towards the politicization of CBOs and centralization of power. Thus, most women who do not share the ideology of the PNDC/NDC

regime were deprived from participating. In this regard, the wind of change did not blow over the entire population but the supporters of the PNDC.

Nevertheless, not long before the PNDC took over power, 'things began to fall apart' and Ghanaians were 'no longer at ease' about the turn of events. Consequently, hopes of the people - peasants, students and workers were dashed since there was an even stricter centralization of power by the new government than any of its predecessors. At the face value, it appeared that the government was committed to allowing popular participation and inclusiveness to prevail in the development process. However, this sense of hope and optimism of the people was short-lived and quickly evaporated when the PNDC changed the direction of its policies. The decentralization of power to the local administration through the District Assembly concept was a sham because the local people and the District Assemblies were not allowed a free hand in the decision-making process. Also, the Assemblies did not have the power to formulate their development policies to meet their local needs without any influence from the central government.

Moreover, the disbursement of the Poverty Alleviation Fund which was intended for the District Assemblies to use for local development and mitigate the effects of SAP were either directly or indirectly channeled to the District Chief Executives (DCEs). As appointed representatives of the central government the DCEs exercised their discretion without the consent of the Assembly and the people to allocate the funds to projects that promote the government and NDC party members' interests which does not reflect the needs of the people. Also,

the nomination, election and/or appointment of the District Assembly and Regional Consultative Council members were biased against the non-NDC candidates since the government often influenced the outcome of elections to ensure that its party supporters are elected or appointed. Also, due to the centralized planning system, the provision of infrastructural facilities to the rural areas was planned and implemented by the central government and state officials without consultation with the people to determine their immediate needs.

In this regard, some rural communities in Ghana that were provided with electricity by the government are unable to pay their bills because they do not have jobs and therefore, have no income. It is apparent that their priority would be access to credit and job creation that would ensure their self-reliance and sustain their livelihood to empower them. On the other hand, the government's achievement in the area of social development was the provision of electricity and road network to certain areas. However, critics have argued that most of the funding of the projects were through community initiatives and not funded by the regime. Also, where projects were carried out it was done to enlist the support of the people in the area considering the discriminatory manner in which development projects were distributed. Communities/Districts that refused to support the regime had little or no development. Also, the government ignored vital services such as health, education and strategies for job-creation to improve the standard of living.

At the economic level, the PNDC short-term plan was focused on the evacuation exercise. By 1986, food was abundant, production level had

increased and overall improvement in infrastructure was somewhat visible. Realizing that the government's policies were failing the PNDC abolished its populist policies and ideology to embrace free-market reforms in the 1980s. Consequently, the government's main long-term economic policy response to the crisis that was facing the state was a combination of economic and financial repressive policies which was a prescription from the IMF/World Bank recipes for economic recovery through the ERP and later SAP. These measures and policies were in a fundamental sense contradictory as they fostered internal manipulation of the economy by the regime and worsened the people's suffering. In spite of its rhetoric about bringing discipline, accountability and responsibility in government as well as encouraging participation, the PNDC/NDC government was characterized by inherent difficulties in improving the accountability and control of corruption- especially the tendency of special interest groups in the ruling party to amass wealth indiscriminately. The harsh socio-economic measures and heavy doses of adjustment policies brought severe hardship on the people, which brewed widespread disillusionment among Ghanaians. However, the discontentment was suppressed under the heavy-handedness of Rawlings and his followers who put extreme fear in the people against any background of open criticism of the government. This period termed the 'culture of silence' was vividly explained in terms of the citizens' "fear" of being victimized if they spoke out against the government's austerity measures²²⁵. To quote Adu Boahen:

We have not protested or staged riots not because we trust the PNDC but because we fear the PNDC! We are afraid of being detained, liquidated or

dragged before the CVC [Citizen Vetting Committee] or NIC [National Investigations Committee] or being subjected to all sorts of molestation.²²⁶

Apart from widespread corruption one of the main flaws of the PNDC/NDC regime was its excessive trampling of civil/human Rights. Rawlings centralized the press and the private press and publishers who criticized his government were unlawfully imprisoned. Totalitarianism and gross abuse of power characterized Rawlings' government. One of the many instances of mass killings of innocent people occurred when the government introduced the Value Added Tax (VAT) in the 1994 budget. When workers and students demonstrated in opposition to the budget, the president ordered his 'special army' - the ACDR cadets to forcibly halt the demonstration and as a result five people among the peaceful demonstrators died.²²⁷ Also, the government turned a deaf ear on the Ghana Bar Association's petition to set up an independent investigation into the murder of three high court judges in 1982, which was later attributed to a member of the PNDC under the instructions of Rawlings, Captain Kojo Tsikata and Mrs. Rawlings.²²⁸ Critics have argued that the human rights abuses in the PNDC/NDC era far exceeds Nkrumah's civil rights record since the former registered the worst human rights record in Ghana's independence history.

The unpopularity of the Defence committees is evident in the statements made by high-ranking NDC members who criticized it as not reflecting the image of the country. D.F. Annan dismissed the popular democracy of the workers'/People's Defence Committees, the Peoples' Border Guards, the People's Army, the People's Tribunals and the National Investigations Committee, which had been in vogue from 1982-1984 as irrelevant. What Ghana

needed, he said, was a political system rooted in the country's history and cultural tradition.²²⁹ Also, with the presentation of the 1990 budget, the PNDC Secretary for Finance and Economic Planning, Kwesi Botchwey ruled out any "relapse into the careless populism of the past that all but destroyed our national economy."²³⁰ Other critics have also denounced the governments' tight control and manipulation of the National Commission for Civic Education. In this context, Kofi Kumado argued that there are not enough safeguards in the constitution to prevent the National Commission for Civic Education from being manipulated and used as an ideological tool by the government in power.²³¹

Looking for an easy way out of the economic crisis, the government accepted the IMF/World Bank SAP loans. As part of the conditions for the IMF/World Bank bail out, the government was required to democratize, decentralize and reduce its power in policy-making. On 1 July 1987 the government announced that two pamphlets would be issued, the first a National Programme for Economic Development and the second entitled District Political Authority and Modalities for District Local Elections.²³² Thus, the national Commission on Democracy was established, headed by Justice D.F. Annan, and charged with the task of formulating what the government termed a "true" democracy (as opposed to the notion of a "new" democracy propounded during the first phase of the PNDC rule).²³³ Hence, the District Assembly concept was introduced in 1988/89 as a form of government decentralization and encouraging popular participation at the grassroots. Nevertheless, key positions at the district level such as the position of the District Chief Executive (DCEs), which were of strategic importance to the

people and kept the state hostage to the agendas of foreign donors. The cost of social services rose significantly high, which imposed a heavy burden on the poor. There were high education and healthcare fee increases in 1992 and the subsequent years that followed. The Ghanaian voice newspaper editorial of November 2-5, 1992, commenting on the grave economic situation noted that:

“It is important to take cognizance of the fact that Ghana is today in a very deep crisis. The economic situation of the masses has not improved significantly after 11 years of Structural Adjustment... The unemployment situation is worse than it has ever been and the people’s access to social services has been drastically curtailed.”²³⁴

To make matters worse, whilst a greater majority of the population were severely feeling the heat of the socio-economic austerity measures that had been imposed on them by the government since the early 1980s, a few group of bureaucrats and business elites associated with the regime were leading flamboyant lifestyles in ‘pomp and pageantry’ with the limited national resources and foreign loans borrowed for developmental purposes. This portrays the extent to which a government that had professed power should emanate from the people’ easily distanced itself from the needs of the people. Thus, the extent of corruption, exploitation and abuse of power within the PNDC/NDC regime led to the systematic impoverishment of its people made the Ghanaian State both the source of wealth and the means of defending it²³⁵. In spite of all these, the PNDC/NDC government failed to realize that the state itself was the problem to institute institutional reforms that would allow the people to expand their socio-economic choices in the development process. Thus, a mechanism of manipulation through propaganda to divert blame for the government’s

inefficiency was used extensively by Rawlings' to cover-up its failures. Hence, the quest for control, populist pretensions notwithstanding was pursued at the expense of popular cooperation and participation. The PNDC's idea of creating a vibrant community based on egalitarian values and guided by people's participation never materialized since the radical rhetoric that characterized Rawlings' regime was not back with action to improve the living conditions of the people. It's own populist structures that were becoming powerful were all extensively downgraded or scrapped completely and on many occasions attempted to ban public protests. Also, the structural reforms were imposed top-downward by an authoritarian regime that was not accountable to the public.²³⁶

The climax of the discontentment arising from the centralization of power in the PNDC/NDC regime, the gross human rights abuses, interwoven with the economic issues such as the widespread corruption, the widespread deprivation and the impacts of the SAP's austerity measures were evident in the peoples 'protest vote' in the December 7 and 28, 2000 elections that swept the incumbent NDC government from power in both the parliamentary and presidential elections respectively. Thus, after almost twenty years in power, Rawlings and his PNDC/NDC regimes left Ghanaians poorer and the society more polarized than he had found them in 1981. With the election of a new civilian government, it is not certain which direction the New Patriotic party (NPP) government that took office in January 2001 will take to promote its development agenda.

However, it is hoped that the newly elected NPP government will institute measures that will help promote popular participation and empowerment in the

development process to transform the structures that impede the progress of the people. To achieve this, there is the need to transform the state structures that impede the progress of the people in the development process and governance to truly empower them. The government should therefore formulate a strategy to encourage nation-wide community-based development autonomously planned and initiated by the people in the towns and villages. Hence, Claude Ake has argued that it is necessary to rethink the general concept of the state and the peculiar character of the state in contemporary Africa.²³⁷

3.8. CONCLUSION

Apparently, certain key issues have emerged from the above discussion on the role of the post-colonial state in Ghana's development. It could be argued that there has been 'No Easy Path' to participation of the people in development and governance due to the state's centralization of power. It is apparent that neither the civilian nor the military regimes have given the people sufficient spaces to participate in the development process and that all the regimes that took power after independence have pursued a largely statist and centralized strategy of socio-economic and political development from different perspectives. The regimes were of the view that: To quote Alexander Pope's line: 'Whate'er is best administered is best.'²³⁸ Thus, it is evident that the main strategy of the post-colonial state in Ghana's development was perceived and practiced through centralization of power and control of the means and instruments of

development. In this context, Conyers and Hills have argued that local co-ordination is often impossible when a planning system is highly centralized.²³⁹

Therefore, the centralization of power by the state has been a critical factor in the development process. As Goran Hyden and others have shown, the inability to reach out and really penetrate their territory is still a major problem for the states of Africa.²⁴⁰ In this connection, the history of Ghana's experience with the post-colonial state is depicted in Ayi Kwei Armah's celebrated satirical novel – 'The beautiful ones are not yet born' (Heinemann, 1969). This novel vividly portrays the extent of corruption and centralization of power by the post-colonial state and the frustration and disappointment of the people symbolized by the disillusionment of the protagonist in the post-colonial state and the political elites. It may be argued that the haunting fear of losing power has made the Ghanaian state resist any move to promote participatory development to empower the people since successive governments have often devised a framework of control to enable them centralize power. Ake has argued that one major reason why we have failed to make sense of politics and other events in Africa is because we have not paid enough attention to the state of the development of productive forces and its powerful influence on everything.²⁴¹ Yao Graham has remarked that: the way forward must be built on a framework and principles that enable the people to analyze and select which strands of the nation's years of experience are worthy."²⁴²

It must be noted that the development experiences with the agency of the state has shown that development from 'above and outside' has an air of

unrealism to it in terms of achieving participation, empowerment and transformation. This is because the government is too often far removed from the realities of the people's economic, social and political needs. Thus, it may be argued that there has been no genuine mechanism for promoting participatory development by the state and where an attempt was made, it was sporadic and haphazard at best. Although feeble attempts were made by the PP and PNP civilian governments to practice an inclusive government, however, their efforts were too little too late. With the case of the military, where such attempts were made, they were intended to gain legitimacy and consolidate more power in the hands of the government.²⁴³ Rimmer and Killick among others have argued that state intervention in the economy has probably been counter-productive, mainly because the motivation behind policies has been political, not economic.²⁴⁴ In this context, R. H. Bates and Gladstone share a common view that the determining influence of interest groups on government policy to be a classes against masses.²⁴⁵ It could be argued that the lack of participation by the masses has led to absolute power and corruption. As Lord Acton argued, "Power corrupts and absolute power corrupts absolutely". Hence, the kind of political leadership in Ghana's independence history could be likened to George Orwell's 'Animal Farm' since the President/Head of State and his regime or party enjoy absolute power over development and governance to control and manipulate the masses.

It is evident that Liberal democracy has not fared well in Ghana, neither have its authoritarian alternatives. Ghana's political history in the post-colonial period is

one of authoritarian rule punctuated by brief democratic interludes. Apart from Nkrumah's government, civilian rule has not had a fair chance to govern the country consistently as the military has dominated Ghana's political history since independence, which have had the longest period of rule besides Nkrumah have not successfully practiced participatory development in Ghana. Lieuwen and Huntington share the view that on the balance the military is not a force for change.²⁴⁶ Also, the track record of the military regimes in Ghana has shown that they are less concerned with development than power consolidation. Hence, Beinen, McWilliams and Janowitz all agree that the armed forces can be more concerned with control than with modernization.²⁴⁷ While the degree of political hegemony and socio-economic deprivation of the masses in decision-making in the development process varies, the development strategies adopted were very similar since no legitimate significant role was allowed the people, the CBOs, the working classes and social movements in the development process. The post-colonial governments saw the centralized state as an apparent solution to the development challenges facing them. This has not been participatory and there has not been any fruitful outcome of this strategy. In this regard, the desire to change Ghanaians replaced the need to change Ghana as the focus of thought.²⁴⁸ In this context, Harrison and Adjibolosoo have argued that African governments have more often paid lip service to plans than taken action.²⁴⁹

Another point worth noting is that the failure of the state in development could be explained in structural terms by arguing that the post-colonial state is at present unable to be progressive due to its rigid bureaucratic structures.

Nyang'oro has therefore argued that in many African countries serious doubts must be raised about the ability of the state to ensure economic expansion and development unless some drastic changes are allowed in the present structures of development management.²⁵⁰ Rather than promoting community involvement and participation in development, the major goals of the agencies of the state have been resource extraction and social control.²⁵¹ Critics like Ntalaja has argued that the post-colonial state has not been radically different from the colonial state where absolute power was rested with the colonial administration because it was basically a structure of control preoccupied with the maintenance of law and order²⁵² than involving the people in development and governance. This legacy of statism and centralization was quickly adopted by the emerging post-colonial regimes.

In this context, Crowder (1987) among others has attributed the centralization of power by the post-colonial state to the benign aspects of the colonial inheritance should not be overstated; the dominant characteristic of colonial rule was autocracy, enforced by repression.²⁵³ Thus, Paul Kennedy has argued that what emerged as a common characteristic of the post-colonial state was to a greater or lesser extent...an increased reliance on various forms of public-sector enterprise and bureaucratic economic regulation.²⁵⁴ In this connection, Adedeji has also argued that the very strategies of development the African governments have been pursuing since independence have come from theories of economic development that were developed during the colonial and neo-colonial periods.²⁵⁵ The present crisis of the post-colonial state can be attributed to its role in the

development process, which often brings it into sharp confrontation with the interests and aspirations of the people. In this context, Ake has argued that the post-colonial state in Africa being a creation of imperialism has followed a development strategy dictated by the interests of imperialism and its local allies, not by those of the majority of the indigenous population.²⁵⁶

Furthermore, the failure of the state as agency of development has triggered communal grievances that are compounded by such tendencies as the gap between the elite and the masses, corruption of state officials, authoritarianism and the socio-economic crisis facing the masses. From this perspective, due to the state's continued exclusion of the people in the development process and the lack of egalitarian development, there is a general disillusionment among the people, which is evident in their resignatory attitude towards the government. This tendency would seem to derive its support from a widespread belief that issues would somehow sort out themselves out with time. Common expressions seen or heard in everyday life in Ghana translates into a feeling of despair and hope of the people. Nevertheless the people and institutions has resigned from depending on the state which is seen as *aban* (external, imposed, extrinsic), in contrast to *oman* (indigenous, of the place, local).²⁵⁷ The people have therefore resorted to community activities to promote their interest and engage in development through INGOs and CBOs activities. Young and Turner have argued that the most important response by civil society is withdrawal into a plethora of survival activities. The decay of the state has opened up new economic and social spaces, which are being rapidly organized into parallel

markets. The vitality of these mechanisms demonstrates not only the creative energies of civil society, but also the possibility of survival.²⁵⁸ Thus, they regard the state as the main cause of their socio-economic predicaments and therefore do not consider it to offer the much-needed solutions.

According to Victor Azarya and Naomi Chazan, civil society response to state decay and deteriorating economic conditions in Ghana has been populace withdrawal or disengagement from the state...This strategy "encompasses an array of activities aimed at a reconciliation to a declining standard of living and learning to manage in these circumstances...finding ways of coping with shortages."²⁵⁹ This has created a less populace reliance on the state and a kind of withdrawal from the state that entails a reduced use of state channels. In this connection, Wallis has argued that since citizen involvement in both plan preparation and implementation is best carried out at the local level, the failure to involve the local authorities meant that the ordinary citizen was not involved in the planning process.²⁶⁰ Bayart has therefore argued that independence has certainly been a source of disappointment, and the coercion employed by the post-colonial state or the illicit enrichment which it guaranteed to its rentiers are bitterly resented.²⁶¹ Although, structuralists have often argued that the magnitude of the nation's socio-economic and political developmental challenges require a 'strong' government. However that does not translate into a strong state because truly effective mechanisms of human self-governance essential for development can only emerge in a political structure which allows for "decentralized" human organization.²⁶² Also, "strong" governance may well

promises and the neoliberal introduction of structural adjustment policies and conditionalities. All these led to a drastic reduction in the role of the state in development and governance. This led to the drastic reduction in the power and role of the state in policy-making and the increase in the activities of INGOs in Ghana to fill the vacuum created by the state in development as well as the expansion of the activities of the CBOs in Ghana. Therefore, there has been increasing pressure from internal and external organizations on the government to decentralize its political and socio-economic power. These pressures have compelled the state to adopt a strategy of accommodation, reform, and partnership in the development enterprise. However, this is a process that is being instituted from above and outside by the state,²⁶⁹ Naomi Chazan has argued that the more deep-seated cause for the reduction in the legitimacy of the Ghanaian State was the inadequacy of structural linkages between individuals, groups, and the state.²⁷⁰

In concluding this chapter, it may be argue that the lack of a considerable degree of participation of the people in governance and development, the lack of a pursuit of genuinely people-led and human-centred development strategies, the high rate of corruption on the part of public officials and the structural weaknesses of the state have all contributed to the failure of the state's development initiatives. In this respect, an alternative approach to development and institutional framework, which will reverse the momentum towards centralization and provide a strong foundation for a genuine alternative development is needed to radically transform the state and society relations and

the role of the state. Hence, Gordon and Gordon have argued that after thirty years of predominantly authoritarian rule, the winds of political change are sweeping Africa²⁷¹ and Ghana is no exception. In evaluating the various ways in which the post-colonial governments in Ghana have functioned, it could be realized that from 1960 to present the state has kept the same static development policies 'only the drivers have changed from time to time'. The intervention of the IMF/World Bank through SAP eventual led to the weakening of the power of the state in its development policies which will be discussed in the next chapter.

3.9.

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CHAPTER 4

THE DONOR AGENCIES APPROACH: THE IMF AND THE WORLD BANK'S JOINT MARKET-LED STRATEGY FOR DEVELOPMENT IN GHANA.

4.1. INTRODUCTION

The literature on Ghana's development experience in the post-independence period shows diverse initiatives by various agents of development. Hence, one of the most contentious issues in the country's political economy in the 1980s has been the impact of stabilization and Structural Adjustment Programme (SAP) policies required by the International Monetary Fund (IMF), the World Bank (WB) and western capitalist aid donors as a condition for financial assistance.²⁷² The chapter will therefore discuss the role of the IMF and the World Bank in Ghana's development through their joint strategy for SAP. It must be noted that the IMF and the World Bank's involvement in project financing in Ghana dates back from the period immediately after Ghana's independence in the 1960s. This involved providing the necessary financial support for projects without dictating what form and scope the development process should take or prescribing development policies for the state. In the 1980s, this flexibility towards recipient countries was changed and the IMF and the World Bank assumed more control in the planning, implementation and monitoring of the development process in Ghana. Various internal and external factors contributed to the change of policy by the Bretton Woods institutions in the 1980s in their

conditions for project financing in recipient countries that led to the introduction of SAP policies which will be discussed in the next section.

4.2. THE FISCAL CONDITIONS THAT PRECIPITATED THE IMF AND THE WORLD BANK'S SAP POLICIES IN GHANA.

The background to the conditions that led to the economic decline in the Ghanaian State and eventually precipitated the SAP was due to a combination of internal and external factors, which were political and socio-economic in nature. The internal factors that precipitated SAP in Ghana were many and varied. One of the remote factors that propelled the implementation of SAP relates to the failure of the state in its developmental role and the ensuing political instability that followed the period after independence as the frequent change of government became a predominant feature of the post-colonial state in Ghana. Thus, deficient development policies and mismanagement by the subsequent military regimes that assumed power in Ghana between 1972-1979 contributed a great deal to the deteriorating economic conditions. In this connection, due to the unstable political atmosphere in Ghana in the 1970s, there was considerably deep and prolonged economic crisis in Ghana, which was hastened by the decline in exports and commodity prices, the sharp increase in oil prices and the huge debt burden.

On the other hand, Ghana's declining agricultural and industrial productivity contributed substantially to the problem. For instance, cocoa exports which normally accounted for sixty percent of Ghana's foreign revenues plummeted from a high 557,000 tons in 1964/65 crop year to 185,000 long tons in 1980/81,

resulting in a net deficit in the budget in 1981 and 1982.²⁷³ Although these factors and natural causes such as lack of sufficient rainfall and droughts after 1975 affected agricultural production, however, declining productivity was mainly due to policy failures and bureaucratic mismanagement.²⁷⁴ Overstaffed and inefficient parastatals, poor infrastructure, low producer prices, overpricing of the local currency, budgetary imbalances, skewed sectoral and regional allocations, and inadequate agricultural research all contributed to the decline. Besides the “inefficiency of the state” argument, there were those based on equity.²⁷⁵ Whatever factors are summoned to explain the situation, apparently, during the later part of 1970s and early 1980s, the Ghanaian economy was undeniably in a critical state of deep recession, serious shortages of essential items and a high degree of inflation. Gross National Product (GNP) had stagnated, growing merely from Ghana Cedis (GHC) 5,241 million in 1975 to GHC 5,290 million in 1981; per capita GNP actually fell from GHC 537 in 1975 to GHC 467 in 1981.²⁷⁶ This decline represented a sharp and unprecedented reversal of the experience in the post-war period of rising incomes, employment and social services.

The external and possibly immediate factors were due to Ghana’s heavily dependence on external sources of funding and its reliance on imports of petroleum, machinery, and manufactured goods and on foreign markets for its exports of cocoa, timber, diamond, and gold. Thus, the external shocks resulting from price hikes on its imports in the international market adversely affected the economy. Loxley has argued that economic growth was virtually stagnant from 1970 to 1980 and then fell by 20 percent between 1980 to 1983 and a sharp fall

in real GDP. By the end of 1983, the once flourishing manufacturing sector was in disarray.²⁷⁷ Another factor that accelerated the drive towards SAP policies was the statement by the then President of the World Bank, Robert S. McNamara who first coined the term "structural adjustment" in his concluding remarks to the Annual Meeting of the Board of Governors of the World Bank in October, 1979 in Belgrade to imply something like 'a quick fix' to adapt to changes in the external economic environment. McNamara was anticipating the dire consequences of a second oil price shock, just about to hit the developing countries.²⁷⁸ The design of ERP was meant to increase the capacity of the economy to adjust to both external and internal shocks, and generate sustainable growth and development.²⁷⁹

Incidentally, 'the last straw that broke the camel's back' was the fact that the period of the dire economic crisis that plagued Ghana and other sub-Saharan African countries coincided with the ascent to political power of a series of neo-conservative regimes in the North. Thus, the Reagan and Thatcher neo-conservatism political ideology of the neo-classical development theory re-introduced the neo-liberal economic doctrines in the 1980s replicated by structural adjustment. In this connection, the focus on market-oriented strategy replaced the Basic Needs and Redistribution-with-growth approaches in the 1970s as the development model, which led to the need to ensure the effective application of scarce development assistance. Thus, the flow of external loans/aid became increasingly contingent on the readiness of the recipient countries to restructure their economies and align them with the 'New World'

economic environment. It was this process which gave impetus to the adjustment programs as they were not a set of coherent theoretical principles, or tools for development but pragmatic tools for stabilizing crises-ridden economies, and putting them on a path of resuming growth²⁸⁰ to meet their debt servicing obligations. By origins, adjustment programmes were tools for crisis management in the post-World War II era to help the developed market economies adjust to the new international economic environment where due to competition from the South, their subsidized industries had become less competitive. Spengen and Narman have argued that the ideological origins of SAPs can be traced back to the free –market and free-trade ethos derived from Adam Smith and David Ricardo who argued that the economic crisis in Third World countries can be overcome only if they restructure their economies to become active players in a common strategy for world prosperity based on competition in the international export market.²⁸¹

Various arguments were put forward by the donor agencies for the need for adjustment to bring about efficiency and economic growth. The World Bank Mission that designed the ERP with the Provisional National Defence Council (PNDC) government in November 1982 identified two factors which, in its view, accounted for the country's economic crisis:

- The key weakness of past policies was the combination of virtually absolute protection with an overvalued exchange rate and grossly inadequate export incentives. This system led to misallocation of resources and robbed Ghana's industry of the stimulus of expanding markets and bracing competition. [the failure of past governments] to take maximum advantage of [Ghana's] natural ability to produce mining, timber and agricultural products....²⁸²
- Therefore, Ghana was required to continuously adjustment the exchange rate of the nation's currency to the American dollar, drastic reduction in government

spending, including removing subsidies for commodities and social services, and retrenchment of labour in the public service, deregulation of internal and external trade, and promoting natural competition in the market; privatization of public sector enterprises and promotion of export of primary commodities – those in which the country enjoys the greatest comparative advantage in the IDL; for example cocoa, timber and minerals.²⁸³

Therefore, they argued that to implement the economic aspects of the adjustment package successfully, the state and its institutions were to be reorganized and where necessary, reduced in size and function. And, in place of an over-concerned with regulating every aspect of economic relations, the bureaucracy would, it was hoped, concentrate to a greater extent on the rehabilitation of Ghana's productive and social infrastructure.²⁸⁴ Furthermore, the roots of the SAP can also be traced to the World Bank's 1981 Agenda for Action, where concern with macroeconomic policy adjustment and public sector management produced a loosely neo-liberal prescription for sustainable economic growth in developing countries to enable them keep up with their transfer payments.

Since the inception of SAP as an economic growth remedy, about 36 countries in sub-Saharan Africa have undergone SAP including Ghana. SAP as implemented in Ghana in the 1980s can be defined as a set of "conditionalities" which systematically accompanied agreements between the international funding institutions and the government of Ghana²⁸⁵ to provide Ghana with financial resources and technical expertise aimed at eliminating the growing internal and external financial disequilibria in order to create the context for sustained economic growth.²⁸⁶ During the process, the role of the IMF was to adjust the economic systems to restore fiscal and monetary discipline through

stabilization to achieve liberalized and orderly foreign exchange systems conducive to sustainable economic growth and monitor financial restraint as well as providing credit to the state. Thus, the provision of credit was subject to the government's commitment to economic and fiscal policies to reduce inflation and honor its transfer payment obligations. The World Bank on the other hand, was responsible for providing loans and technical assistance to Ghana and promotes international trade to facilitate sustainable growth within the fiscal environment facilitated by IMF. Thus, together they designed the structural reforms for the Ghanaian State. The scope and scale of structural adjustment lending conditions represented a qualitative change in the World Bank's role. However, it could be noted that in practice, the role of the IMF and World Bank was complementary and indistinguishable on the development front. The PNDC government initially attempted an independent and self-reliant stabilization policy by way of a Program for Reconstruction and Development, which it introduced on assuming power in 1982. However, the fact that the pro-socialist and anti-capitalist PNDC government was compelled to change its policy orientation to accept the SAP package was in itself an indication of the gravity of the problem and the lack of any real alternative at the time.²⁸⁷ Hence, Rawlings' admitted that the stiff monetary and fiscal measures that his government has been implementing since 1983 were 'the only viable option open to us'.²⁸⁸

In this regard, between 1983-1989, the PNDC agreed to five IMF (Fund) programs: three standby loans in 1983-1986, simultaneous Extended Fund Facility (EFF) and Structural Adjustment Facility (SAF) loans in 1987, and an

Enhanced SAF (ESAF) loan in 1988. The PNDC also signed more than twenty policy-based “program” loans with the World Bank covering economic sectors (agriculture, industry, finance, education, public enterprises, health), and many bank loans for projects included policy conditions.²⁸⁹ The introduction of SAP by the IMF and the Bank therefore, represents a major turning point in the agency of development in Ghana because the initiative in formulating socio-economic and political policies shifted from the state to external forces – the IMF/World Bank.

4.3. THE ADJUSTMENT PROCESS IN GHANA

In the wake of the pressure from the IMF and World Bank, from 1982 onwards there were sweeping political and socio-economic changes in Ghana. As the flow of aid became increasingly contingent upon the readiness to restructure and adapt to the new economic environment, the PNDC government overwhelmingly began to pursue an all out socio-economic and political transformation of the Ghanaian society. To establish a framework for SAP, a programme of far-reaching reforms was unveiled in the 1983 budget. Thus, since 1983, Ghana has pursued economic reform measures laid down as conditions for receipt of Fund and Bank credits which were subsequently embodied in the government's Economic Recovery Program (ERP). This was in two phases, with the first and second phases running respectively from 1983-86 and 1987-89.²⁹⁰

The SAP process took political, social and economic forms. At the economic level, the government was compelled to rely on market mechanisms, the promotion of exports in primary goods, reduction in government budget deficit

and the size and functions of the civil service. Also, privatization of state owned enterprises (SOEs), elimination of marketing boards, a liberalized foreign exchange system, currency devaluation, the liberalization of domestic markets, the elimination of price controls, and domestic and international imbalances. The social restructuring include cut-back in government spending on welfare programs such as health, education, and reducing funding for the provision of infrastructural facilities. The political innovation was directed towards the decentralization process through the District Assembly elections in the 1980s, the change from military rule to multi-party democracy in 1992, and encouragement of popular participation. The political realm of the conditionality formed the basis of structural adjustment since it involves a shift in the role and functions of the post-colonial state in Ghana, which represented a substantial enlarging of the scope of donor involvement in prescribing the agendas and institutional frameworks of the Ghanaian state.

4.4. THE IMPACTS OF THE SAP DEVELOPMENT APPROACH

4.4.1. POSITIVE IMPACTS

The effects of SAP on Ghana are many and varied. Hence, a lot of arguments can be put forward both against and in favour of SAP as practiced in Ghana. Contrary to the widespread opinion about the adverse effects of SAP on the Ghanaian State, it also had positive impacts that need to be highlighted. At the political level, the adoption of the adjustment package contributed significantly to the restructuring of the state and to the redefinition of its role in the

Ghanaian society. Therefore, SAP promoted good governance by putting pressure on the PNDC government to adopt multiparty systems of government and encourage participation of all groups. As the World Bank argued, it implies "not less government but better government- government that concentrates its efforts less on interventions and more on enabling others to be productive".²⁹¹ One of the most significant political impacts of the SAP in Ghana has been the rebuilding of state capabilities. State institutional capacities had by 1983, collapsed due to the lack of resources, skilled personnel, norms and accountability measures for maintaining performance. The SAP measures helped the government to establish some mechanisms for monitoring the performance of state agencies and the partial decentralization of some ministries increased effective monitoring. Another element of change in the state arena was related to shifts in the proclaimed spheres of official activity. SAP enabled the state to shed some of its welfare character and purposely adopted a policy of non-intervention in certain sectors since the areas of state intervention were clearly specified. Joseph (1989) has stated that:

the African post-colonial state which has sought to determine the utilization of its people's economic resources, has in many instances become a 'rubber stamp' for decisions made by others, usually non-African in nationality... The decision-making powers of aid agencies in Africa have expanded as a result of the default of those who man the 'political kingdoms' ... There is taking place an implicit loss of sovereignty desirable in some instances, in view of the misuse of it by those in power.²⁹²

Also, significant effort was made to mainstream the role of women in the development process by encouraging participation and sponsored women group projects and conferences for their political and economic empowerment.

At the economic level, despite the numerous criticisms leveled against the adjustment development model, it deserves credit for its short-term fiscal innovations. To implement the economic aspects of the adjustment package, the state and institutions were to be reorganized and where necessary, reduced in size and function. SAP measures promoted as pragmatic tools for stabilizing the economy and restoring growth had significant effects on Ghana's economy and the people. SAP temporarily helped stem the continuous economic decline in Ghana inherited from the crisis of the 1970s. This paved the way for more vibrant opportunities and created the enabling conditions for the government to meet its development commitments to the people and fulfill its transfer payment obligations simultaneously. Through the Special Program of Assistance (SPA) unprecedented levels of loans and financial aid have been given to Ghana for its development projects. In spite of the decline in international prices of primary export commodities, movements in real producer prices have been very favorable for farmers in Ghana. The promotion of an enabling policy environment, technology creation and transfer, rural infrastructure and natural resource management had a positive impact on the performance of rural farmers and increased their capacity to respond to income opportunities.

Furthermore, SAP strategy to encourage efficient labour-intensive growth provided employment for the rural poor through the encouragement of cash-crop production served to empower and improve the conditions of majority of the rural poor. Through agricultural research, extension and credit systems as well as investment in rural areas, Ghana emerged as a successful agricultural performer.

In the early stages of SAP, there was decline in inflation and reduction in the deficit. SAP stimulated growth and encouraged people and companies to be productive and efficient. SAP changed the macroeconomic policy environment, transformed the state's regulatory policies that had hindered trade in the past and offered incentives to private economic activity and helped in the privatization of large segments of the public sector. These radical fiscal measures resulted in the revitalization of economic activity to create new markets, trade, and export opportunities. According to Paulson, the data suggest that the reform programmes generally halted the marked deterioration of macroeconomic conditions that characterized the pre-reform period.²⁹³ Critics have argued that the PNDC had demonstrated far more capability for extracting resources (tax revenue) and implementing radical socio-economic policies than any other post-colonial regime since Ghana's independence. The state was able to redeveloped procedures governing the budgetary process by making ministries and state corporations more accountable. The inflow of aid and imports enhanced the state's resource capabilities for the provision of infrastructural facilities such as roads and electricity to towns and villages.

Another visible change occurred in the reduction of government expenditures through the retrenchment in the civil service. Also, the privatization program led to the reduction of the number of parastatals and employment in the surviving corporations was restricted. Since the public sector had become overburdened with redundant labour, the retrenchment exercises helped the government to rid the corporations of the "excess" labour, which brought efficiency and increased

productivity in the state sector. Again, retrenched workers have often found other income-generating opportunities in the rural sector as the terms of trade for agriculture improved. The payment of severance to the retrenched workers was helpful to affected employees since survey data from Ghana and Guinea show that marginal propensity to invest out of severance payments is relatively high.²⁹⁴

The social benefits from adjustment could be seen from the state's ability to shed-off some of its over-burdened social responsibility. In areas such as education and health the state was able to recover part of its costs through the imposition of user-fees. Although this self-imposed constraint was partly dictated by financial considerations, the net effect was to reduce expectations by purposely narrowing the functions of the state in Ghanaian society.²⁹⁵ The adjustment package implicitly favoured the creation of institutions independent of state control in Ghana. The emphasis in the adjustment package on technocratic skills and the drive to attract qualified and competent human resources to Ghana led to the creation of a new and fairly cohesive state elite which succeeded in maintaining a greater degree of independence from the state.

In this connection, development at the state level between 1983 and 1987 had certain important repercussions for social relations. In Ghana, as elsewhere, the IMF package implicitly favored the creation of institutions independent of state control. And precisely because formal structures were initially enfeebled, and when reorganized, their penetrative capacities were curtailed, more room was available for a variety of activities at the societal level.²⁹⁶

One major social consequence of SAP and the changes it entailed was to further expand the network of voluntary associations, INGOs, CBOs and Women's Movements. Although some of these groups were affiliated to the government, however, it made possible for occupational, service, community, and religious organizations to grow substantially. In spite of the authoritarian political environment that existed in Ghana, new interest groups such as The Watch, Commission on Human Rights and Administrative Justice (CHRAJ), Concerned Rights Observers (CRO) and other groups re-emerged to protect the basic rights of the people and check on corruption and abuse of power. This diversification of the associational landscape and its gradual institutionalization was augmented by the flow of resources from abroad.²⁹⁷ Within these frameworks specific notions of authority, community, distributive justice, and conflict resolution were defined. Thus, the increased pace of associational growth served to pluralize institutional life in the country²⁹⁸ and instilled participatory values in the people. The emergence of organizational forms of pluralism led to a greater degree of societal linkage at the grassroots and intermediate levels. The activities of civil society relieved the state of some of its obligations and enabled it to divert national resources for other projects. Thus, the encouragement of growth of social organizations and associational activity contributed to the implementation of development programmes.

Another effect of the new policy orientation in the societal sphere was evident in the growing informal sector. Economic activities in this area included the development of micro-industries and small manufacturing cooperatives, the

should not look at just where Ghana is today but at where the country would have been had the economic reforms not occurred. Also, whatever its flaws SAP has chalked some initial successes since a country's entry into economic reform does not bring about a miraculous recovery and prosperity overnight because changing the structure of an economy is a long-term process.

4.4.2. NEGATIVE IMPACTS

Notwithstanding the above-highlighted partial gains, which was just a 'tip of the iceberg' of Ghana's socio-economic problems, SAP has created in the words of Kari Levitt, "short-term gain for long-term pain"³⁰³ in Ghana. The measures implemented under SAP were extremely harsh, sweeping and unexpected that they invariably failed to take into account the fate of the poor in the society. This shows the deep-seated flaws, contradictions and inhumanities inherent in the IMF and World Bank sponsored SAP. The policies that were implemented by the PNDC with the active support of the donor agencies perpetuated and deepened the exploitation of the working masses. One of the most distinctive political characteristics in Ghanaian politics under SAP was probably the acceleration of the PNDC's shift towards autocracy and concentration of power and regime consolidation in the face of hostile challenges from within and outside the government.³⁰⁴ In this regard, the government forcibly quelled any form of opposition to its policies by suppressing and silencing the elements that were spearheading opposition to the adjustment program and by outlawing or restricting strikes and crushing mass demonstrations by the

violent use of state power.³⁰⁵ This resulted in a period of 'culture of silence' and had the effect of reinforcing the consolidation of authoritarian and repressive political forms, which characterized the PNDC/NDC government's totalitarianism and gross abuse of power. An example of repression of the people for their opposition to the SAP policies could be cited in the case of the regime's introduction of the Value Added Tax (VAT) in the 1994 budget. When workers and students demonstrated in opposition to the budget, the president ordered his 'special army' - the ACDR cadets to forcibly halt the demonstration and as a result five people among the peaceful demonstrators died.³⁰⁶

At any rate, the resulting disenfranchisement of the majority and blocking all avenues of dialogue on policy planning, implementation and monitoring of projects provided a buffer for corruption and mismanagement of the economy because there was no checks and balances in government. Hence, Western leaders have admitted that foreign lending has been used to prop up and finance authoritarian regimes, often in fierce opposition to local people.³⁰⁷ The antithesis about SAP is that although SAP policies professed to bring efficiency and accountability into the system, however, it became the source of wealth and the means to defend it. Although some writers argued that Ghana's experience under SAP resulted in an authoritarian state and undermined national sovereignty (Akilagpa Sawyerr, 1990; John Kraus, 1991; Richard Jeffries, 1991; Ho-Won Jeong 1995). However, others argued that the adjustment experience saw a reversal of the traditional developmental role of the Ghanaian State (Alan Roe & Hartmut Schneider, 1992). Also, SAP was instrumental in the

government's commitment to liberal economic reform, which changed its relationships to various economic interest groups. In fact, before the implementation of the structural adjustment package, the government had pursued radical economic redistribution policies. This was popularly supported by low-income classes. However, the shift to a free market economic approach brought tensions between the government and its previous allies especially labour and the student movement.

The harsh adjustment related austerity policies were vehemently opposed by such civil and professional groups such as the National Union of Ghana Students (NUGS), the Ghana Bar Association (GBA), the University Teacher's Association of Ghana (UTAG) and the Ghana Medical Association (GMA). Yet, the government adamantly blocked every avenue of public discussion of the adjustment and government policies and there was no transparency in decision-making. Thus, macroeconomic policy decisions were made by few state officials without any form of consultation with or involvement of the ordinary people and civil society groups whose fate was being determined in these policies, which were announced as "fait accompli". The de-concentration of state power and its distribution among other institutional organs adversely altered the extent of the relative autonomy of the state from ruling social formations and its ability to supervise production and exchange.³⁰⁸ As a means of counteracting the largely urban-based opposition to the austerity measures, there was much play on a rural-urban dichotomy. This stemmed from the government's propaganda that the people in the cities were "exploiting" the power and resources of the state at

the detriment of the rural populace, which has contributed to the disenfranchisement of the rural poor led to a rural/urban divide in most parts of the country.

Another negative effect of the SAP was that it led to an undermining of Ghana's sovereignty. The conditionalities contained in the SAP package subsequently affected the role of the state as the main agent of development in Ghana. A principal characteristic of SAP is its direct dependence on external financial flows. Largely because of this dependence, in many instances, Ghana was obliged to surrender control over critical elements of national economic policy to IMF/World Bank discretion, which resulted in a further constriction of the state's power to make fundamental policy choices.³⁰⁹ The presence of the IMF and the World Bank led to the emergence if not the creation of a parallel government controlled by the international financial institutions which functioned along the lines of an alternative regime to the Ghanaian government. Thus, IMF and the World Bank became unduly influential in setting Ghana's political and socio-economic policy, which increased their access to Ghana's internal affairs and partially replaced the government in its domestic and external decision-making. Through the imposition of their technical assistance the Fund and Bank directly participated in the implementation of the adjustment programs as they took over certain state functions. This partial transfer of sovereignty to the benefit of the international lending institutions led to the abandonment of the government's responsibility to the people and its responsiveness to their needs.

Consequently, the intrusion of the IMF/World Bank in the affairs of the state was the loss of political legitimacy of the government. This partial loss of sovereignty of the Ghanaian State is vividly acknowledged in the works of John Loxley who stated that rarely did Ghana reject their proposals. Loxley further noted that it was common knowledge that because of bureaucratic delays in the Ghana government, the bank will actually draft responses to its own proposals in Washington on behalf of the government, hence, major agreements were typed in Washington, D.C., for signature by Ghana government officials.³¹⁰ It is clear from the discussion that the political dimensions of structural adjustment have had both negative and positive effects on the Ghanaian State as SAP affected the state's traditional developmental function. Therefore, it could be argued that the realization of SAP conditionalities exacerbated the socio-economic crisis in the state and kept the state hostage to the agendas of foreign donors.

Some Marxist dependency theorists share a dominant view that state presence accelerate the process of accumulation and industrialization and that administrative organs were capable of intervening efficiently and taking effective control of the economy.³¹¹ The need for more marked interventionism of the state in Ghana was also justified on the grounds of the specific nature of the structures of the country, in particular the lower mobility of resources, the greater inequality of incomes and the necessary protection of infant industries.³¹² Other arguments on the side of the state³¹³ note that despite the flaws of the state, it often constitute the structure capable of preventing the fragmentation of the country and ensuring a minimum of economic coherence and providing minimum

services in such key fields as health, education, security, basic infrastructures. SAP reversed the state's developmentalist role and the "welfare state" approach to development that had been practiced in Ghana since independence. This has had severe consequences on the 'safety net' as it affected the state's capacity to support social programmes, which possibly affected the livelihood of most Ghanaians, especially the poor and lower income groups in Ghana.

Despite the fact that there was economic decline in Ghana in the 1970s, the role of the IMF/World Bank SAP came to serve as 'the last straw that broke the camel's back.' Although SAP stimulated growth in the initial years of its implementation but even where growth occurred, it was very sluggish and ineffective for economic development. As early as 1987, the overall negative effects of SAP was apparent in the frustration and disappointment expressed in Rawlings' comments in blaming the donor agencies for bringing about extreme hardship on Ghanaians. The SAP experience has proved that development is not just about economic growth and finance but ultimately about people. The ordeal through which the poor groups in Ghana were made to go through to fulfill the IMF and World Bank conditions were harsh, dehumanizing and an extremely painful agony.

Moreover, the IMF and World Bank in their determination to implement SAP ignored the rights of the citizens in the state SAP was a major national policy, therefore, the general consensus of the people was needed. Notwithstanding the opposition from workers, students, and the population as a whole through demonstrations in the country during which some people were killed by

government forces. The donors were not only adamant to these popular protests but also continued to coerce the PNDC/NDC government to implement the reforms. This shows that the idea of popular participation promoted by the mainstream institutions is a sham. The de-concentration of state power and its distribution among other institutional organs adversely altered the extent of the relative autonomy of the state from ruling social formations and its ability to supervise production and exchange.³¹⁴ In addition, the role of the post-colonial state must be criticized for the corruption, mismanagement, lack of efficiency, accountability and transparency gave rise to the harsh economic policies. It is apparent that the PNDC government was more concerned about obtaining the SAP loans without examining its long-term effects than the interest of Ghanaians, which it professed to serve.

The economic impacts of SAP were even more pronounced since the idea of stimulating growth failed to occur. Also, the economic conditions imposed for the maintenance of the adjustment program were too stringent that they did not allow the state to meet its developmental goals. In this context, Illich has argued that underdevelopment implies the surrender of social consciousness to prepackaged solutions.³¹⁵ Again, in the process of implementing the SAP, the Fund and Bank's interest in the welfare of the people of Ghana was misplaced because the donor agencies were only interested in safeguarding foreign capital and facilitate the smooth operation of the transnational corporations (TNCs). The growth in export did not translate into rising national incomes or economic growth rather it contributed to a steep fall in export commodity prices to benefit the developed

countries. Ghana, like many sub-Saharan Africa countries that took the SAP dosage, was designed to export raw materials at cheaper prices and a greater percentage of its net export income went into interest payments.

Lofchie (1989:122) states that "at the level of government officer, structural adjustment has transferred effective operational authority from African civil servants to staff members of these international lending agencies." By 1989, all but five of the forty-four sub-Saharan African states were borrowers from the IMF (Kraus, 1991:211-212).³¹⁶

SAP requires tighter fiscal management and improved monetary policy. This leads to inevitable reductions in the amount of formal sector credit in the economy. Throughout the 1980s alone, SAP was instrumental in reversing international financial flows from sub-Saharan African and other developing countries. The South paid about \$200 billion more to the industrialized countries in profit and loan repayments than they received in loans, investment, and aid. According to the World Bank itself, the number of people living on less than \$1 a day in Africa in 1987 was 217 million. By 1998, this had risen to 291 million. Also, in 1998, Africa received \$10.3 billion in aid and grants. In the same year, the continent paid out \$14.1 billion in interest on her debts. So far, for every dollar received in aid, \$1.40 is repaid in debt service.³¹⁷ For the whole of Africa a debt service ratio, which was at 8.5 per cent in 1976, rose to 19.9 per cent in 1984...Africa has also been experiencing a massive net outflow of capital³¹⁸ and less capital inflows in relative terms. Hence, a country like Ghana, which was invariably already deeply in debt, incurred still further debt that was not directed

at creating any productive capacity but the flow of foreign exchange for debt servicing. At the end of December 2000, Ghana's debt external stock stands at about 41 trillion cedis (About US\$6 billion) with its debt service ratio (DSR) at about 43 percent, while its domestic budget deficit stood at 7 trillion cedis. Meanwhile, between 1982-2000 the PNDC/NDC administration approved a Disbursement Outstanding Debt (DOD) of US\$3.6 billion,³¹⁹ which is the highest DOD in Ghana's independence history. Ghana, like Czechoslovakia, Romania, Hungary and Poland (Allen, 1992) provides a remarkable example of transition economies where domestic debt either did not exist or were very small before reform, and yet have had to deal with debt accumulation as part of the needed restructuring.³²⁰

Moreover, SAP loans, unlike the bank's traditional project lending to Ghana in the 1960s and 1970s, created no asset and as a result of this debt recycling process, a tremendous burden fell upon the state and the people. Fishlow summarizes the implication of high interest rates for a weak economy such as Ghana's: The higher the cost, the greater transfer of income abroad and the lower [the] national income. Interest payments must be made at the expense of other applications of resources. Hence, countries are poorer as a consequence.³²¹ The 1990 UNICEF Annual Report estimates that about 1 million children die each year in the Third World as a result of debt and related economic crisis.³²² To sum up the new strategies of exploitation in Africa through the SAP policies, Rev. Jesse Jackson noted that "They no longer use bullets and ropes, they use IMF and the World Bank"³²³. In spite of the huge debt

accumulated through SAP the Organization of Economic Cooperation and Development (OECD) governments continue to drag their feet on any justification for debt cancellation for SSA countries. The US\$5.7 billion in 1989 represented just a fraction of the huge debt burden US\$116 billion. In October 1995, the IMF World Economic Outlook noted that 'for most of Africa the debt burden remains extremely high and the accumulation of areas continues to attract compound interests, and raise overall debt burdens. In SSA, the debt level exceeds 400% of export earnings. Few countries appear to have any scope for servicing such magnitudes.³²⁴ Thus, years of struggling to achieve stability, adjustment and growth while maintaining its debt servicing obligations simultaneously have resulted in high inflation rate in Ghana. Figures from the World Bank show that between 1989-1998, real GDP growth of 2.4% produced a negative GDP growth per capita of -0.3% for that year. These simple numbers conceal extraordinary human pain and loss, ecological damage and the disintegration of whole communities and nations.³²⁵ The devaluation of the Ghanaian currency has adversely affected its value and the state and importers' capacity to purchase goods and services at the international markets. This has in turn affected the prices of goods in Ghana for the ordinary consumer. In 1983, 2.75 cedis in Ghana was equivalent to one US dollar, the present (2001) exchange rate is over 7,000 cedis to one US dollar and the value of the local currency keeps falling consistently.

In addition, the operations of the TNCs led to the collapse of many local industries that could not cope with the more sophisticated technological,

competitive and fast-paced business environment. Retraining programs for retrenched workers have been costly – and generally ineffective.³²⁶ Also, throughout the decade of the 1980s both investment and per capita consumption declined in Ghana. Although free market brought about efficiency into the market systems, it has rendered the Ghanaian economy and many sub-Saharan Africa countries vulnerable to more competitive world markets. Ironically, while the government of Ghana was under heavy external pressure to liberalize trade, the OECD nations exhibited increasingly protectionist tendencies with respect to agricultural products and manufactured goods from Ghana and other African countries. In spite of the talk about globalization through liberalization and deregulation, any attempt to industrialize towards producing semi-finished goods for exports have been met with undue competitive advantage and stiff protectionists policies from the World Trade Organization (WTO).

In addition, the liberalization and deregulation policies have killed many infant industries. Thus, development policies became mechanisms of control that were just as pervasive and effective as their colonial counterparts.³²⁷ This created a great deal of trade imbalances and unfair trade policies that has crippled industrial growth in Ghana. The experience of several Asian countries like Japan, China, and South Korea have proved that a certain level of market interventions play an essential role in fostering an export-led development strategy, therefore, the quest to liberalize the Ghanaian market is not ideally in the interest of the state.

Evidence shows that China's phenomenal growth rate throughout the 1980s and 1990s, and the success of Japan and the Newly Industrialized Countries (NICs) in Asia happened within a protectionist environment. Also, the developed countries adopted protectionist policies and tariffs to develop and protect their industrial economies and markets, which continue to be a major feature in western countries' trade and industrial policies. From the above analysis, it could be argued that there is no correlation between structural adjustment and economic growth, as they share no historical precedence. Even in sectors where growth occurred in Ghana under SAP, it was very sluggish and ineffective for economic development to advance the people's livelihoods. Although Ghana's SAP was one of the longest-running IMF/WB-supervised economic reform programs in sub-Saharan Africa and is regularly cited by Fund and Bank staff as the prime example of how structural adjustment cures failing economies and places them on a path of sustainable growth.³²⁸ However, the irony is that most of the donor agencies' staff who made these predictions are not truly familiar with the deteriorated socio-economic conditions that exist in Ghana.

The ordeal which poor groups in Ghana were made to go through to fulfill the IMF and World Bank conditions were harsh, dehumanizing and an extremely painful experience. The growth in export did not translate into an economic miracle as professed by the mainstream experts; rather it contributed to a steep fall in export commodity prices on the world market. Moreover, the indiscriminate application of adjustment policies in sub-Saharan Africa has created inequitable distribution of wealth both among nations and within nations since one principal

characteristic of SAP is to make countries directly dependent on external financial flows. Evidence of the income disparity is seen in the fact that the number of people living in absolute poverty in Ghana has increased and has become a persistent structural feature in Ghana's development. Also, the positive role in the change in the structure of the rural economy has been found to be overemphasized and misleading. The evidence shows that the idea of progress for Ghanaians was a sham and a means for exploitation.

In contrast to the PNDC and World Bank impression of overwhelming commendation and support is the anger and frustration that pervaded the occasional reactions from the left, progressive organizations and the labour movement. For instance in a statement issued on 22 January 1985 by the New Democratic Movement (NDM), the Catholic Graduates for Action and some individuals, the economic, social and political aspects of the ERP were subjected to strong criticism. The following sums up the spirit of their statement:

In short, instead of the Official Recovery Programme, typical neo-colonial policies are being implemented on the orders of the IMF and the World Bank.... The objectives of economic transformation have been abandoned...both at the political and at the economic level, the commitment to the revolutionary transformation of our society which formed the basis of our support for the 31st December process, has been abandoned both in practice and in official speeches.³²⁹

Also, the United Revolutionary Front (URF) did not mince words in dismissing the Rawlings' government as a 'sell-out'...and attacked the government for betraying the broad masses of the people.³³⁰ Ironically, the World Bank which two decades ago was advocating import substitution industrialization (ISI) and transfer of technology is now emphasizing that governments in Africa and the Third World must be pushing for export promotion.³³¹ In this connection, critics

have argued that SAP is intended to integrate African economies more deeply into the orbit of global capitalism so that the countries will be open and unprotected against the 'invasion' of the TNCs, mainstream governments and institutions. The impact of SAP can also be seen in the helplessness and acute hardship that African governments have been facing since its inception.

One of the most devastating effects of SAP on Ghana is its negative impact on subsistence agriculture since it encouraged cash-crop production over food crops. Onimode (1991) has observed that "Our countries mostly consume what we don't produce and produce what we don't consume."³³² The over-reliance on modern technologies such as the introduction of biotechnology seeds to boost exports to meet SAP demands have had negative consequences on farmers. To all intents and purposes, the encouragement of the production of cash crops at the expense of food crops led to hunger and absolute poverty in the rural areas in Ghana. During the process of SAP implementation, subsistence farmers especially food-crop producers were denied access to credit to enable them compete with the TNCs. These discouraging conditions increased the rural/urban migration and led to the shortage of labour in farming areas. Thus, increasing the size of the labour reserve in Ghana's urban centres which has surpassed the slowly expanding, capital-intensive industrial sector's labour needs and has come to pose a potential social threat to the state. Ghana where agricultural sector accounts for the livelihood of 70 percent of the population and accounted for more than 50 percent of GDP at the beginning of the reform programme engaged in direct agricultural reforms late in the process. Ghanaian

agricultural reform is also gradually reducing the control of the government in the sector, phasing out subsidies of fertilizers, reducing export taxation and trade restrictions, and divesting state-owned farms and fertilizer plants. In 1989, the government privatized the parastatals responsible for seed and fertilizer distribution.³³³ Hence, SAP has rendered poor groups in Ghana even poorer and treated them and their problems as stereotypes solved with experimental solutions.

In spite of the high debt burden, the donor agencies continue to demand greater liberalization of the domestic market to the international trade order to reconstruct the economy along capitalist lines that constitute the essence of the New International Economic Order (NIEO). The trend toward non-tariff trade restrictions inhibits any effort to realize the full potential for growth in Third World economies, especially in those sectors where a high comparative advantage applies. For Ghana, this danger is real in the cocoa, mining and timber industries where the country still exports mainly unprocessed, but also processed or semi-processed products (cocoa and mainly timber). The country's real earnings from export are thus affected, which limits its ability to import vitally needed consumer and industrial items, as well as pay its external debts.³³⁴ Hence, the global commitment to build the international capitalist system on multilateral market forces, the balance of payments objective is usually ranked higher than growth and equity. Hence, the interests of the poor countries have been marginal to the official objectives and functioning of the Fund and Bank.³³⁵

At the social level, the most striking impact of SAP has been the extension and deepening of social inequalities and the distribution of income. The mass dismissals of labour, the poverty-line wages and salaries, withdrawal of subsidies on a wide range of social services, deregulation of commodity prices, and so on are merely specific ramifications of the profound level of exploitation of the people that took place under SAP.³³⁶ Again, the withdrawal of subsidies required deep cut in public spending on many social programmes. This raised the cost of living of the rural poor and especially, urban workers who form more than 70 percent of public sector wage earners in Ghana. The massive lay-offs hit them the hardest and at the same time were asked to start paying for social welfare programmes. The indiscriminate application of SAP created income disparity in the country. Also, SAP policies created the enabling atmosphere for the flaring of ethnic sentiments and totalitarianism by the PNDC/NDC government and some state officials with impunity since the power of the regime was ethnically concentrated and was supported by the Fund and Bank in its authoritarian rule.

In this connection, the provision of employment, educational opportunities and other forms of social mobility, including infrastructural facilities were visibly directed to one ethnic group and party members at the expense of the rest of the population. SAP policies required that the government sharply reduce budget deficits, in order to lower inflation, partly by curtailing costly state economic activities. This encouraged the PNDC to reduce government expenditures for social and economic programmes. Although this led to a small budget surplus between 1986 and 1989 as there was a sharp reduction in the overall deficit in

cedi terms and as a percentage of the GDP. Thus, leaving out foreign grants, the government budget deficit was reduced from 4.7 percent of GDP in 1982 to 0.7 percent in 1986, and 0.3 percent in 1987.³³⁷ The cost of the marginal savings to the population was the sharp reductions in government spending, primarily in the areas of goods, services, and equipment supplies; for example, schools without adequate teaching supplies and hospitals without drugs and other basic facilities.

In this case, the health policies under SAP appear to lack financial commitment; the Primary Health Care (PHC) programme normally receives only 20 percent of the health budget while in 1987 the urban-based healthcare system was allocated 59 percent of the budget (Okyere; Asante; and Gyekye, 1993:17). The Hospital Fees Regulation introduced in 1985 entails user contributions toward the cost of consultations and some treatments as well as full cost recovery for drugs except for some immunizations, locally known as the "cash-and-carry" system. Yet the changes had costs: low user fees were charged at the primary level and junior secondary level (JSS), textbook fees were introduced for Grades 3-10, and full cost recovery was introduced for meals at secondary schools (World Bank, 1995). By 1990, however, unofficial user fees were being levied by many schools and inflating the overall cost of education for parents who were now expected to pay for the physical infrastructure of their children's schools (Ofei-Aboagye, 1994). Hence, three issues in particular have been raised in the educational reforms: cost, capacity and curriculum. The biggest complaint registered was the substantial increase in parent's costs of educating

their children (Asenso-Okyere, et al, 1993 and Ofei-Aboagye, 1994). At the community level, part of the reason for the difference in facilities is that parents are compelled to pay a greater share of the educational infrastructure – the building of schools, provision of furniture and accommodation of teachers.³³⁸ The transfer of responsibility meant that the quality of education in the rural areas in particular have deteriorated severely.

Prior to the SAP experience, Ghanaians had taken pride in the free primary, inexpensive secondary, and free university education introduced by President Nkrumah's CPP government after Ghana's independence. However, spending on education fell drastically from 3.9 percent of GDP in 1970 to 0.85 percent in 1980-83; spending on salaries, supplies, and schools upkeep all plummeted.³³⁹ Thus, budget constraints and the introduction of "user fees" as part of the general SAP social policy to help cover costs has greatly limited the people's access to these social facilities. The book user fees charges at the primary school level and more substantial fees for residential secondary schools and universities as part of \$364 million education sector cut-backs has reduced equality of access to education for children from poor and/or lower income families. The costs of secondary school education were about GHC 12,000 per annum (\$46-\$53 at 1988 or 1989 exchange rates); university costs would be about \$161-\$186, if all subsidies were removed.³⁴⁰ To make matters worse, these figures have sharply increased over the years to make life rather unbearable for the ordinary person. SAP also led to the privatization of university housing and meals, which sparked widespread student's protests and led to frequent university closures in the

1980s and 1990s. The resulting increase in the dropout rate at the primary and secondary school level has affected the manpower resource base for Ghana's future development.

Much in the same way, the government's withdrawal of subsidy from the health sector and the introduction of user charges or "cost recovery" has equally affected health services. In 1985 the government introduced a range of fees for hospitals and clinic consultations and laboratory tests. The basic fee for an adult to consult with a doctor was from two-thirds to a full day's minimum wage. This led to an immediate 25 percent drop in the number of visits to the Korle-Bu hospital by children outpatients between June and August and the 50 percent decline in the much more heavily used polyclinic of Korle-Bu.³⁴¹ Also, as a result of the adjustment policy only a constant 25 percent of the Ministry of Health's budget was committed to primary health care over the 1983-1988 period with the rest going to doctor-delivered curative services which affected a very small percentage of the population. Thus, health became a low government priority under SAP. In 1986, the government allocated to the Health Ministry for the purchase of drugs not more than \$13.6 million, a mere 18 percent of the requested sum and less than in any of the previous seven years.³⁴² The retrenchment of labour exercise also created excess labour, which in turn resulted in increase in social problems. Furthermore, there has been mutual distrust between the government and the newly emerging NGOs, CBOs and human rights organizations. The government's effort to mainstream the role of women and encourage participation in the development process was misdirected

towards political gains. Hence, the formation of the 31st December Women's Movement (DWM) was a ploy for power consolidation.

The impact of SAP on Ghana could also be assessed in terms of the effect it had on the class groups. The urban middle class, mainly businessmen and industrialists, who had previously benefited from priority access to foreign exchange and protected markets, and public sector workers lost their benefit from subsidy and guaranteed employment respectively. However, between the urban and rural people, I will say that the latter suffered most. Since they constitute the majority of poor groups, the increase in poverty and inequalities hit them the hardest. In the family context, a gender analysis of the cost of adjustment in the Ghanaian context shows that all parties suffered extensively. Women suffered because the restriction of access to credit for food crop producers affected them most since they constitute the majority of food crop farmers. Also, since most of the women in the rural areas are homemakers and take care of domestic affairs of the family, the men's job loss both in the formal and informal sector meant a reduction in the money for household expenditures which put pressure on women. However, men equally suffered because in the Ghanaian traditional set up, the burden of most socio-economic and cultural responsibilities within the immediate and extended family system are borne by men. In this case, a woman who is unemployed is not considered as serious a problem compared to a man because the traditional norm is that it is a man's primary responsibility to look after his "family". In this context, this role of men in the Ghanaian traditional society is reaffirmed by popular sayings like "When a

woman buys a gun it is kept in a man's room" and "A woman sells pepper and not gun powder". These and other popular sayings in Ghana reinforce the responsibility of men within the family and society. Therefore, a man who is unemployed and unable to shoulder his traditional responsibility within the family is considered a failure to the family and the society. However, society's attitude towards a woman in a similar situation is viewed by society with somewhat indifference since the expectation from women is not so high as their male counterparts. Therefore, aside from the financial strain on men, losing their jobs either in the formal and informal sector created serious psychological stress and emotional strain on them. The greatest short and long-term sufferers are the innocent children in poor families who due to their parent's poor economic situation were deprived of good nutrition, access to better healthcare and education and any prospect of a bright future. Living standards among the poorest groups remain seriously low. Most of Ghana's poor are food crop and export crop farmers with incomes about one third of the national average.³⁴³ Also, the 1989 ECA report declared that: "there is mounting evidence that stabilization and structural adjustment programmes are rending the fabric of the African society. Worse still, their severest impact is on the vulnerable groups in the society – children, women and the aged – who constitute two thirds of the population."³⁴⁴

The environmental effects include massive environmental degradation in Ghana due to increased timber logging and extraction of natural resources, which have caused excessive depletion of resources. Due to lack of forest trees

to protect the land from the scorching sun, there was an epidemic of bush-fires in Ghana in the 1980s, which caused severe famine in Ghana. The wealth accumulation of the TNCs and idea of mass export was achieved at a greater expense of the environment, the extinguishing of biodiversity, exhaustion of resources, pollution and the disappearance of traditional agroecology.

Mechanized farming which is most common in the Winneba area, the Afram Plains and mainly in the Northern, Upper West and Upper East regions have brought its own share of health and environmental problems. Although the use of chemical fertilizers and pesticides may have led to higher yield, it has resulted in the production of low quality crops and consumer goods, which poses serious health hazards and contributed to the erosion of food security through the pollution of the land, water and the atmosphere. The use of fertilizers and pesticides also destroyed the natural nutrients in the soil and excessive application of land irrigation brought the salt content in the soil onto the surface of the topsoil and contaminated drinking water, especially in the rural areas.

The cultural effects include the erosion of traditional ways of life especially in consumption patterns as the inflow of western goods have greatly changed the consumption patterns and lifestyles of many Ghanaians and destroyed local industries. Verhelst has argued that everywhere authentic indigenous cultures are under threat.³⁴⁵ In this context, while the economic reform was taking place, the socio-cultural transformation of the Ghanaian society was being achieved alongside the fiscal process. The result of the acculturation and over-promotion

of western values is the increasing loss of cultural identity among many Ghanaians.

4.5. CHANGE IN DEVELOPMENT APPROACH BY THE IMF/WORLD BANK

The failure of SAP is seen in the waning of the Bank's enthusiasm for structural adjustment in the late 1980s and 1990s and its change of perception to put poverty alleviation in the forefront of its development policies. This change is glaring in the 1997 World Development Report in which the World Bank admitted: "the state and its institutions are focal points for stimulating growth and development in an economy".³⁴⁶ Although the Bank has departed from the neo-liberal policy to the policy of 'New Understanding', a social-liberal approach which is a mixture of the role of the state, market and the participation of the people in decision-making. The World Bank's New Social Policy (NSP) emphasize on popular participation, decentralization, poverty alleviation and other social issues. However, the rhetoric of change in the World Bank position in the 'New Social Policy' has not effectively been translated into action to reverse the extensive damage that has been caused by SAP on the people of Ghana and other sub-Saharan Africa countries.

From 1987, the IMF and the World Bank have applied a number of measures in Ghana and other African countries to reduce the effect of SAP. One strategy to soften the impact of SAP has been debt rescheduling by the Paris Club creditors with the implementation of the Toronto terms in late 1988. This introduced a menu of rescheduling options with an average degree of concessionality of about

25 percent, but still relative short grace and repayment periods. A second and more far-reaching step was the implementation in the late 1991 of "enhanced concessions" or "enhanced Toronto terms" (now also called "London terms"), which provided for a 50 percent reduction. Agreements on further enhancements, called "Naples terms," was reached in December 1994. However, all these fiscal measures have not been sufficient to ease the declining economic situation and its accompanied hardships on the people.³⁴⁷

Another strategy adopted by the IMF was the imposition of the Enhanced Structural Adjustment Facility (ESAF) programmes in Ghana and other SSA countries in 1987. Loxley has argued that although the 1987 Venice Summit approved another series of institutional initiatives aimed, specifically at poorer SSA countries. From this emerged the Enhanced Structural Adjustment Facility of the IMF (ESAF), an \$8.4 billion fund to assist medium-term adjustment efforts of essentially debt-distressed low-income countries as well as the liberalized Paris Club rules.³⁴⁸ However, the capital inflows to soften the socio-economic cost of adjustment were inadequate to the task of financing both debt servicing and import expansion.

In addition, another attempt to ease the worst effects of a market-oriented approach on Ghana's population and to help alleviate the suffering of the poor, in 1988, the IMF/World Bank introduced the Programme of Action to Mitigate the Social Costs of Adjustment (PAMSCAD) in Ghana. PAMSCAD "seeks to address the needs of vulnerable groups who are in a precarious condition due to the adjustment program or due to the earlier period of economic decline". However,

"projects were included in the proposed portfolio if they had strong poverty focus; high economic and social rates of return; modest institutional requirements to ensure ease and speed in implementation; and in sensitive areas, high visibility to enhance confidence in and sustainability of the ERP."³⁴⁹ Hence, PAMSCAD was to provide \$85 million dollars for poverty alleviation. With funds from the donor countries, PAMSCAD has undertaken a number of social projects intended to meet the basic needs of the poorest citizens – non-formal education, rudimentary health projects, feeder road construction, and training for the unemployed. Loxley argues that PAMSCAD is somewhat a misnomer since the social costs of adjustment have not, by and large, been measured, PAMSCAD addresses mainly a social pathology, which has its origins in the economic crisis itself rather than in the ERP 'per se'.³⁵⁰

Although the total budget for PAMSCAD in Ghana for a period of two years was about \$85 million, monitoring and ex post evaluation of projects showed that actual expenditures might have been slower and much smaller than originally anticipated (Quarcoo, 1990:20).³⁵¹ The level of assistance provided was minimal and in some cases the donors failed to maintain significant net flows of funds to projects that are not of strategic importance to the donors and the western countries. This is evident in the slow manner in which funds were provided for the PAMSCAD initiative. Hence, progress of PAMSCAD was not very impressive since most of the goals set in all these commitments were not fully met.

4.6. AFRICAN ORGANIZATIONS AND SOME UNITED NATIONS AGENCIES' REACTION TO SAP

As a result of the widespread disillusionment with the IMF/World Bank SAP approach, there has been a number of initiatives from African policy-makers, theorists, and regional bodies as well as the effort of some UN agencies have devised a number of alternative frameworks to SAP in the 1980s and 1990s in order to seek a remedy to the adverse effects of SAP on the poor.

The ECA for one has also espoused its African Alternative Framework to SAP for Socio-Economic Recovery and Transformation (UNECA, 1989). This has received strong emphasis in World Bank reports on 'Sustainable Development in sub-Saharan Africa' (WB, 1989), while several UN agencies have articulated specific target consonant with this approach (WHO, 1978; UNICEF, 1990b). Similar formulations of objectives can also be found in most of the development literature on Africa (see OECD, 1988; Loxley, 1988; Stewart et al, 1992; Mellor et al., 1987; Brandt et al., 1985). However, viewpoints instead differ substantially on the nature of development strategies necessary for the achievement of these objectives.³⁵²

Some of these African initiatives are the Lagos Plan of Action (LPA), the UN Programme of Action for African Economic Recovery and Development (UNPAAERD), and the Africa's Priority Programme for Economic Recovery 1986-1990 (APPER). In APPER, the African leaders accepted their share of the responsibility for their economic failures and stressed the need for economic policy reforms, but of their own design. This was the African contribution to the more general UNPAAERD under which developed countries agreed to support

African efforts, especially with increased aid (approx. \$46 billion) and greater debt relief.³⁵³ In December 18, 1991, the international community renewed the commitment to Africa it made in 1986 in the UNPAAERD by entering into a stronger accord, the UN New Agenda for the Development of Africa in the 1990s (UN-NADAF).³⁵⁴ However, all these rhetoric about renewed commitments has not been put into serious action to alleviate the deteriorating poor conditions that SAP has rendered poor groups in Ghana and other SSA countries. Thus, there is a growing consensus among development theorists both in Africa and the rest of the international community that there is a crisis in African development. This view is reflected in reports and publications of the ECA, the World Bank, the African Development Bank (ADB) and several other international organizations and scholars.³⁵⁵ It is therefore apparent that the donor countries and agencies tend to develop their own criteria, which may or may not be ideal for a country's socio-economic situation.

4.7. CONCLUSION

In final analysis, one could say that the IMF and World Bank SAP policies benefited the donor countries and agencies, and the political elites in Ghana and not the majority of the urban and rural poor. In this context, it could be argued that SAP is the ideology of the strong and powerful countries and agencies and not the weaker ones in the widely promoted idea of progress through globalization and greater international integration. In this context, the developed countries operating through the IMF/World Bank and the other International

Financial Institutions (IFIs) have done more harm than good to poor countries like Ghana and its people. Also, from the above analysis, one can justifiably emphasize that through the idea of development the mainstream technocrats have found a way of idealizing Ghana's economic problems which require internal mobilization and solutions as a technical problem to be solved through experimental means. Many theorists and organizations who have written about SAP in Ghana and Africa attest to the deteriorating conditions that has resulted from the donor agencies' development prescription for the continent in the 1980s and 1990s.

Hence, the failure of Ghana to achieve an economic miracle through SAP policies portrays the paradoxical and contradictory outcome of the neoliberal discourse of SAP and its capitalist utopia. In this connection, Brown has argued that structural adjustment in the 1980s was the latest panacea offered to Africa from the outside world. In the sense that the change in World Bank policies for Africa took place without any self-criticism in the Berg Report concerning the failure of previous policies for which the Bank had been responsible.³⁵⁶ Thus, the road to modernization and economic growth has been pursued at the expense of Ghanaians since the people have paid a heavy price for a failed one-dimensional policy directed towards economic growth. Hence, the African economies that underwent SAP including Ghana has been made to provide hewers of wood and drawers of water for the industrial world.³⁵⁷ Shaw has therefore argued that:

Africa more than the other world regions, is...faced with a development crisis of great portent...If past trends persist and if there are no fundamental changes in the mix of economic policies that African governments have pursued during the last decade and a half and if the current efforts to fundamentally change the international

economic system and relations fail to yield concrete positive results, the African region as a whole will be worse off compared with the rest of the world at the end of this century than it was in 1960.³⁵⁸

The thousands of speeches made about Africa in early 1985 all had in common two phrases: 'no quick fix' and 'no easy answers'. The common realization that Africa was in for a long troubled future ...that there do not exist any 'models of development' which can be applied to Africa, especially the ones crafted and dictated by outsiders who have limited perception of the African situation.³⁵⁹ Since the PNDC's introduction of the ERP and SAP was tailored to meet the imperatives of the world economy rather than facilitate a break with it, Ghana is now caught in the claws of capitalism and external financing. Thus, Ghana's participation in the globalization process has had the effect of what Gunder Frank calls the development of underdevelopment. Samir Amin also argued that the solution to the current crisis of underdevelopment would be a rupture of this dialectical relationship such that national development would not be subject to the law of value of capitalism. Instead the 'imperatives of "globalization"' would be replaced by the imperatives of a popular based law of value. Whilst the conditionality of democracy and multi-partyism for political transformation was being pushed ostensibly in the interest of the people, the socio-economic, cultural and ideological transformation was also vigorously being pursued through the SAP simultaneously. Hence, the impact of SAP on Ghana's economy has become graphically manifest in a worsening balance of payment crisis, worsening terms of trade and a declining standard of living.³⁶⁰

In this connection, Jaycox (1993) has argued that ...the donors have done a disservice to Africa, and many African governments have participated blindly.³⁶¹ Giovanni and Helleiner has argued that a great many studies have documented the continuing weak economic performance of sub-Saharan African countries, including those undertaking adjustment programmes, both in absolute terms and relative to other developing countries. In retrospect, the 1980s can be seen as a period of setbacks in African economic history.³⁶² The LPA argues that Africa must cultivate the virtue of self-reliance. This is not to say that the continent should totally cut itself off from outside contributions. However, these should only supplement our own effort: they should not be the mainstay of our development.³⁶³ Thus, Adebayo Adedeji vividly expressed the symbolic sense of hopelessness in Africa's development when he admitted that: 'we are facing a crisis of exceptional proportions and persistence.'³⁶⁴

Ghana, and for that matter all African governments should reduce their reliance on foreign aid for development and rely more on their human and natural resources. Due to the excessive external dependence of the African economies, development has been substantially affected by cyclical fluctuations in the economies of the industrialized countries ...which form the major export markets for African countries. This dependence is so pervasive that the upswings and downswings in the industrialized market economies affect the values of African exports, the terms of trade, the cost and value of imports, the level of inflation, and ultimately the trends and levels of [gross domestic products]. Indeed, it can be truthfully said that because of our excessive dependence, each time the

industrialized market economies sneeze, the African economies catch pneumonia.³⁶⁵ As suggested by the 'Another Development', every society has different needs that are unique to that particular society and due to this fact every society's definition of development is different. This implies that every society must find its own strategy in accordance with its own needs.³⁶⁶ Thus, a society must therefore choose the definition that is most appropriate to its needs and rely basically on its own strength and resources to determine its pattern of development.

Ghana's experience with the SAP initiative by the donor agencies has proved that the greater part of the solution lies within the society itself and not from outside forces. The fact that after almost a decade of implementing SAP, Ghana is being considered into the Highly Indebted Poor Country Initiative (HIPC) by the donor countries/agencies is evident of the poor performance of the economy and the failure of SAP to remedy the country's crisis successfully. Under HIPC the donors accepted, for the first time in their history that some debts could not be repaid, and would have to be written off. Beyond that acknowledgement, very little debt has been written off. The HIPC initiative suffers the fundamental flaws of all international negotiations on sovereign country debt. It is driven by and controlled by creditors who act as witness, plaintiff, judge and jury in their own court of bankruptcy – thereby flouting a fundamental rule of law.³⁶⁷ Hence, the initiative is not intended to favour the SSA countries since the country concerned is not allowed to participate in the process of deciding which debt could not be

paid and how debt rescheduling should proceed in terms of conditionalities and the amount to be waived.

It can be argued that SAP loans/aid programmes have distorted national priorities in Ghana rather than supporting them. This is because the donor agencies that took over the developmental role from the state in the 1980s failed to clearly define the strategies the country really wish to follow and failed to ensure that such strategies were made fully operational by involving the people at the grassroots. Hence, Kwesi Botchwey has argued that deregulating an African economy – any economy – requires a comprehensive macroeconomic programme and policy framework. Moreover, its objectives must be properly explained and debated widely so as to build the necessary political consensus. Equally important, the institutional restructuring and management implications of the process must be anticipated and addressed. Finally, the pace and mode of presentation of policy changes must be informed by the real dynamics of the political economy of the domestic situation.³⁶⁸ At present Ghana is faced with the challenge of meeting key social and economic goals in a realistic manner, therefore, the government should ensure that the strategies to achieve such goals are thoroughly discussed in terms of the alternatives available for pursuing development in Ghana.

Unquestionably, globalization and international trade have increased interdependence among countries and on the IFIs for financing, which is inevitably difficult to avoid in the present circumstances in Ghana.

Although foreign assistance is desirable, it should be beneficial to the needs of the people of Ghana and clearly contributes to the direction in which the people would like to pursue their socio-economic and political development. In this context, the role of foreign capital in Ghana's development is necessary, given the present socio-economic conditions in the state, hence, it seem inevitable that Ghana's development plans will rely at least in part on a foreign capital flow. As long as external financing is tailored to fit within the people's political, cultural and socio-economic development priorities, it can obviously continue to play a constructive role in the country's development since foreign aid is likely to be a most desirable additional stimulus, provided it is harnessed effectively. However, in terms of long-term strategic considerations, despite the fiscal constraint and the need for external financing, there is the need to devise a way of reducing the country's over-reliance on foreign capital.

The SAP experience has proven that foreign assistance can obviously distort or improve a country's priorities depending on what conditions are attached to the loan/aid. Hence, the fundamental issue is for the government to decide which projects warrant borrowing foreign capital and how much foreign capital is appropriate and desirable taking into cognizance the country's present circumstances and rely more on the internal mobilization of capital and human resources for development. Also, more crucial is the need for the government to ensure that any internal planning, external loans/aid which are attracted is done so in terms which are clearly of benefit to the majority of the people, especially poor groups. The NPP government in Ghana, and for that matter any

government in sub-Saharan Africa should exercise great discretionary decisions in the process of obtaining external loan/aid the donor agencies because any form of foreign assistance should not dictate the direction the Ghanaian society and economy should take. In this context, I will argue that there is the need for an alternative development framework for Ghana based on the critical evaluation of its past experience with SAP, the people's socio-economic and political experience and their cultural orientation. The priorities of Ghanaians should obviously be the major and fundamental yardstick for loan/aid agreements.

The literature on the socio-economic and political dimensions of SAP and its impact on Ghana's development has shown that, like the state, the agency of the market in development as practiced by the IMF/World Bank has failed. It could therefore be argued that the IMF/World Bank's perception of development through the implementation of SAP was not truly participatory since the decisions were imposed on the state and the people. Carrison et al, has argued that although there is no consensus on whether aid in general "works", there is an increasing recognition that aid is most effective when it supports programmes and projects that are "owned" by the recipient country (Barry, 1988; Johnson and Wasty, 1993). "Ownership" refers to the extent to which programmes originate from within recipient authorities as opposed to their being designed and imposed by donors from outside. "Home grown" interventions are believed to be more effective partly because they are more likely to incorporate institutional constraints in addressing the needs of domestic constituencies.³⁶⁹ Critics have

characterized the IMF/World Bank reforms as blunt economic tools that disregarded the social, economic and cultural realities of Ghanaians. Thus, it could be deduced from the above discussion that planning from above and outside is not ideal for implementing development in Ghana. In this regard, in the 1980s there emerged a high tendency to look for an alternative form of development in Ghana that would address the needs of the people and involve them in the development process. In recent decades, there has been a significant increase in the activities of INGOs in Ghana to help the people meet their developmental needs, which will be discussed in the next chapter.

²⁷² J. Kraus, "The Struggle over Structural Adjustment in Ghana", Africa Today, 4th Quarter, 38, no. 4, (1991): 19.

²⁷³ Kodwo Ewusie, Trends in the Economy, 1986-1988, (Legon, Ghana: ISSER, 1988), 9.

²⁷⁴ Donald Rothchild, "Ghana and Structural Adjustment: An Overview" Ghana: The Political Economy of Recovery, (Boulder & London: Lynne Rienner Publishers, 1991), 6.

²⁷⁵ John Toye, "Structural Adjustment: Context, Assumptions, Origin and Diversity", in Hoeven and Kraaij, *Ibid.*, 25.

²⁷⁶ Eboe Hutchful, "From Revolution to Monetarism: The Economics and Politics of the Adjustment Programme in Ghana", Edited by Bonnie K. Campbell & John Loxley, Structural Adjustment in Africa, (London: Macmillan, 1989), 100.

²⁷⁷ John Loxley, Ghana: The Long Road to Recovery 1983-1990, (Ottawa: North South Institute, 1991), 4-5.

²⁷⁸ Willi Wapenhas, "The Political Economy of Structural Adjustment: An External Perspective", eds. Rolph Van Der Hoeven & Fred Van Der Kraaij, Structural Adjustment and Beyond in Sub-Saharan Africa, Ministry of Foreign Affairs (DGIS), The Hague in association with James Currey (London, U.K. & Portsmouth NH: Heinemann, 1994) 36-52.

²⁷⁹ Jerker Carisson, Glora Somolekae and Nicolas van de Walle, eds. Foreign Aid in Africa: Learning From Country Experience, (Uppsala: Nordiska Afrikainstitutet, 1997), 77.

²⁸⁰ Donald Rothchild & E. Gyimah-Boadi, "Ghana's Economic Decline and Development Strategies", Edited by John Ravenhill, Africa in Economic Crisis (New York: Columbia University Press, 1986) 256-257.

²⁸¹ D. Simon, W. Van Spengen & A. Narman, Structurally Adjusted Africa, (London: Pluto Press, 1995) 1.

²⁸² Kwame Ninsin, "Ghana Under the PNDC: Delinking or Structural Adjustment", Edited by Azzam Mahjoub, Adjustment or Delinking? The African Experience, (Tokyo: UN University Press, London: Zed Books, 1990), 139.

²⁸³ *Ibid.*, 140-141.

²⁸⁴ Republic of Ghana, Revolution Brings Progress to Ghana, (Accra: Information Services Dept., 1988), 11.

²⁸⁵ The SAP Agreements were originally negotiations by the Provisional National Defence Council (PNDC) and was later continued by the National Democratic Congress (NDC) governments both under President Rawlings with the IMF and the World Bank. The implementation of these agreements began in 1983 during the initial stage as Economic Recovery Programme (ERP).

²⁸⁶ Tijani Bassirou, "African Unions under Structural Adjustment Programs", in Industrial Relations, Quebec, 53, no. 2, (Spring 1998): 279.

²⁸⁷ Republic of Ghana: National Programme for Economic Development, (Accra: GPC, 1987). See also Donald Rothchild, "Ghana and Structural Adjustment", *Ibid.* 3.

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- ²⁸⁸ Radio & Television Broadcast to the Nation on the 1983 Budget Statement, 2 May, 1983, in *Forging Ahead (Selected Speeches of Flt.-Lt. J.J. Rawlings)*, Accra: Information Services Dept. Vol. 2, (p16). For detailed discussion see also Kwame Ninsin, "Ghana Under the PNDC: Delinking or Structural Adjustment", ed. Azzam Mahjoub, *Ibid.*, 138.
- ²⁸⁹ Matthew Martin, "Negotiating Adjustment and External Finance: Ghana and the International Community, 1982-1989" edited by Donald Rothchild, *Ghana: The Political Economy of Recovery*, (Boulder: Lynne Rienner Publishers, 1991), 235
- ²⁹⁰ Loxley, Ghana: *The Long Road*, iv.
- ²⁹¹ World Bank, *Sub-Saharan Africa: From Crisis to Sustainable Growth*, (Washington D.C.: World Bank, 1989), quoted in Rothchild, "Ghana and Structural Adjustment: An Overview", *Ibid.*, 3.
- ²⁹² John Healey and Mark Robinson, *Democracy, Governance and Economic Policy: Sub-Saharan Africa in Comparative Perspectives*, *Ibid.*, 81.
- ²⁹³ Jo Ann Paulson, ed., *African Economies in Transition*, (London: Macmillan Press, 1999), 11.
- ²⁹⁴ World Bank, *Adjustment in Africa: Reforms, Results, and the Road Ahead*, (Oxford: Oxford University Press, 1994), 170.
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CHAPTER 5

THE DEVELOPMENTAL ROLE OF THE INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS (INGOs) IN GHANA

5.1. INTRODUCTION

The failure of the Ghanaian State in its developmental role led to the economic crisis of the late 1970s and early 1980s. As a result, in the 1980s, there was a growing consensus in the literature that the state was no longer able to fulfill its developmental role (Doornbos, 1990; Wunsch and Oluwo).

This resulted in a significant shift in the agency of development in Ghana and created the enabling conditions for the donor agencies to impose their development agendas on the Ghanaian State, which, in turn, weakened the power of the state to formulate domestic and external development policies. In this context, SAP policies brought about major functional changes that modified the role of the state to create new spaces and opportunities for the international Non-governmental organizations (INGOs) primarily based in the North³⁷⁰ to occupy the vacuum created. As a result of the rolling back of the role of the state the INGOs began to promote development and assumed some of the functions that were previously the responsibility of the Ghanaian State.

The shift of power was therefore caused by the donors' disillusionment in the post-colonial state's performance and development record, which compelled the donors agencies to channel funding for development through the NGOs whose activities were transformed from provision of basic needs to the poor to implementing development projects.³⁷¹ Korten has argued that where

corresponding changes in policy have resulted, new possibilities have been opened for mobilizing a far greater range of human talent, institutional capacity and social energy in the service of development than governments could ever hope to achieve. Many donors and governments also came to appreciate the important and distinctive development roles of INGOs during the 1980s.³⁷²

Another factor that led to the rise of the INGOs was the failure of structural adjustment and its adverse socio-economic impacts on the people (Eboe Hutchful, 1995). All these factors paved the way for the INGOs to assume control of the development process to act as intermediaries between the people and the donor agencies in terms of project financing, planning and implementation in Ghana.

As it became glaringly clear that the leadership needed to deal with the underlying causes of the poverty and other human needs was not being provided by governments, several INGOs rose to take advantage of the newly created opportunities and fortunes. Veltmeyer, Petras and Vieux (1997) have noted that in the theoretical – and political - space between two conceptions of civil society, a liberal one favoured by the community of international and governmental agencies and a critical one rooted in a Gramscian notion of hegemonic and counter-hegemonic power. This can be found in a broad array of views and loose ideas associated with a growing complex and diverse networks of non-governmental organizations that see themselves as a primary agency for international development, acting in support of grassroots or community-based development (Biekart, 1996; Carroll, 1992; Kothari, 1996; Macdonald, 1997;

Swift, 1999; Wignajara, 1993). Many of the development INGOs see and present themselves as intermediaries between, on the one hand, international donors and government, and, on the other, the urban and rural poor and identified “target” and intended beneficiaries of the development process. In the 1980s, these third sector NGOs were the favoured partners of governments and international donors in the execution of their programmes in the form of projects and at the level of the local community.³⁷³

The notion of NGO gained legitimacy in international law with the creation of the United Nations in 1945 and its explicit inclusion in Article 71 of the Charter. The UN Economic and Social Council (ECOSOC) is empowered under its mandate to hold regular consultations with active economic and social actors in member states.³⁷⁴ INGOs are therefore, intermediary organizations, which are independent of the state, and undertake a range of activities in order to further development objectives. It must be noted that INGO activities in Ghana dates back to the 1960s and 1970s. From the early to mid-1970s in Africa, the development debate attached greater importance to redistributive issues, institutional change, basic needs satisfaction and employment-based development strategies (ILO, 1972, 1976; Chenery et al, 1974; Streeten, 1981).³⁷⁵ Although INGOs have always existed in African societies in one form or another, within the last 15-20 years they have assumed a position of choice and importance as agents of development, offering viable, efficient and effective alternatives to the often moribund and increasingly financially troubled agencies of the state, as well as to the self-interested activities of business enterprises.

The importance of the INGOs in development work in Africa has also been greatly enhanced by the rapid increase in the numbers of such organizations.³⁷⁶ Prior to the 1980s, the INGOs were mainly a channel for relief and welfare services to the people through the churches. However, the 1980s and 1990s saw a dramatic resurgence of INGOs activities as planners and implementers of development in Ghana and other parts of sub-Saharan Africa. Therefore, the rapid rise of the INGOs has been a major challenge to the authority of the state. Rothchild has argued that the conventional scenario involving a breakdown of the state, powerful elements in civil society grow in capacity and effectively challenge state authority (Rothchild and Lawson 1994).³⁷⁷ Frequently, the INGOs have been viewed as having attributes that make them preferred over multilateral or bilateral forms of assistance and have been increasingly utilized by western governments.³⁷⁸

According to David Korten the change in NGOs role is characterized by three 'generations', which involves an initial relief and welfare approach in the early post-war period was followed in the 1960s and 1970s by a shift by many NGOs to focus on small-scale, self-reliant local development. Korten describes a third, more recent NGO strategy as involving commitment to 'sustainable systems development', that is, recognizing the limits of impact of community development projects, some NGOs have attempted to influence broader systemic factors, including government policy. Korten has subsequently developed a conception of fourth generation strategy under which NGOs would 'become facilitators of a global people's development movement'.³⁷⁹ Thus, in counteracting the Ghanaian

State domination in the development process, there occurred a massive expansion of the autonomy of the non-state actors, which greatly limited the state's autonomy to make decisions and initiate development policies. The 1989 World Bank report "From Crisis to Sustainable Development" explained the rationale for the growing interest of official foreign donors, both national and international, in channeling funds through NGOs, both northern and African as:

A strategy of development that stresses the dynamism of farmers, grass roots communities, and other parts of the non-modern sector needs to be matched by changes in donor financing to reflect that emphasis. The need for change has been recognized [i.e. by the World Bank]...This reflects a growing belief that most NGOs are committed to addressing the problems of developing societies and the needs of their poorest members in a manner not matched by government officials." ³⁸⁰

Therefore, the donors' intervention and the rise of the INGOs have increased the growing rejection of the popular myth that government is the sole legitimate agent for managing development resources and decisions making.

5.2. INGOs DEVELOPMENT ACTIVITIES IN GHANA

Western governments, the bilateral and multilateral organizations have often promoted the INGOs as efficient and cost effective ways of reaching the poor in the South³⁸¹. Schearer (1995:7) has argued that NGOs have sprung up to fill the gap in supply services, materials, technology, training, credit and communication with rural villagers and urban slum dwellers.³⁸² Mark Nerfin has distinguished four types of INGO activity (although some INGOs may engage in more than one):

- relief and welfare agencies of varying sizes;
- small-scale self-reliant, local development organizations;

- projects for developing sustainable systems;
- schemes of empowerment, for facilitating popular movements.³⁸³

INGOs in Ghana therefore engage in various activities ranging from the provision of affordable housing, micro-finance, environmental protection, communication network, appropriate technology, rural development, women's empowerment, education, health, rural water projects, personnel and technical assistance, training, and the provision of infrastructural facilities.

In this context, Veltmeyer, Petras and Vieux (1997) have argued that as the major recipients of resources earmarked for 'grassroots development', INGOs have placed themselves between grassroots organizations and the state agencies and international donors, positioning themselves to act as 'development brokers', implementing development projects on behalf of governments and international agencies. INGOs share what Tendler (1982) has called 'articles of faith' about the strengths they bring to the development process. Assumptions about the strengths of INGOs are also widely shared by development donor agencies.... These articles of faith (Tendler, 1982:3-6) include assertions that INGOs:

- reach the poor;
- promote local participation in the development process;
- define development in terms of a process whereby poor people take greater control over their own lives, rather than as the outcome of particular projects and programmes;
- work 'people-to-people' rather than government-to-government';
- are able to be more flexible and experimental in approach than conventional development agencies because of their size;

- are better equipped to work with and strengthen local private institutions than are conventional development agencies; and are more cost-effective than conventional development agencies.

Hence, NGOs had over the years earned a reputation for promoting local initiatives, and being innovative and cost effective in their administration of development assistance.³⁸⁴ In recent times, INGOs have played vital dualistic roles for governments, bilateral and multilateral agencies in the North and poor groups in the South. Jessica Mathews places emphasis on INGOs as substitutes for the welfare state in the North and alternatives to the state provision in the South. She further argues that “Internationally, in both the poorest and the richest countries, INGOs, when adequately funded, can outperform government in the delivery of many public services.”³⁸⁵ The roles of INGOs are numerous and widespread and became increasingly controversial during the 1980s as they became more deeply involved in development projects in Africa.

A number of INGOs throughout the world are giving attention to the definition and projection of a people-centred development vision that embraces the transformation agenda. This vision looks to justice, sustainability and inclusiveness as the defining principles of authentic development. It views development as a people’s movement more than as a foreign-funded government project.³⁸⁶ Through the support and funding from western governments, bilateral and multilateral institutions such as the World Bank, Japan International Cooperation Agency (JICA) Canadian International Development Agency (CIDA), U.S. Agency for International Development (USAID), Overseas Development Administration (ODA) in UK, Swedish International Development Agency (SIDA), Danish International Development

Agency (DANIDA), Norwegian Agency for Development Co-operation (NORAD) and other state agencies in the North, INGOs funding have increased significantly. The World Bank reckons that a 1993 estimate of \$5.7 billion in aid going to NGOs undervalue the total by as much as \$3 billion.³⁸⁷ Other critics have also noted that the estimated funding resources of relief and development NGOs grew by 250%, to US\$6.5 billion in 1988, compared with US\$1.96 in 1975 (Fowler: 1991, & Clark: 1991).³⁸⁸ These figures confirm the growing influence of INGOs in local, national and international development and their competitiveness for donor funding. In this context, it could be argued that NGOs have become a significant potential force for competing with the state for donor funding and promoting development in Ghana and other countries in sub-Saharan Africa.

In this connection, INGOs are acting more and more as intermediaries between governments and the people as the role of the state changes. It must be argued that the INGOs initiatives which were intended to be complimentary to the state's effort are often contradictory to the central government's policies since the former placed societal interests over and above those of the state and its institutions. Thus, challenging the state in its developmental roles and autonomy, which it had enjoyed in the 1960s/1970s. On a global scale, governments are increasingly aware of the important role of INGOs in poverty reduction and are beginning to trust INGOs to undertake collaborative activities. INGOs are also working with the Bank and other donors to promote the well being of the poor.³⁸⁹ INGOs conduct numerous joint operations with a wide variety of international organizations (Masoni, 1985; Beigbeder, 1986; Fadda, 1986). The most

important of these are the World Bank, the World Health Organization, the Office of the U. N. High Commissioner for Refugees, the United Nations Development Programme, and the Food and Agriculture Organization.³⁹⁰

In the past couple of decades, INGOs and other international organizations have supported projects in Ghana. The ODA –assisted Civil Service Reform Programme (CSRP); the CIDA-assisted Northern Regional Rural Integrated Programme (NORRIP); the UNDP- sponsored Local Level Planning Project (GHA/89/003); and the World Vision International (WVI) funds Ghana Rural Water Project. The UNDP is also assisting Ghana under the fifth Country Programme in the priority areas of capacity building, private sector development and poverty reduction. Other bilateral donors, including CIDA and ODA, are also focussing on health, education, private sector development and poverty reduction in their programmes.³⁹¹ In addition, CIDA supports initiatives designed to 'strengthen the advocacy role of organizations in civil society, including building the capacity for independent social, economic and political analysis, through training, technical assistance, participation in conferences and international networking' (CIDA, 1995).³⁹² A number of international NGOs are trying to introduce best practices in micro-enterprise lending in Africa, such as Women's World Banking (WWB).³⁹³

Moreover, some INGOs like the Canadian Cooperatives Association (CCA), which is funded by CIDA and the Co-operative Development Foundation of Canada (CDFC) offers technical and financial assistance to co-operatives and credit unions in over 20 countries.³⁹⁴ CCA assists in micro-finance for credit

unions in Ghana through the Ghana Credit Unions Association (CUA). The Habitat for Humanity supports affordable housing schemes in the rural areas for poor communities in Ghana and the Catholic Relief Service supports (CRS) supports Education, health, agriculture, small enterprise development, peace & justice, conflict resolution, emergency and welfare, food aid and other basic necessities.³⁹⁵ Also, the Canadian University Students Overseas (CUSO) and the American PeaceCorps provide personnel and technical, financial and community development in all parts of the country as well as the placement of skilled personnel in various sectors ranging from agriculture, education, health and capacity building for local self-help organizations in Ghana. Apart from the above-noted INGOs activities in Ghana, there are numerous large and small INGOs engaged in development activities in Ghana. On the whole, about 800 formal non-profits are registered in Ghana.³⁹⁶

5.3. CRITICAL ANALYSIS OF THE INGOs DEVELOPMENT APPROACH

5.3.1. STRENGTHS

Unquestionably, INGOs have played a vital role in assisting local communities in Ghana with financial support and development projects to mitigate the negative impacts of SAP on the poor that is sweeping across the country. According to Therien, what first distinguishes NGOs is the motivational basis for their action. For the state, aid is an instrument of foreign policy intended to maximize a series of national interests. In a totally different way, for NGOs, aid is a morally defined social relation dominated by normative considerations.

INGOs thus appear to be driven by a rationality, which is less interest-based and more oriented towards a universal conception of human rights and dignity.³⁹⁷

In this connection, INGOs do offer an innovative approach to development, which is different from that of the state, bilateral and multilateral organizations that are involved in international aid and development. It must be argued that the INGOs' perspective of project ownership differs from that of bilateral donors.³⁹⁸

Therefore, the rise of INGO activities have been motivated by the view that the INGOs are more effective and efficient in reaching the poor groups in isolated corners in society as the state efforts have failed to resolve the key development challenges facing the masses. Lloyd Timberlake emphasizing on the importance of the work of NGOs for its 'small-scale', 'local direction', 'community participation', 'flexibility', 'ability to learn from mistakes', adds the following comment on the work of NGOs: It is not so much because of their 'humanitarianism' that they succeed, but their humanitarianism guides them into certain methods of operation which happen to be the most effective ways of motivating people and spreading new ideas.³⁹⁹ Other distinguishing qualitative characteristics of INGOs are being seen as popular, close to the community, often including developmental-goals, participatory in style, smaller and less bureaucratic than government agencies, and so on. (See inter alia, OECD: 1988, and Drabek: 1987). It is also claimed that INGOs are note worthy for being flexible, innovative, and more attuned than public agencies to the priorities and sensitivities of those they would assist.⁴⁰⁰ Other critics have argued that the INGOs have better access to and work more effectively with the poor than do

governments. The INGOs have drawn attention “to extreme inequalities in the sharing of goods and power-identified as the underlying causes of persistent poverty” (Korten 1991, 25).⁴⁰¹

According to Schmidt and Hutchful, Canadian and Western INGOs and social movements have made a major contribution to placing a number of key issues of concern to Africa and the Third World on the international agenda of official donor agencies. They have also played a leading role in laying down the rudiments of international civil society – an international morality and set of organizations distinct and autonomous from states and geopolitical power relations, and pursuing issues and goals of common benefit to the world's people. Even as resolute a critic of imperialism and structural adjustment as Bade Onimode has commended INGOs on their contribution in Africa and their support of many of the positions favoured by the OAU and ECA (Onimode 1991: 62).⁴⁰² In general those promoting INGOs suggest that there are numerous advantages that these organizations provide that neither governments nor multilateral governmental organizations enjoy. (See de Silva, 1984), (Bolling, 1982: 189-191), (Cernea, 1988:17-18) and (Bolling's citing of Schwartz, 1978).

These include:

- NGOs tend to be efficient providers of assistance to recipients, especially with respect to overhead expenses. Gorman (1984, 71) states that “overhead costs are generally quite low” reporting that many NGOs operate with less than two percent of funds being allocated to overhead costs and most ranging from 8 to 15 percent. In addition, many NGOs use volunteers or low-paid personnel both to raise funds at home and to staff projects in the field. Others (Bolling 1982, 190) have reported an overhead figure of three percent and compare that amount to an average of 20 to 30 percent overhead for many bilateral government aid programs and even higher for some multilateral programs.

- NGOs have been reported to be capable of mobilizing significant resources, both human and financial, especially at home in the donor country.
- NGOs frequently have fewer bureaucratic constraints than government agencies and multilateral institutions. Thus they may be able to more effectively initiate and sustain projects.
- NGOs have often been successful in promoting “indigenous participatory institutions” in recipient countries, better helping recipients to help themselves.
- Since NGOs have much lower profile than most governments, they are sometimes able to provide assistance in politically sensitive situations and thus are more able to gain the support of the recipient government – local, national or both.
- NGOs are accomplished in reaching the rural poor and operating in remote areas. Frequently their programs are located in areas where government services and programs are limited, ineffective and non-existent.⁴⁰³

Furthermore, Boiling (1982:193) has argued that collaborating with governments or major multilateral institutions enhances the quality of NGO efforts, since these contracts often “require INGOs to make improvements in management and technical skills. The result is that they become more businesslike, more objectively critical about what they are doing, more deliberately involved in long-term development, and less influenced by a slapdash emergency relief mentality”.⁴⁰⁴ The former President of the World Bank, Barber Conable argued that “Government policies and public programs play a critical role in poverty alleviation. But governments cannot do everything. Non-governmental organizations in many developing countries have enormous potential for flexible and effective action. Therefore, the Bank seeks to cooperate with INGOs because:

- They can often “reach poor communities and remote areas with few basic resources or little infrastructure and where government services are limited or ineffective;

- Promote local participation in designing and implementing public programs by building self-confidence and strengthening organizational capability among low-income people;
- Operate at low cost by using appropriate technologies, streamlined services and minimum overheads; and
- Identify local needs, build upon existing resources and transfer technologies developed elsewhere. (World Bank, 1989).⁴⁰⁵

The uniqueness of INGOs is also shown in the nature of the cooperation that they seek to promote. Their action is systematically guided by an inescapable hierarchy of priorities – first things first (Streeten, 1981). The target groups of INGO assistance are thus the poorest social strata, with special emphasis on rural areas. Their range of activities is centred on meeting the most basic social needs. INGOs devote one third of their resources to education, training and health; around one sixth to emergency relief; a little less than one sixth to agriculture and rural development. The rest goes to income-raising activities, water supply, appropriate technology and multi-sectoral projects (OECD 1985, 153). INGO assistance adopts a micro-economic perspective focused on individual needs and favours an inward-looking strategy of production...As INGOs give priority to supporting subsistence production rather than production for the external market, they strongly insist on reinforcing and improving the cohesion of internal markets.

The INGO approach thus distinguishes itself from governmental assistance, which favours a strategy based on macro-economic objectives. INGOs also stand out by their role as social catalysts. Their commitment to institution building and to revitalizing civil society is such that it can be said that the major contribution of INGOs to development is not financial but organizational (Cernea,

1988:13). Much emphasis is placed on grass-roots participation in the completion of the projects they undertake. A major goal of their activity is to enable individuals to exert far more control over the decision-making processes that directly touch their lives. For INGOs, the notion of people-centred development tends to be pitted against that of production-centred development (Korten and Klaus, 1984: 210).⁴⁰⁶ The social involvement of INGOs may be understood from their twofold purpose. On the one hand, they try to promote a collective sense of responsibility by making the members of the community fully aware of their potential for action. On the other hand, they seek to mobilize social movements by developing structures amenable to grass-roots initiatives. The key to the effectiveness of INGOs is their innovation, experimentation and flexibility which is manifested in their willingness to adapt the means of production to local resources, capabilities, and needs. INGOs have therefore been active and innovative participants in the workings of the international aid regime and helped establish mechanisms by which the public at large may influence foreign policy.⁴⁰⁷ According to Cernea it was partly in response to the vocal concerns of INGOs that the Bank "has taken a number of steps to sharpen its focus on poverty and to soften the social costs of adjustment especially by targeting better the support for social expenditures" (Cernea, 1988: 38).⁴⁰⁸

5.3. 2. WEAKNESSES

Regardless of the INGOs achievements, a considerable amount of critical re-assessment of the INGOs role in recent years has revealed that the impact of their initiatives is limited in terms of the number of people that benefit from their projects/programs'. Also, the INGOs impact on poverty reduction to bring about self-reliance for the people especially poor groups. Fowler (2000) has argued that at best, NGDOs reach some 20% of the world's poor.⁴⁰⁹ Although governments and international agencies themselves came to acknowledge the ability of INGOs to do what many governments have proven unable to do, i.e. to get a range of essential goods and services to the poor. Yet, growing numbers of NGOs also recognize that their own efforts were meager, and too often focused on the consequences of system failure rather than the underlying causes of this failure. Their financial resources were negligible and their modes of working were largely irrelevant to the real issues. In their attempt to deal with this reality some INGOs have sought increase in government funding to expand their service delivery capabilities. Others have questioned the nature of their more conventional roles and asked whether they may need to rethink their own approaches to development actions to get at the real causes of the human suffering that motivates their action.⁴¹⁰

One of the major criticisms against INGOs is the issue that a greater percentage of the funding received from governments and donors are used for administrative costs and salaries rather than directing the funds to service the needs of the people for whom the funds were donated. An FAO study conducted

in Bolivia estimated that for every \$100 spent on social development projects conducted by INGOs, only about \$15-20 reached the designated beneficiaries. Most of the rest was used to pay administrative costs and professional salaries (Zeballos, 1992: 59-60). While one must regard such results with some skepticism (see, e.g., Aramayo, 1992: 63), since those who conducted the study clearly had a vested interest in the results, it is apparent that commonly held assumptions about the benefits of promoting development through INGOs should not be accepted without critical scrutiny.⁴¹¹ With the assistance of the donors, the INGOs have usurped the role that had previously belonged to the state and has therefore undermined the institutional capacity of the Ghanaian State to undertake development. Some critics have argued that INGOs have been a 'new hegemonic order'⁴¹² in the development process. Another source of institutional tension stems from the mechanisms for consultation between INGOs and other actors involved in the aid regime. Fragmentation and lack of coordination of INGO activities often are perceived as serious obstacles to optimization of their operations.⁴¹³ It has been contended that INGOs spend more time raising funds than actually doing development work.⁴¹⁴ Swift has also argued that large INGOs often move in on territories where smaller groups are already working, resulting in a duplication of work.⁴¹⁵

Similarly, the consequence of the lack of coordination of their activities is the over-concentration of INGOs in one region or area often leads to duplication of projects. An example noted from the Northern Regional Rural Integrated Project (NORRIP) evaluator's report suggests that in parts of the Northern region, some

communities have two and sometimes three water and health projects from different donors and INGOs, while others have none.⁴¹⁶ Another major flaw of INGOs projects and programs is that large integrated rural development projects have never been sustained in Ghana, that is project activities have not continued after the withdrawal of donor support. Aside from NORRIP, other projects such as Upper Regional Agricultural Development Programme (URADEP), Volta Regional Development Programme (VORADEP), and the Central Regional Integrated Development Programme (CERIDEP) have all experienced similar shortfalls in INGO project shortfalls. On the other hand, there is no reason to believe that smaller projects with fewer components for individual communities will be more sustainable. ...There is an abundance of such inconclusive experiences in rural Ghana, judging from project evaluations.⁴¹⁷ As a result of the limited participation of the people and lack of sufficient training and transparency, projects are often abandoned shortly after the departure of the INGOs. Also, lack of training for the people to manage and service project equipment often require personnel from outside the community or from a state agency to ensure a project's continuity. It must be argued that very few NGOs working in community development are able to put in place mechanisms to ensure that the benefits of a project provided to a community would be sustained beyond their departure.

Furthermore, due to the INGOs over-reliance on governments and donor funding, the latter have often compelled the INGOs to design their projects in line with the agendas and policies of the funding institutions rather than designing projects to meet the needs of the people. For example, most of the bore-hole

water supply systems installed in Ghana by the (WVI) do not function properly and/or not used by the local people because the water from the pipes contain some metallic substances that are not healthy for human consumption.

Much in the same way, most beneficiaries of the Habitat housing project in Ghana have often complained that in putting up the houses, the traditional concept of Ghanaian family was not taken into consideration because the sizes of the rooms and the number of rooms in each house could hardly contain and conveniently accommodate an average family. Again, with regard to the micro-credit schemes funded by the INGOs, the rural inhabitants and especially farmers complain about the concentration of the credit facilities in the cities and district capitals and such groups are dominated by the middle-class. Also, lack of education to the peasant class about the benefits of organizing themselves for such credit facilities is not widely promoted. Therefore, the main beneficiaries have been the middle and upper working class groups who are mainly urban dwellers. This has deprived the rural dwellers and peasant farmers of access to these credit facilities.

Moreover, there are several instances of project flaws in many parts across the country that needs to be rectified if INGO initiatives are to have major impacts on the lives and livelihoods of the poor. Coupled with the above issues is the fact that unlike the state policies that are drawn for nation-wide implementation, due to the INGOs limited budget, they concentrate their effort on a few localities, rather than embarking on a broad-based development approach to reach all sectors of the society. The developmental initiatives of the INGOs have been

marred by the imposition of their views which is a replica of the western development approach on the people rather than allowing them to adopt their own pattern of development that is premised on community-based, grassroots participation and based on the people's cultural orientation and socio-economic experiences. The INGOs involvement in the grassroots development in several instances limit the participation of the people to implementation and projects benefits, resulting in a situation where the people have little or no control over the design or evaluation of projects as they are seen as beneficiaries. In this context, since the participation of the people does not cover the vital aspects of design and evaluation, projects more often than not tend to largely fall under the control of external actors. These actors have little or no knowledge and/or experience of the people's culture and therefore have little insight into the socio-economic problems that plague them. Hence, they offer temporary and experimental solutions to alleviate such problems.

Additionally, the initiatives of many INGOs do not lead to empowerment, social transformation and self-reliance. On the contrary, they often create a long-term dependence on the INGOs and the services it provides.⁴¹⁸ Schmidt and Hutchful have argued that in other cases, INGO assistance, while greatly enhancing organizational effectiveness, may also erode organizational self-reliance.⁴¹⁹ Most INGO staff often adapt experimental, haphazard, half-hearted and short-term solutions to these problems, which in the long-term rather compounds them. Another major criticism has been that the INGOs are concerned about the need to produce proposals for funding and the accounting

system than the effectiveness of project itself. Although most of the practical operation of projects funded by INGOs is coordinated by the local NGOs in Ghana. It must be argued that the relationship between INGOs and the local organizations in Africa is controversial and superficial. Although theorists like George Baldwin has argued that 'the basic relations of Northern NGOs and African NGOs seem healthy',⁴²⁰ others like Yash Tandon has been critical of the relationship and role of the foreign NGOs in Africa. Speaking from an African perspective, Tandon argued that: 'Western NGOs' agendas are their agendas, not Africa's"; and they are very hard to know, as these INGOs are what he calls 'a secretive lot' who are reluctant to submit their aims to the same sort of evaluation that they require of their African 'partners'. Secondly, what is clear to Tandon is that Western NGOs 'are instruments of bringing into Africa their own value systems peculiar to European –American culture'. He gives three examples: gender issues, human rights and ecology, in all of which he claims that Africans are patronized by an approach of superior understanding. There is a further implication of Tandon's critique: that foreign NGOs welfare provision is not only humiliating but also disruptive of African development. Where it is not just 'conscience money for the continuation of 400 years of plunder of African resources', it has the same aim as the World Bank – of incorporating Africa into the capitalist world economy.⁴²¹

In addition, most INGOs impose their agendas on the local organizations that they seek to help and fail to make the latter groups self-reliant. The INGOs tend to control the development process, therefore, the abilities and skills of the

grassroots organizations are not tapped and rejuvenated. In recent times, INGOs have been used by western governments and some the funding institutions to facilitate their foreign political, economic and cultural agendas as well as ease social pressures of unemployment and social group pressures on the state. According to Hulme and Edwards, "the rise of NGOs is not an accident" but is part of a policy agenda "driven by beliefs organized around the twin poles of neoliberal economics and liberal democratic policies."⁴²² Laura Macdonald has pointed out that there are many types of practices, which are labeled participatory, many of which are in fact manipulative or merely elusive. Therefore, it must be recognized that any authentic approach to participation must respect the traditions and desires of the 'target population,' and must involve a substantial transfer of power to that population.⁴²³

Other critics have argued that World Bank policies are having contradictory effects in influencing the roles of INGOs. On the one hand, the enforced reduction in government welfare spending has increased the demand for INGOs to fill the gap with or without local government encouragement. And this is how it comes about that much official aid from outside is being channeled through INGO relief and welfare agencies. On the other hand, it is widely recognized, even by the World Bank, that it is the other roles in which INGOs have comparative advantage, and especially in realizing people's empowerment, which relief and welfare project aid does not allow for.⁴²⁴ Thus, despite the huge sums of funding that have been invested in INGOs development initiatives in Ghana, poverty continues to rise. Also, INGOs are not accountable to the local

groups and the communities they seek to help since they are not financially accountable to the people and unlike the state do not require the assessment of their performance by the people.

Although some critics have argued that INGOs working together with the CBOs means replacing hierarchical power structures with egalitarian ways of making decisions. However, Swift has argued that in examining the activities of INGOs, there is the need to question: Are the poor involved in the planning from the beginning, with grassroots organizations having some control of the project? Or does the participation follow the familiar decide-announce-defend model? Does the activity democratize unequal power relations? In short, Who pays? Who profits? These questions are critical and eternal.⁴²⁵ Al Hatton has also suggested that as a result of government funding the voluntary sector had become overly reactive, "outflanked by the simple and compelling messages of the corporate agenda...blindsided by globalization." Even though this sector is pushing for better service and greater participation in a caring society, he argued that these "good things" are no longer enough to keep community organizations and NGOs on the public agenda: "This has major repercussions for our (NGOs) independence, our self-reliance, and fundamentally our responsibility to volunteers, members, donors, customers, clients."⁴²⁶

Considering the widespread increase in poverty in the Ghanaian society, which is one of the major manifestations of the development crisis in Africa today, we should not romanticize the transformative role of INGOs and their capacity to alleviate poverty and empower the people. In this regard, there

should be practically clear changes and improvements in the lives of the people beyond the cosmetic impacts that have been publicized by the INGOs.

Hulme and Edwards have argued that granted the state is often corrupt and inefficient: What is unclear is whether this rolling back has strengthened the role of communities as citizens to influence state actions.⁴²⁷ Hence, NGOs may in a broader perspective be seen, not as representatives of 'civil society' against the state, but as a means by which the status quo is maintained (Tvedt, 1995: 48).⁴²⁸

The World Bank has also highlighted some of the limitations NGOs face. These include:

- Limited replicability of many NGO-sponsored activities that are too small and localized to have important regional or national impact. In attempting to scale up their operations with public sector support, some NGOs may lose their innovative quality, and become top-down, non participatory, and dependent on external and governmental support;
- Limited self-sustainability. Like many government programs, NGOs-sponsored projects may not be designed with sufficient concern for how activities will be sustained;
- Limited managerial and technical capacity. Even some professionally staffed NGOs are poorly managed, have only rudimentary accounting systems, and sometimes initiate infrastructure projects with inadequate technical analysis;
- Lack of programming context. Although experience varies by region and sector, NGO development projects are often implemented individually, outside the framework of a broader programming strategy for a region or sector, and with little regard even to other NGO's activities...; and
- Politicization. Some NGOs combine development concerns with political or religious objectives that limit the extent to which the Bank can work with them while safeguarding its primary relationship with its member governments (World Bank, 1989).⁴²⁹

Although an overview of the activities of INGOs will reveal that their role as development agents is becoming increasingly institutionalized and that the scope of their interventions is constantly growing.⁴³⁰ Contrary to this view, Therien has

argued that the credibility of INGOs as influential agents of development has, however, been built on much less spectacular accomplishments.⁴³¹ Due to economic, political and cultural obstacles (Comite Permanent Interetats de Lutte Contre la Secheresse au Sahel, 1987), grass-roots participation is frequently more theoretical than real. It is well known that women are not very well integrated into the decision-making processes. Therien further argued that decisions sometimes stay under the control of Northern NGOs or local elites (Tendler, 1982). Funds are used sometimes for purposes other than those for which they were raised, the accounting lack openness. NGOs also suffer from a lack of professional skills in human resources (Kozlowski, 1983:14).⁴³² To avoid disrupting their sources of funding from bilateral and multilateral donors, INGOs are often silent about the structural causes of underdevelopment. Therefore, cautious researchers and analysts of the aid system warn about the growing dependency of INGOs on foreign funds and development approaches and their inability to challenge existing power relations on the ground.⁴³³

According to Macdonald, consciousness –raising techniques may also become an end in themselves, without leading to effective strategies for change.⁴³⁴ Paradoxically, whereas INGOs are promoted as private –sector alternatives to the paternalistic and interventionist state, the INGOs development approach is equally directed from above rather than allowing the community-based and grassroots organizations the opportunity to play active roles in the development process. There is inadequate attention to the range of community needs and objectives prior to their design and implementation. The INGOs have

often regarded the CBOs and the local people as “beneficiaries”, “target groups/population” etc. While there has been a change in the rhetoric of the INGOs in recent times about the role of the local people, who are now seen as partners in development. Notwithstanding this change of rhetoric, there has been little or no change in the level of the people's involvement in projects and the actual practice of development by INGOs. Also, some donors have complained about lack of financial probity and discipline on the part of INGOs, and claimed that some NGOs gave fraudulent accounts and shirked on performance.⁴³⁵

Another area of criticism has been the fact that in some cases the INGOs and their staff that profess to be the ‘saviours’ of the poor, have often been found to be even more ostentatious than the state and its officials. Denham has argued that whatever the supposed advantages, INGOs have not and are not always recognized as valid partners with governmental and multilateral aid agencies.⁴³⁶ Although world capitalism and international organizations such as the World Bank and UNDP are discovering in INGOs ‘a most effective instrument of promoting their interest in penetrating their world economies and particularly their rural interiors which neither private industries nor government bureaucracies were capable of doing.’⁴³⁷ Although this assumption has considerably increased donor funding to INGOs to expand their resource base and scope, however, in recent times, skepticism about the capacity of INGOs to address people's needs has become widespread in academic literature and works by scholars associated with the international organizations.

5.4. CONCLUSION

The above-analysis has revealed the important role that INGOs play in the Ghanaian society and thus the necessity for their existence. However, in performing these roles the INGOs have major flaws and weaknesses that need to be rectified. In this respect, Ghana's development path should not be based on the agenda and policies of the INGOs as these are so often influenced by the interests of their sponsors – the western governments, bilateral and multilateral agencies. The INGO Desk Officer at the Department of Social Welfare in Ghana has noted that so far a total of 1,300 Non-Governmental Organizations have registered with the Department and are performing services in the field of agriculture, community and rural development, health, human rights, environment among other spheres. He also noted that some INGOs are flouting the existing laws because the department lacks efficient and effective monitoring system to supervise their activities.⁴³⁸ Most INGOs have become more dependent on government funding for their projects that their objectivity from any ideological influence is very much in doubt because beside their developmental roles, INGOs have become agents of acculturation in Ghana and sub-Saharan Africa in general. Also, INGOs over-reliance on bilateral and multilateral donors can distort project priorities as the INGOs are often compelled to satisfy the interest of the funding government or donors rather than the interest of the local people. INGOs should therefore adapt to the changing development environment by allowing the CBOs to play active roles in their own development. INGOs have to review their fundamental roles in the local communities and their relations with

the CBOs in Ghana since they should give more power and control in development projects and play a secondary role to the local people's initiatives. INGOs that are engaged in development in Ghana need to learn from the CBOs to enable them understand the problems of the people and appreciate the latter's local techniques and cultural traditions. This is not to out-rightly argue that the roles of the INGOs are not necessary or no longer needed, but they should realize that the CBOs have the primary responsibility for the development of their communities and meeting their needs. The INGOs should play subordinate roles and leave the principal developmental roles to the CBOs.

Again, the INGOs should respect the local group's expertise and capacity to manage their own development projects effectively. To do this, the INGOs should move beyond the relief and welfare work and project delivery to empowering the CBOs to have more say in their national policies and gain more access to the government's decision-making structures and direct donors' funding. Swift has argued that the task of empowerment is all about making sure that people who had none get some – and not about entrenching the power of INGOs (however well-intentioned) that are assisting in the process.⁴³⁹ In view of this, in the process of implementing projects with the local groups or for the people in a community, the concept of 'partnership' with the people should be the guiding principle rather than the idea of 'beneficiaries' and 'target groups'. This is because such expressions and notions reduce the people to the level of beggars and helplessness without any capabilities. Also, the use of the partnership concept should be translated into reality by allowing the local people to play

active roles in the planning, implementation and evaluation of projects. From this view, the people's local skills and human resource should be harnessed to make the partnership more viable. There should be more dialogue and openness to identify what the local people can contribute to the project and what the INGOs can do to help the people achieve their objectives. Partnership must be based on equal participation in the planning, implementation and monitoring of projects. Effective partnership between the INGOs and CBOs should therefore be based on mutual trust, respect, exchange of ideas, transparency, sharing of values and respective roles, strategies, resources, experiences, information and power without any imposition of ideas from either side. In the nutshell, there is the need to move towards equality in all aspects of the INGOs and CBOs relationship. Also, caution must be taken that in the process of strengthening the CBOs, the INGOs may end up replicating their own institutional framework and agendas. Accordingly, NGOs must try to elaborate a conception of development, which encompasses the multi-dimensional character of social and political problems, as well as the diversity of the actors involved (Cernea, 1988:19).⁴⁴⁰

On the other hand, over the past couple of decades, the relationship between the INGOs and the state has been rather complex based on complimentary and contradictory levels of engagement since the latter sees the INGOs as usurping its territorial integrity, the power to attract foreign aid and in policy-making. Therefore, there should be constant negotiation, transparency and compromise to keep the lines of communication open between the INGOs and the state.

The INGOs therefore need to assure governments of their sincerity of purpose as contributors of local/national development and more transparency in their operations. Although the NGOs have greater credibility among beneficiaries than the state and the donors, hence, the INGOS have been regarded as alternative agents of development to the state and market approaches as they allow for a greater degree of beneficiary participation. However, their reputation does not surpass the CBOs and other local groups that join together to plan their own priorities and implement such projects to achieve their objectives. It may seem that the widespread growth of INGOs operations in Ghana reflects a strengthening of CBOS. However, in searching for alternative models of development, it is questionable if the INGOs are invariably the best alternative vehicle to the state and donors for grassroots development in Ghana. INGOs need to base their assistance strategies on a well-developed understanding of local socio-economic, political and cultural conditions. Otherwise, the INGOs will face great challenges in the 21st century since the focus of agency of development is gradually shifting to the CBOs. In this context, disillusionment with the impacts of INGOs projects has resulted in the upsurge of CBOs in Ghana in the mid-1980s and 1990s to initiate their own development, which will be discussed in the next chapter.

³⁷⁰ North in this context refers to the "Developed" or Western countries.

³⁷¹ Henry Veltmeyer and James Petras, with Steve Vieux, Neoliberalism and Class Conflict in Latin America: A Comparative Perspective on the Political Economy of Structural Adjustment, ch. 8.

³⁷² David C. Korten, Getting to the 21st Century: Voluntary Action and the Global Agenda (West Hartford: Kumarian Press, 1990), 28.

³⁷³ Henry Veltmeyer, "Civil Society and Social Movements: the Dynamics of Inter-Sectoral Alliances and Linkages" March 2001; for UNRISD, 4 (Note: According to Veltmeyer, scholars like Charles Reiley (1995), Jonathan Fox (19**) and Allan Wolfe (1991) tend to use the term "NGO" broadly as a shorthand reference to all "popular" expressions of "civil society," including neighbourhood associations, voluntary organizations, unions and grassroots movements.

³⁷⁴ Jean-Philippe Therien, "Non-governmental Organizations and International Development Assistance", Canadian Journal of Development Studies, vol. xii, no.2, 1991, 265.

³⁷⁵ Giovanni, Hoeven & Mkandawire, 160.

³⁷⁶ Partnership: Matching Rhetoric to Reality, Partnership Africa Canada, An NGO Discussion Paper, September 1989. 4

³⁷⁷ Donald Rothchild, "Rawlings and the Engineering of Legitimacy in Ghana" I. William Zartman (ed.), Collapsed States: The Distintegration and Restoratiion of Legitimate Authority (London: Lynne Rienner, 1995), 49.

³⁷⁸ Mark E. Denham, "World Bank – Non-governmental Organization Collaboration: An Agenda for Research" Prepared for Presentation at a Workshop on Rethinking the Political Economy of Foreign Policy in the 'Third World', The South in the 'New' World Order, Halifax, Nova Scotia, Nov. 1992. 6. (3)

³⁷⁹ David Korten, Getting to the 21st Century., 113-132. See also, David Korten, "Third Generation NGO Strategies: A Key to People-Centred Development," World Development, 15 (Supplement, Autumn 1987), 145-159.

³⁸⁰ Mark Nerfin, The Relationship, NGOs – UN Agencies – Governments: Challenges, Possibilities and Prospects, Geneva: IFDA, 1990), 335. See also World Bank, From Crisis to Sustainable Development, 182.

³⁸¹ South in this context refers to the developing countries, often referred to as the 'Third World'

³⁸² Alison van Rooy, ed., Civil Society and the Aid Industry, (London: Earthscan, 1998). Source: Salamon and Anheier (1998),41.

³⁸³ Michael Barrat Brown, Africa's Choices: After Thirty Years of the World Bank, (Boulder, Colorado: Westview Press, 1996), 337. See also, Mark Nerfin, The Relationship, Geneva: IFDA, 1990).

³⁸⁴ Henry Veltmeyer and James Petras, with Steve Vieux, ch. 8.

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- ³⁸⁵ Jessica Mathews, "Power Shift" *Foreign Affairs*, vol. 76, no. 1 (January-February 1997) SAP Nepal, "Seminar on Decentralization and Civil Society for Participatory Development Process," mimeo, Kathmandu, 1997. See also, James Swift, Civil Society in Question, (Toronto, Transcontinental Printing, 1999), 17.
- ³⁸⁶ David C. Korten, Getting to the 21st Century., 5.
- ³⁸⁷ James Swift, Civil Society in Question, 3. (The 1993 estimate was made by the Organization of European Cooperation and Development (OECD); data cited in D. Hulme and M. Edwards, "NGOs, States and Donors: An Overview," in NGOs, States and Donors: Too Close for Comfort?, eds. D. Hulme and M. Edwards (Basingstoke: Macmillan, 1997), 6.
- ³⁸⁸ Robert Mckinnell, "The Changing Role of Non-Governmental and Community-Based Organizations in South Africa, IDS Programme, Halifax, SMU, working paper no. 93.7, 2.
- ³⁸⁹ World Bank, Development in Practice: Taking Action to Reduce Poverty in SSA, (Washington D.C.: World Bank Publication, 1997), 61.
- ³⁹⁰ Jean-Philippe Therien, 268.
- ³⁹¹ Jerker Carisson, Glora Somolekae and Nicolas van de Walle, eds. Foreign Aid in Africa: Learning From Country Experience, (Uppsala: Nordiska Afrikainstitutet, 1997), 94-95.
- ³⁹² Alison van Rooy, 64.
- ³⁹³ Ernest Aryeetey, ed. Small Enterprises Credit in West Africa, (Britain: The British Council: 1996), 49.
- ³⁹⁴ www.coopcca.com, Printed on May 20, 2001.
- ³⁹⁵ Catholic Relief Service, "Ghana Program 1998 Annual Public Summary."
- ³⁹⁶ Alison Van Rooy, *Ibid.*, 17.
- ³⁹⁷ Therien, 270-271.
- ³⁹⁸ Jerker Carisson, Glora Somolekae and Nicolas van de Walle, 96.
- ³⁹⁹ Michael Barrat Brown, 338.
- ⁴⁰⁰ Robert Mckinnell, 2. (See inter alia, OECD: 1988, and Drabek:1987)
- ⁴⁰¹ Denham, 4-5.
- ⁴⁰² Gerald J. Schmitz & Eboe Hutchful, "Democratization and Popular Participation in Africa", (Ottawa, North-South Institute, 1992), 28.
- ⁴⁰³ Denham, 6-7.
- ⁴⁰⁴ *Ibid.*
- ⁴⁰⁵ *Ibid.*, 7-8
- ⁴⁰⁶ Therien, 271-272.

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- ⁴⁰⁷ Ibid., 273-278.
- ⁴⁰⁸ Denham, 10.
- ⁴⁰⁹ Allan Fowler, "NGO Futures: Beyond Aid: NGDO values and the Fourth Position", Third world Quarterly, 2000, vol. 21 Issue 4, 589.
- ⁴¹⁰ Korten, Getting to the 21st Century, 6.
- ⁴¹¹ Veltmeyer and Petras, with Steve Vieux, ch.8.
- ⁴¹² Ibid.
- ⁴¹³ Therien, 277.
- ⁴¹⁴ Ibid.
- ⁴¹⁵ Swift, 124.
- ⁴¹⁶ Carisson, Somolekae and Walle, 102.
- ⁴¹⁷ Ibid., 108-110
- ⁴¹⁸ Korten, 141.
- ⁴¹⁹ Schmitz and Hutchful, 29.
- ⁴²⁰ George B. Baldwin, 'NGOs and African Development: An Inquiry' in World Bank, LTPS, Background Papers, Vol.3, 91. See also, Michael Barrat Brown, Africa's Choices.
- ⁴²¹ Yash Tandon, 'Foreign NGOs, Uses and Abuses: An African Perspective', Geneva: IFDA, no.81, (1991), 68. Also quoted in Michael Barrat Brown, Africa's Choices, 336-337.
- ⁴²² Swift, 19. See inter alia, Humes and Edwards, NGOs, States and Donors: p5
- ⁴²³ Laura Macdonald, "NGOs and the Problematic Discourse of Participation: Cases from Costa Rica", Debating Development Discourse, David Moore & Gerald Schmitz, eds., 1999. 204
- ⁴²⁴ Peter Oakley, Projects with People: The Practice of Participation in Rural Development, ILO, 1991. See also Michael Barrat Brown, Africa's Choices, 337.
- ⁴²⁵ Swift, 20.
- ⁴²⁶ Ibid., 79.
- ⁴²⁷ Ibid., 125. See also Hulme and Edwards, NGOs, States and Donors:
- ⁴²⁸ Alison van Rooy, 43.
- ⁴²⁹ Denham, ", 8.
- ⁴³⁰ Therien, 264.
- ⁴³¹ Ibid., 267.

⁴³² Ibid., 276.

⁴³³ Alison Van Rooy ed., Civil Society and the Aid Industry. Also quoted in D. Hulme and M. Edwards eds., NGOs, States and Donors, (London: MacMillan, 1997) and also, A. Fowler, Civil Society.

⁴³⁴ Laura Macdonald, 208.

⁴³⁵ Maria Nzomo, "Civic Capacity For Poverty Alleviation: Some: Lessons for Development Theory and Practice" CODESRIA, Paper Presented at the CDAS International Conference "Development: the Need for Reflection", September 21st – 24th, 2000 McGill University, Montreal, Canada. 9.

⁴³⁶ Denham, 7.

⁴³⁷ Laura Macdonald, 205.

⁴³⁸ Ghana News Agency, "No Efficient Monitoring of NGOs" 20 March 2001, www.ghanaweb.com Printed on May 21, 2001.

⁴³⁹ Swift, 19.

⁴⁴⁰ Therien, 277.

CHAPTER 6

THE DEVELOPMENTAL INITIATIVES OF THE COMMUNITY-BASED ORGANIZATIONS (CBOs) IN GHANA.

6.1. INTRODUCTION

The decades of the 1980s and 1990s have witnessed numerous changing perspectives on development approaches and strategies in Ghana. Development institutions and theorists have acknowledged the vast growing literature on associational life in Africa (Mandani and Wamba-dia Wamba, 1995; Harbeson et al., 1994; Hyden and Bratton, 1992; Diamond, 1993; Rudebeck, 1992).⁴⁴¹ This has increasingly encouraged people across the African continent in the 1980s to organized in both urban and rural settings to undertake their own development and to reject the authoritarian and paternalistic development strategies that have been pursued by the state and the international organizations in the past. It must be argued that the people's disappointment with state-led strategies, the donors' intervention and experimentation with structural adjustment policies that came to worsen the plight of the poor have energized the people to assume control of their development. The UNICEF study, "Adjustment with a Human Face" (Cornia, Jolly and Stewart 1987), for example, detailed the consequences of the economic conditions in the South that have resulted from structural adjustment.⁴⁴²

According to Ninsin and Drah, a major unintended and paradoxical effect of ERP/SAP in Ghana, was the proliferation of voluntary associations (at local and intermediate levels of society) covering occupational, social service, community, religious and human rights interests. Most of these groups began to accumulate

resources and capital independent of the state and establish their own autonomous spheres of action.⁴⁴³ On the other hand, the INGOs' projects/programs to alleviate poverty and to empower the poor to achieve self-reliance have had minimal impacts on the people at best. Thus, one manifestation of the rapid rise of Community-based Organizations (CBOs)⁴⁴⁴ in Ghana has been the increasing concern with INGOs initiatives. Apparently, there is the realization that INGOs can offer nothing more than what the CBOs have been providing to meet their needs for decades. Therefore, the CBOs have developed strategies, the capacity and capabilities, which are equal if not better in undertaking development projects to better serve their needs. These factors collectively contributed to increased dissatisfaction of the people with 'outside' solutions to their socio-economic problems. Hence, there has been a growing momentum toward the collective discovery and articulation of a people-centred development vision based on community-based development initiatives. This led to an important evolutionary trend in the resurgence of CBOs in Ghana to initiate development at the grassroots level.

CBO activities are driven by the need for collective survival as a result of the failure of the state to function effectively in its developmental roles. The CBOs are therefore pragmatic, goal-searching, far-reaching, creative institutions, people-led and solution-oriented organizations that undertake development at the grassroots. Young and Turner have therefore argued that the most important response by civil society is withdrawal into a plethora of survival activities. The decay of the state has opened up new economic and social spaces, which are

being rapidly organized into parallel markets. The vitality of these mechanisms demonstrates not only the creative energies of civil society, but also the possibility of survival.⁴⁴⁵ In this context, Azarya and Chazan have also argued that civil society response to state decay and deteriorating economic conditions in Ghana has been populace withdrawal or disengagement from the state. This strategy “encompasses an array of activities aimed at a reconciliation to a declining standard of living and learning to manage in these circumstances finding ways of coping with shortages.”⁴⁴⁶ This has created a less populace reliance on the state and a kind of withdrawal from the state that entails a reduced use of state channels. The attempt of the state to struggle with managing the economy and controlling the population simultaneously has divided its attention from serving the interest of the people. With the increasing disillusionment of the people with the state and the market and INGOs initiatives from above development approach, grassroots development initiatives have increased remarkably in Ghana.

According to Gajanayake and Gajanayake, the community development approach, designed to create conditions of economic and social progress for target communities emphasizes the significance of people's participation, needs orientation, self-reliance, consciousness-raising, bottom-up approach to development, and empowerment of communities. Also, integration and sustainability are central to this approach.⁴⁴⁷ Cohen and Uphoff have also argued that participation of the rural poor in their own development has been a key factor in the success of projects in many underdeveloped countries.⁴⁴⁸ In recent times,

the CBOs and other grassroots organizations have become the focus of development initiatives. These units flourished during the latter half of the 1970s and the early 1980s, not only as service organizations, but also as viable, alternative frameworks for political interchange and reciprocity.⁴⁴⁹ CBOs and other grassroots organizations are often referred to by development theorists, institutions and practitioners as civil society organizations, whereas other theorists and mainstream institutions classify the CBOs, the private sector (Professional groups, Trade unions, Student unions etc.) and the international NGOs together as “civil society” organizations. In this context, Alison Van Rooy has argued that in practice, civil society has been made synonymous with the voluntary sector (or the Third Sector), and particularly with advocacy groups, non-governmental organizations (NGOs), social movement agents, human rights organizations and other actors explicitly involved in 'change work'.⁴⁵⁰ No matter how CBOs are classified, they are distinctive from the INGOs and professional groups since the community-based and grassroots organizations are distinguishable by their origins, mode of organization, membership composition, methods of initiating development and sense of purpose.

It must be argued that CBOs strategy to development and the idea of mobilizing people to undertake social and economic development at the grassroots level in the Ghanaian society is not a newly introduced development model. In the pre-colonial and colonial periods, there was a systematic pattern of community-based development in Ghana, which was initiated by the chiefs and the local people to determine their problems and priorities, and to map out

strategies to meet such challenges. In this case, the people come together to work towards achieving their objective collectively, which involved the participation of the people in the planning, implementation and monitoring of the success and failures of the projects. The existence of this form of organized community development activity partly encouraged the British colonists to adopt the indirect rule system in Ghana and certain parts of sub-Saharan Africa to rule the people through the institution of chieftaincy. In this case, people come together in the form an association or a community group to initiate development projects that meet their basic needs. The CBOs and grassroots level mobilization to pull-together financial, material and human resources to solve community's problems has been a traditional practice and part and parcel of the Africa society for several decades.

In the olden days, the traditional Chiefs in close collaboration with the people directed the development activities in their communities through local community groups and associations, which was often termed 'communal labour' (oman adwuma in the Akan dialect: which also means "working in the interest of the community/nation-state). This was often done through joining together of the members of a community, village or township under the leadership of the Chief, the Elders or an individual within the community who volunteer to lead or organize the people for such development initiatives. The people meet periodically to draw a strategy for development in the locality based on their immediate priorities. The leader of the community or association summons the people to meetings from time to time who come together to work for the benefit of

the entire community or group. In this case, local inputs, methods, technical knowledge, human/material resources are often applied. These grassroots organizations are often funded through self-help initiatives by the people within the locality or members of the group through fundraising ventures. Also, other members of the community or group who are resident outside the community equally provide the necessary material and financial support to such community projects. These community development projects are initiated from 'below and within', without any influence by the state or the international organizations.

More importantly, this kind of development approach is participatory, sustainable and the bulk of the benefits go to the people who are often the sole beneficiaries of the project. It therefore encourages self-reliance, development of relevant skills, knowledge and places the people at the centre of development as it is primarily concerned with human development and not profit oriented. Thus, the idea of community development approach is based on the assumption that development starts at the grassroots level and the initiative, creativity, and energies of the people can be utilized to improve their own lives using democratic processes and voluntary efforts. Also, members of the community organize themselves in a democratic manner to:

- define their needs, problems and issues;
- develop plans and strategies to meet these needs, and
- implement such plans with maximum community participation to reap the benefits.⁴⁵¹

In this context, the upsurge of the CBOs in the 1980s was a revival of an old traditional form of development practice that was a means of helping the people to realize their empowerment, self-sufficiency and self-reliance. Also, to increase

their participation in traditional forms of development in the area of politics, economics and social aspects of improving their conditions.

On the attainment of independence in Ghana, the post-colonial state usurped much of the developmental role from the local communities. The emergence of the post-colonial state saw a period of discouragement of any forms of associational life through restriction, co-optation or ban for the purpose of political power consolidation and to protect the fragile unity under the newly created nation-state through the fragmentation of local associations and ethnic groups. To suppress the local development associations and the power of the traditional authorities, the state created its own mechanisms for governance and developmental purposes. In this regard, the old forms of practicing development were discouraged and newly styled state-led development strategies for rapid industrialization and development were implemented in Ghana, which was often initiated from "above and outside". In this context, the state-led development approach that was practiced over the years has not been participatory because the government decides who gets what, where and when to implement development projects whether it is of priority importance to the people or not. Thus, it was argued that plans were being imposed in 'top-down' fashion on local communities, which meant those communities showed little enthusiasm at the crucial implementation stage.⁴⁵² This form of development continued until the intervention of the donors in Ghana's development policies in the 1980s.

Apart from the state's domination of the development process, other factors that adversely constrained the smooth functioning of the traditional CBOs in the

late 1970s and early 1980s were the rural migration to urban centres and abroad, and the unstable political environment. It must be noted that since Ghana's independence, the traditional CBOs have alternated precariously between contraction and expansion, depending on the level of tolerance and flexibility of the regime in power. However, despite its unpredictable changes, no regime has succeeded in stamping the CBOs from existence. The 'last straw that broke the camel's back' was the introduction of SAP in Ghana that triggered the cut back in government spending on social programmes, which affected the people and the functioning of most traditional CBOs in diverse ways. Although due to the above –mentioned factors among others, most of the traditional CBOs went into oblivion, however, some communities continued to practice these traditional forms of development through the TVDCs, Youth Associations and other grassroots organizations alongside the state's development initiatives.

Inadvertently, in the late 1980s and 1990s these issues created new opportunities for the CBOs. First, the failure of the government to adequately respond to the needs of the people and the extreme hardships created on the people through the implementation of SAP led the CBOs in Ghana to become even more vibrant. The people therefore came to realize that their development needs could best be met through their participation in the development process. Another form of opportunity that has been created is the migrant remittances in the form of financial and material support to assist development activities in their local communities in Ghana. It may be argued that the rapid rise of the CBOs activities in Ghana was triggered by the people's realization that the initiatives of

the state, the donor agencies and INGOs could not adequately alleviate the myriad of developmental problems plaguing them without increasing their participation in development. In recent times, the context and mode of CBOs organization has undergone some transformation over the years and their activities have expanded considerably. The CBOs have also gained widespread attention from both national and international development institutions and the challenges they face from the state and the INGOs have become even more visible. Hence, in the 1980s and 1990s, the CBOs entered new challenging frontiers in the development process. The emergence of new forms of CBOs in the 1980s and 1990s namely, the Local Non-governmental organizations, Women's groups and other socio and economic-oriented ones has helped to expand the CBOs activities in Ghana. However, unlike the traditional CBOs, some of these newly formed community and grassroots organizations were government controlled or influenced.

The extent to which the CBOs have continued to function in recent years on voluntary basis shows their resilience and determination to succeed. Hence, the emerging CBOs have the organizational skill and capacity to undertake development in the communities and therefore should be accorded the planning, control and management of projects, which in recent times, has been the role of the INGOs. Diamond described civil society as "the realm of organized social life that is voluntary, self-generating, self-supporting and autonomous from the state, and bound by a legal order or set of shared values. It is distinct from society in general in that it involves citizens acting collectively in a public sphere to express

their interests, passions and ideas, exchange information, achieve mutual goals, make demands on the State and hold State officials accountable (Diamond, et al 1997:5).⁴⁵³

6.2. ORGANIZATION AND ACTIVITIES OF THE CBOs IN GHANA

The rapid and spectacular increase in CBOs activities in sub-Saharan Africa has increased the scope and importance of CBOs, as they constitute the greatest hope for Africa's contemporary and future development. Thus, the 1980s/1990s have witnessed unprecedented attention being focused on CBOs in the development process by theorists, donors, development practitioners, and governments. The scope and composition of CBOs have expanded in the past couple of decades to encompass the Youth Associations/Social Movements, Town and Village Development Committees (TVDCs) which are usually under the leadership of local chiefs, Local Non-governmental organizations (LNGOs), Women's Movements, Community Church Groups and other self-help groups. According to Langdon, these movements covered the spectrum of social groupings, from rural-based and local community organizations to women's movements to urban-based "civil society" groups to national trade union entities and they have been responding to gender inequalities, environmental concerns, the pressure of growing poverty, the objectives of rural water supply and agricultural improvement, urban social infrastructure gaps, and visions of empowerment.⁴⁵⁴ The CBOs are therefore multi-purpose advocacy groups or membership associations/groups, which are independent of the state consisting

of farmers, unemployed, low-wage earners and also some middle-class professionals and businessmen who committed to helping to provide the needs of the people and the community as a whole. Most of the CBOs are non-profit oriented, however, due to the commercial banks' rigid borrowing requirements, which inhibits the poor groups and individuals' access to credit, some CBOs operate as cooperative commercial enterprises.

The Youth Associations or social movements are organized on a village, township or district level, membership comprises the natives of the village or town who reside within or outside the locality. The risk, costs and benefits of the association's projects are shared among the members since the members are concerned about the interest of the community as a whole and the leadership or management are accountable to the members. Many of the Associations and CBOs have no formal legal status, even though they may be long standing and operate according to local by-laws and societal norms. One such community group that has managed to sustain their associational group over the past several decades despite numerous efforts by regimes to destabilize it is the Assin Jakai Youth Association (AJYA) in the Central region of Ghana. Every citizen of the town is an automatic member of the association including those who reside in other parts of the country and abroad. However, official recognition of one's status in the association requires attendance of its periodic meetings for development planning, payment of contributions for development and above all, participating in the implementation of the associations development programs.

In this regard, citizens of the town are organized on local, regional and national levels through a basic networking system that help bring the people together periodically. Through self-help initiatives and local fund-raising strategies, the association engages in projects such as provision of schools, clinic, electrification project, water and affordable housing schemes for the township community. Besides, there are self-help schemes for both short and long-term credit-granting purposes and community support assistance for the people. The association raises money through individual contributions, annual fund-raising events and private sector donations. In its 1999 annual fundraising, the town was able to raise 21 million Cedis (Approx. 3,000 U.S. dollars).⁴⁵⁵ Since its inception, the AJYA has embarked on numerous development projects in the area education, water supply and health among others. This association and similar ones spread across the country are organized and funded by the people often without any external help, which means projects are planned, implemented and monitored by the people themselves without any involvement of the central government.

In addition, it must be noted that apart from the local initiatives by the residents/citizens of a community, there are several community-based organizations, which are established by Ghanaians abroad to support community development in their places of origin and Ghana in general. In recent times, Associations of migrants abroad to create solidarity links with local communities in Ghana have grown significantly since Ghanaians resident abroad have realized the importance of social organization to be a force for socio-economic development both at home and abroad. Over the years, migrant remittances to

support development projects have played key roles in the development of many local communities in Ghana. Such assistance for projects are supported or initiated by collective savings by the members of the group. Examples of such associations are the Asanteman Association, Assinman Association, Okyeman Cultural group, Okuapeman Association, Ewe Association, Fante Association, and Northerners Association that are mainly centred in cities across Europe and North America. These associations serve as community network groups to coordinate their activities with the respective branches in other cities abroad as well as the local-based associations in Ghana. Their development activities include social investment programs mainly in the area of providing financial and material support for education, health, housing and other areas that the association deems necessary for the local community.

Another fast growing area of self-help groups is the upsurge of women's movements to form LNGOs in Ghana at the district and national levels for women's empowerment and to encourage women to participate in development and decision-making. Some of the Women's Movements and LNGOs that have addressed and championed women's issues at the grassroots level in more practical ways within the Ghanaian society in the 1980s have been the 31 December Women's Movement (DWM). This was established in May 1982 as an LNGO to organize and assist women's production groups across the country. The DWM initiative was to compliment the activities of the National Council of Women and Development (NCWD).⁴⁵⁶ The objectives of the DWM was to make the branches and units of the movement self-financing, self-sustaining, as well as

to offer job opportunities to the members and women in general. The Movement is also involved in providing various forms of assistance to women to engage in activities such as: vegetable cultivation, raw material production to feed-processing factories, cloth-weaving, pottery, cane and bamboo crafts and batik making. The DWM is also engaged in civic education, literacy education, providing daycare facilities for parents and other income-generating activities. The movement also engages in community water projects and Family Planning education in collaboration with the United Nations Fund for Population Activities (UNFPA). The DWM also assist women's groups with food production, processing, and marketing as well as a vehicle through which external credit for women – such as IFAD loans were disbursed.⁴⁵⁷

Another area that the people have taken advantage of the new organizational spaces created in the area of activity of LNGOs in Ghana has been micro-credit activities. It must be argued that attempts to direct credit facilities to the poor groups through financial sector reforms by the state and the donors, and INGOs effort to make funds accessible to the poor to meet their financial needs did not lead to significant increase in the flow of credit to the expanding poor groups in both rural/urban areas. Therefore, since the 1980s, there has been an upsurge of micro-credit groups in the form of rural banks, community banks, credit unions, and other Non-formal banking groups across the country for loans and savings mobilization. Through the initiatives of these micro-credit groups, the people are able to invest in transport and communications, cottage industry and commerce, housing construction/renovation, agriculture and other socio-economic

miscellaneous activities such as medical bill and children's fee payments. Examples are of these micro-credit groups are; the Women's World Banking, Credit Unions Association, Mamfe and Adonten Rural Banks, and the ADANKWADEC Community Bank. The micro-credit group concept in Ghana is similar to the Grameen Bank in Bangladesh. It is one of the best-known pioneers of the methodology of using borrowers groups as a means of disbursing and collecting very small loans to cut down the transaction costs of micro-finance and a guarantee mechanism to ensure repayment. This mutual guarantee approach eliminates the need for collateral in the form of property. Joint liability among the members reduces the risk of default, since one member's failure to repay jeopardizes the entire group's access to future credit. Group lending also has an added advantage of reducing administrative cost in the long term. These non-formal credit granters are sometimes referred to in the literature as 'mobile bankers' (Aryeetey and Steel, 1995). They primarily mobilize deposits, but they also often provide some credit, at least in small amounts. Both the savings collections and the credits are very important for the micro-enterprise sector of small trading. Savings collectors certainly meet the criterion of daily contact with their clients. They represent an indigenous banking-type institution, which could form a basis for more effective credit on a very micro level. Indeed, Women's World Banking Ghana is applying the 'susu' collector methodology through their Mutual Assistance Susu Limited programme, to try to make more credit available to women entrepreneurs.⁴⁵⁸

The Women's World Banking which was established as a savings and loans LNNGO to make credit facilities easily accessible to women to serve the interest of women's economic empowerment and enhance their productivity. Since its inception, the WWB has supported a number of women groups and individuals in terms of credit granting. The operation of the WWB takes the form of basic loans/savings concept. Its agents collect the daily and weekly savings from the women in the private sector and submit them to the bank on daily basis. Unlike the rigid procedures of the traditional banks, the clients of the WWB are offered loans according to their needs often without collateral and flexible arrangements are made for the loan repayment. These services help women to gain easy access to credit without going through the hustle and bustle of providing a liquidable collateral to obtain loans from the commercial banks.

Similarly, there are other forms of credit cooperatives and credit unions that help poor groups obtain easy access to credit on flexible terms. The Ghana Cooperatives Union Association (CUA), through a basic concept of savings and credit, supports local credit union members across the country to save and obtain loans for development projects. CUA oversees the formation and operation of primary credit unions groups. The members save with the primary credit unions and obtain loans when needed, backed by their savings. The primary credit unions save with the national credit union – CUA and when needed, obtain additional loans from the headquarters, which are disbursed among the members individually according to their credit needs without any other collateral but based

on their savings and consistency of activities in the credit union. However, the group as a whole is responsible for repayment in case a member defaults.

This measure ensures social pressure on members to repay their share of the borrowed loans from the credit union since defaulting on a loan could have negative social consequences for a person and his/her family.

A flexible repayment arrangement is therefore made to suit the debtor's financial situation. The scheme facilitates savings mobilization so that the members' capital may eventually sustain the scheme through revolving capital to enable the local credit unions and the individuals become self-reliant.

Much in the same way, other local self-help groups and TVDCs have joined forces to establish Rural/Community Banks and 'Susu' groups to support members within the communities for savings and lending purposes. Some of such rural banks are the Akwapim rural bank at Mamfe and the Adonten rural bank both in the eastern region of Ghana.

It must be noted that community-based and grassroots organization for socio-economic ventures in the interest of the people cut across village and township borders. In the Assin District of the central region, five townships have come together to form the Ankwaso, Darmang, Nsuaem, Ngresi, and Nkran Development Corporation (ADANKWADEC). This community organization runs a community bank located at Assin Darmang and also engages in other programs the profit from which is used for community development projects in the area. By definition, a community Bank is a self-sustaining financial institution owned and managed by a community or group of communities for the purpose of

providing credit, deposit, banking and other financial services to its members largely on the basis of their self-recognition and creditworthiness.⁴⁵⁹

The ADANKWADEC community bank also makes micro-credit easily accessible to the local people. Generally, most of the rural and community banks in Ghana operate through agencies, zones and mobilizing units within a district or specific areas.

- 80 percent of their sources of funds are deposits from individual members. About 50 percent of this total come from the banks' mobilization exercises.
- The rural banks' mobile units opens 3-4 hours or 2-3 hours daily in selected villages, depending on the number of customers at a particular centre.
- Mobile units take deposits and also assists customers in completing loan application forms.
- In addition to the mobile units, the banks engage commissioned 'susu' agents for savings collection and assisting members in completing loan documentations.⁴⁶⁰

The rural/community banks in Ghana are regulated by the Bank of Ghana (BOG). In Ghana, the BOG has set up a new department to register and supervise Non-bank financial institutions (NBFIs), and the Financial Institutions (Non-Banking Law) enacted in 1993 regulates their activities.⁴⁶¹ What distinguishes these small and medium-scale non-formal credit granting groups from the conventional banks is that most of them do not operate strictly according to the bureaucratic guidelines and regulations laid down by the BOG. In fact, the success of these micro-credit groups has challenged and considerably undermined the rigid lending practices of the conventional banks. In October 2000, the Bank of Ghana commended the performance of the rural/community banks for performing remarkably well in the midst of the turbulent economic situation. Records available at the BOG indicate a 67.9 percent increase in total

deposits of rural/community banks across the country. Also advances by the rural banks surged 59.6 per cent. The level of holding in Ghana government treasury bills by the rural banks also grew from 52.9 billion cedis to 104.36 billion cedis.⁴⁶² In spite of their flexibility and informal practices, the micro-credit groups have a very high repayment rate compared to the formal banks.

On the other hand, some local chiefs have actively engaged in community mobilization and provision of resources for education, health, housing and infrastructural facilities to the people within their communities. For decades, the Ghanaian chiefs have provided the framework for the administration of the tribal groups in both the pre-colonial and colonial eras and their leadership roles at the community level had enabled them acquire a high degree of leadership skills and veneration among the people. The Asantehene, (Nana Osei Tutu II) has established a fund to support the education of children of school going age and schools in the Ashanti region of Ghana. The Otumfuo Education Fund (OEF) has gained recognition and support from national and international organizations such as the World Bank. The OEF promotes education in the area of provision/renovation of school buildings, supply of textbooks, equipment and teaching aids, incentives for teachers and other non-teaching staff, scholarships/bursaries for promising pupils and students, refresher courses for teachers and employment of teachers and other resource persons to improve the teaching and learning in schools.⁴⁶³ Other chiefs within certain localities across the country in one way or the other have made similar attempts to support community development in their areas of jurisdiction. For example the chief of

Assin Kushea (Nana Pra Agyensem) in the Central region of Ghana supports a housing project for the people in the Kushea township. The chief not only provides resources to the community but also organizes the people through self-help initiatives to construct and renovate houses and other development projects for the town community.

Furthermore, some local church groups such as the Kristo Asafo church have been organizing its members since the 1980s to engage in productive activities such as establishing community farms and other economic activities as a means of offering employment and financial support to its members and the church. By engaging the members in the agricultural venture, the church has cultivated several acres of maize and other farm produce in many parts of the country. One of the best known of these Kristo Asafo farms is located at Gomoa Buduata in the central region of Ghana. Moreover, Housing cooperatives in Ghana provide affordable housing and easy access to land for the members. Example of this is the Community Eight Housing Co-op in Tema. Members contribute stipulated amounts monthly to the group, which acquires the land in its name and then distribute to members on 'first come first serve basis'. The group gradually build the houses for the members one after the other." Members who wish to move in faster take over the building process from the group in order to finish quickly. The housing co-op concept has been a very good way of helping low and middle income families own their own homes, as they could not otherwise afford building houses through their individual efforts and incomes.

It could be argued that the development initiatives by the above-mentioned CBOs and traditional authorities signify the extent to which community and grassroots organized development activity is fast gaining widespread attention in Ghana today.

6.3. LIMITATIONS TO CBOs DEVELOPMENT INITIATIVES IN GHANA

Several limitations impede the smooth functioning and development of CBOs. The ECA has argued that people's organizations in Africa face many limitations in the sphere of institutional development.⁴⁶⁴ Most local organizations lack the capacity and the necessary resources to conduct development research and analysis, and to formulate clear organizational priorities and goals. Again, some of the CBOs lack the necessary organizational skills, education and manpower training for the members on some technical aspects of the programmes. Other factors that limit the smooth functioning of the CBOs are lack of access to funding. The dominant intermediary role of the INGOs in development and funding has increased the isolation of the CBOs since the western governments, bilateral and multilateral institutions have often ignored the CBOs activities in Ghana. Thus, the intermediary role of the INGOs has been a major block to the CBOs direct access to the funding institutions and their progression into limelight. The lack of funding also limits the CBOs capacity to embark on major projects.

Moreover, the CBOs lack of adequate capacity to network and adopt a well-developed framework for cooperation and collaboration with one another has

been a major hindrance to their development and expansion. Also, the high rate of urban/rural migration often affect the organizational abilities of the CBOs, especially those concentrated in the remote areas. Due to tension, power consolidation and distrust, the post-colonial state in Ghana has often attempted to fragment and dissipate the power and influence of the CBOs to constrain the latter's capacity to organize any major autonomous action that conflicts with the state's agenda.

Apart from the general issues that have been highlighted above that impede the progress of the CBOs, there are certain peculiar problems associated with some of the local organizations, especially the DWM. It may be argued that not all the LNGOs have truly served the people's interest. The DWM for one is more of an instrument of the NDC party than a non-governmental organization since it is politically oriented and organized on party lines. The DWM was therefore a channel for regime patronage and control for power consolidation rather than for advancing women's progress. Again, the DWM has been plagued with lack of accountability, corruption and misappropriation of funds. The extensive criticism of the DWM also stems from the fact that since only members of the NDC benefited as non-NDC members were deprived membership and the benefits. Hence, despite the laudable idea behind the formation of the organization, few women in Ghana benefited from the organization. With the active support of the PNDC/NDC government, its organizational ability, mode of funding and leadership selection were subject to partisan influence and government approval and were accountable to the NDC regime rather than the members in the

villages/towns. Also, in the PNDC/NDC era, the DWM's political orientation made it more of a government apparatus than an independent NGO. To all intents and purposes, it has functioned more as a state-sponsored organization. There is no doubt that despite its laudable efforts in other directions, its major purpose has been the mobilization of political support for the PNDC/NDC as it enjoyed considerable logistical support from the state in the erstwhile PNDC/NDC era.

In view of the above-noted limitations, it must be argued that if certain conditions are met, the above limitations can be eliminated to facilitate the smooth operation of the CBOs and enhance their efficiency and effectiveness.

6.4. CONCLUSION

Although the decade of the 1980s have been described as decade of loss in development and acute hardships on the people, it could also be seen as the beginning of CBOs awakening and opportunities in Ghana. Therefore, the increasing focus on CBOs is motivated by the current emphasis on their activities as the leading edge of future development. Griesgraber and Gunter have argued that the goal of development is to create conditions that will enable each human being to realize her/his potential for political, social, and economic fulfillment in a manner consistent with the common good. Individual rights, duties, and participation are central to this process and its goals. The first priority is the eradication of poverty, empowering people to gain a measure of control over their own lives and to obtain the resources to meet their basic needs in an ecologically

sustainable manner.⁴⁶⁵ The resurrection of CBOs activities in Ghana has offered both new opportunities and challenges for the contemporary and the future development strategies from an African perspective.

The CBOs potential for growth is strong since they possess a truly alternative vision. CBOs approach to development has therefore become an important concern for both national and international institutions in recent times. Giving direct assistance to the CBOs and transferring the implementation of projects and the social safety net programmes to them will enhance development policy and practice. This is because in many cases alternative projects, especially in the rural sector, acquired a reputation for being relatively costly, difficult to monitor, too complex, and poorly designed (e.g., Brinkerhoff 1988; Lele and Adu Nyako 1992). Ironically, it seems that one of the most consistent consequences of alternative development projects has not been increased local participation, but the extension of centralized state control through the establishment of patron-client relationships (see, e.g., Cheema 1985; de Janvry 1981; Grindle 1986; Mehta 1984).⁴⁶⁶

According to Burkey, participation is an important part of human growth and leads to self-confidence, pride in people's own efforts, initiative, creativity, responsibility, cooperation and liberation from oppression.⁴⁶⁷ Without these attributes, efforts towards poverty alleviation would have little or no impact on the people. Since development is the process by which people learn to identify their needs, plan to achieve those objectives and the process through which they decide to pursue the needs, the search for an alternative form of development in

reduction cannot be achieved and sustained without making credit easily accessible to the CBOs. Therefore, instead of relying on the INGOs to play an intermediary role between the CBOs and the donors and/or the state, attention should directly be focused on the grassroots organizations most of whom possess the institutional capacity to meet the demands of the donors and their own community needs. Hence, the strengthening of the CBOs should be the basis, if not the object of the present development agenda so that they can undertake and control their own development programs. To achieve this, there need to be a shift away from the current top-down agendas to development, towards a more bottom-up approach.

The direct participation of the people in their development through direct access to funding, information and resources is the most appropriate approach to development since the CBOs have a genuine interest in their own community needs and ensures development goals that are more representative of the people's needs. Burkey has argued that a true development process is based on a continuous series of analysis-action-reflection exercises carried out by the poor. Beginning with the awareness and analysis, poor people must gain access to and mobilize their own human and material resources as well as link into sources of external credit and technical assistance in order to initiate actions.⁴⁷⁰ There should be increased mobilization of local sources of finance to enable grassroots and other organizations access to funding directly, with local knowledge replacing the more western oriented views promoted by the INGOs. Jenny Pearce (1997) has argued that along with popular organizations and

NGOs, the use by the funding agencies of 'civil society' reflects a hope, an aspiration. It is believed that somehow traditional elites, corrupt state officials, old-style party bosses and conservative economic forces will wither if 'civil society' is stronger.⁴⁷¹ The overwhelming interest of donor agencies in CBOs as an alternative vehicle for development is fast accelerating the pace of CBOs project involvement in Ghana.

According to the World Bank, strong institutions for and of the poor allow poor rural and urban communities to help themselves and to implement actions that address the issues and constraints they see as priorities. Hence, improved organization for the poor can contribute to:

- Increasing production through organizing labour and material resources more effectively
- Improving the sustainability of natural resource management through participatory planning
- Supporting social infrastructure at the community level through mobilization of resources and labour
- Assisting local institutions to make them more responsive to the needs of the poor Providing a framework of cooperative action to assist vulnerable households and individuals.⁴⁷²

Since the CBOs have served this purpose effectively in the past, their efforts should be the basis for future development programs. It could be argued that the state and market top-down approach' to development resulted in rather disappointing outcomes because they ignored the CBOs. The CBOs identify their needs, define their priorities and decide on the strategic actions to achieve these needs. In this context, the CBOs holds the most promising potential for poverty alleviation in Ghana and their activities are more fulfilling to the people's

needs. The involvement of the stakeholders in development is necessary if the impact is to be effective and broad-based. Hence, the people must be involved in the process of planning their own future through identifying their needs and priorities and the process of implementing the process of achieving those needs. Projects should be implemented through a substantial increase in decentralization of power since local control of projects provides the flexibility needed for the proper involvement of the local people.

Again, community involvement is essential to a sustained development process and is greatly facilitated by local rather than centralized control since it increases the capacity of the poor to become more productive. The idea of participation has to do with empowering the deprived people in society,⁴⁷³ therefore, the INGOs and the donors should go beyond addressing problem symptoms to tackling the fundamental causes of the people's problems. This could be achieved if the state, donors and INGOs direct their effort towards empowering the CBOs to take control of their own development. There should be increased state, donors- INGOs and CBOs collaboration to pave the way for the people to become the ultimate service providers of their needs. With the widespread poverty in Ghana's rural settings, it must be argued that access to credit is a major channel for empowerment of the poor which would enhance their contribution to local and national development.

From the above discussion, it is apparent that the appropriate agency for development in Ghana, and one that is most representative of people's needs are the CBOs. To adequately exploit the potential opportunities of these

organizations and help them respond to present and future challenges ahead, it is necessary to explore and understand the full nature of these emerging CBOs in terms of their socio-economic and cultural orientation, composition, goals and objectives, their mode of organization, financing and methods of operation. It must be argued that current developments should not be taken for granted because if the CBOs is to evolve further to provide an enabling environment for their participation in development, a number of conditions must be fulfilled. Some of the challenges that face the CBOs in Ghana are:

- to increase the availability of direct formal credit to boost their economic base;
- allow them political spaces and increase their participation in decision-making; and
- to increase their participation in project design, implementation and evaluation.

It is only when these conditions are met that the problems plaguing the poor in Ghana such as poverty, poor housing, low standard of living, unemployment and low productivity will be resolved. This commitment requires resources and investment from governments and donor agencies in order to bring about any substantial transformation.⁴⁷⁴ Although one major limitation of the CBOs is lack of funding, however, the focus of their activities should not solely be based on external funding since such assistance comes with conditions and constraints which undermines the people's struggle for self-empowerment and sustainable development. Also, overly-dependence on external finance could threaten the CBOs commitment to autonomous development and their capacity to resist making concessions to external pressures and agendas.

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- ⁴⁴¹ Alison van Rooy, ed., Civil Society and the Aid Industry, (London: Earthscan, 1998), 134
- ⁴⁴² Mark E. Denham, "World Bank – Non-governmental Organization Collaboration: An Agenda for Research" Prepared for Presentation at a workshop on Rethinking the Political Economy of Foreign Policy in the 'Third World', The South in the 'New' World Order, Halifax, Nova Scotia, Nov. 1992, 2. See also, UNICEF Human Development Report, 1990.
- ⁴⁴³ Kwame A. Ninsin and F.K. Drah, (eds.), Political parties and Democracy in Ghana's Fourth Republic (Accra: Woeli Publishing Services, 1993), 106.
- ⁴⁴⁴ The term CBO has been used in this study to encompass the community network groups/Youth Associations, Village/Town Development Committees, Local Non-governmental organizations, Social Movements and other Community Self-help groups. The CBOs here is defined as the '4th sector' that is separate from the international NGOs. CBOs are sometimes referred to as 'Civil Society Organizations' (CSOs). Some theorists, development practitioners, bilateral and multilateral institutions often refer to the CBOs and the INGOs as "Civil Society". The term civil society has therefore been confused and generalized in its usage as it has been misapplied to various non-state actors with different roles within the development circles.
- ⁴⁴⁵ Julius E. Nyang'oro, The State, 131.
- ⁴⁴⁶ Ibid.
- ⁴⁴⁷ Gajanayake & Gajanayake, 4.
- ⁴⁴⁸ M. Cohen and N. Uphoff, Rural Development Participation: Concepts and Measures for Project Design, Implementation and Evaluation, Monograph series (2), RID Committee, Cornell University, 1977.
- ⁴⁴⁹ Naomi Chazan, An Anatomy, 342.
- ⁴⁵⁰ Alison van Rooy, ed., Civil Society, 15.
- ⁴⁵¹ Gajanayake and Gajanayake, 4.
- ⁴⁵² Malcom Wallis, Bureaucracy, 50.
- ⁴⁵³ Maria Nzomo, "Civic Capacity For Poverty Alleviation: Some: Lessons for Development Theory and Practice" CODESRIA, Paper Presented at the CDAS International Conference "Development: the Need for Reflection", September 21st – 24th, 2000 McGill University, Montreal, Canada. p4.
- ⁴⁵⁴ Steven Langdon, Global Poverty, Democracy & North-South Change, Toronto: Garamond Press, 1999), 174-175
- ⁴⁵⁵ Data from Assin Jakai Youth Association Annual Report, Ghana, December 1999.
- ⁴⁵⁶ NCWD is a governmental organization established in the 1970s to raise women's awareness and to address women's issues within the Ghanaian community. The NCWD is charged with ensuring that resources reach women through its regional and district offices. Although the DWM

collaborates with the NCWD, in the PNDC/NDC era, the DWM's affiliation with the regime made it overshadow the NCWD.

⁴⁵⁷ Source: 31st December Women's Movement of Ghana Report, www.africaonline.com.gh/31dwm/activities.hotmail, April 18, 2001.

⁴⁵⁸ Ernest Aryeetey, ed. Small Enterprises Credit in West Africa, (Britain: The British Council, 1996), 17-119

⁴⁵⁹ *Ibid.*, 50.

⁴⁶⁰ Joe Amoako-Tuffour, "Forging Linkages Between Formal and Informal Financial Sectors: Some Emerging Trends in Ghana," Paper Presented at the IDS Seminar, Saint Mary's University, Halifax, Nova Scotia. January 19, 2000.

⁴⁶¹ ,Aryeetey, 17.

⁴⁶² Ghana News Agency, Monday, 30 October 2000, p1. www.ghanaweb.com. April 10, 2001.

⁴⁶³ Otumfuo Education Fund, "Programs and Projects Development" www.otumfuofund.org/programs.html, April 18, 2001.

⁴⁶⁴ UNECA, "Studies in Participatory Development," Public Administration, Human Resources and Social Development Division of the ECA, 1993, no.4.

⁴⁶⁵ Jo Marie Griesgraber and Bernhard G. Gunter, eds. Development: New Paradigms and Principles for the Twenty-first Century, London: Pluto Press, 1996.xv

⁴⁶⁶ John Brohnan, Popular Development, 1996, 205-206.

⁴⁶⁷ Stan Burkey, People First: A Guide to Self-Reliant, Participatory Development, (London: Zed Books, 1992), 1993.

⁴⁶⁸ Maria Nzomo, "Civic Capacity" p2.

⁴⁶⁹ James Swift, Civil Society in Question, 16. See also, Douglas Lummis, Radical Democracy, (Ithaca, N.Y.: Cornell University Press, 1996), 22, 31.

⁴⁷⁰ Stan Burkey, People First, 212. See also Michael Barrat Brown, Africa's Choices, 282.

⁴⁷¹ James Swift, 99.

⁴⁷² World Bank, Development in Practice: Taking Action to Reduce Poverty in SSA, (Washington D.C.: World Bank Publication, 1997), 62.

⁴⁷³ G. Gran, Development by People: Citizen Construction of a Just World, NEW York: Praegar, 1983). See inter alia, P. Oakley and D. Marsden, Approaches to Participation in Rural Development, (Geneva: ILO, 1984).

⁴⁷⁴ Lynn R. Brown and Joanna Kerr, The Gender Dimensions of Economic Reforms in Ghana, Mali and Zambia, (Ottawa: North-South Institute, 1997). 72.

CHAPTER 7

SUMMARY, RECOMMENDATIONS AND CONCLUSION

7.1. SUMMARY

This study set out to examine the appropriate agency of development in Ghana in terms of participation, empowerment and social transformation for the people and their communities. In this view, the study has examined the extent to which the development approaches adopted by the Ghanaian State, donor agencies and INGOs have succeeded in the process of transforming the people's lives and alleviated poverty in Ghana.

The study has made a detail discussion of the CBOs initiatives to meet the development challenges that resulted from the failure of the 'outside' approaches and solutions to their socio-economic problems. This chapter is a summary of the findings and the conclusions derived from Ghana's experience with the various development strategies.

In Chapter 1, we discussed the background to the study, the idea of development as perceived by theorists, development practitioners and policy-makers. We also discussed the conceptual framework on participation, empowerment and social transformation as perceived by the Alternative/Another Development (AD) approach, which is different from the state and mainstream view of development.

In Chapter 2, a review of the literature on the theoretical framework illustrates the AD view and approaches to development, which is also in contrast to those associated with the state and market. In the mainstream view, increased

participation in the development process is seen as a primary responsibility of governments, which, in partnership with NGOs, are still viewed as the major executing agency for development. From the perspective of AD, however, participatory development is seen as a strategy to be implemented not from above and the outside but from below and within; that is, with the agency of community-based or grassroots social organizations.⁴⁷⁵ Also, a critical analysis of the AD position was made to show its strengths and weaknesses and suggestions to improve the AD approach. Since most alternative approaches in development have been based on AD, the overall objective of the literature review is to use AD theory to analyze the development paths pursued by the main agents of development in Ghana.

Chapter 3 discusses the role that the post-colonial state has played since independence over the last four decades and what impacts this principal role have had on the people and the development process. It was noted that the state in Ghana, like many independent African states, has had a rather turbulent experiences as a result of frequent regime changes, corruption on the part of public officials and mismanagement of the country's fiscal, economic, natural and human resources. These trends prompted the intervention of the donor agencies in Ghana's policy-making in the 1980s. These factors and the state's 'top-down' development approaches made the state incapable of its role as agent of development since the outcomes and impacts of its strategies were proved to be of little benefit to the people.

Chapter 4 focuses on the role of the IMF and the World Bank's policy-prescriptions to Ghana through the ERP/SAP to help recover the ailing economy and as a means of solving the myriad of socio-economic problems. It was argued in the study that the IMF/World Bank intervention was more directed towards Ghana's economic/fiscal performance in terms of increased exports and debt repayments rather than alleviating poverty and enabling systemic transformation to empower the people to be self-reliant and self-sustaining. We further argued that the demerits of the mainstream development approach (SAP) prescribed by the donor agencies for Ghana far outweigh its merits. Also, the World Bank sees the link between participatory development and "good governance" as one that would facilitate the strengthening of social justice and equity in the developing countries.⁴⁷⁶ The World Bank has therefore promoted political decentralization in Ghana and other sub-Saharan Africa countries as a way of increasing participation. However, the question is what is to be decentralized, through what agency and by what means? This position shows that the Bank's idea of participation is of a consultative nature in which the beneficiaries of projects are excluded from participating in the design and evaluation processes.

In spite of the lofty sounding goals and benefits of SAP as acclaimed by the World Bank, the reality for millions of people living in Ghana and other sub-Saharan African countries is one of growing poverty, increasing social exclusion, environmental degradation, rising unemployment and high domestic/ external debt burden. It may be argued that the realization of the SAP conditionalities worsened the socio-economic crisis of the people and kept the state hostage to

foreign agendas and policies. In concluding the chapter, we proposed that there should be an in-depth short/long-term cost and benefit analysis of the impacts of development policies before implementation to minimize their unintended adverse socio-economic effects on the people.

In Chapter 5, the study outlines the role of the international NGOs that sprung up in Ghana in the 1980s to promote development and their effort to help alleviate the hardships created by the adverse effects of SAP and the high rate of poverty that was sweeping across the country. Since the AD was adopted as the theoretical basis of the INGOs interventions to practice a form of alternative approach to development that is participatory and empowering, the study was conducted within the framework of the AD which was promoted in the mid-1970s. The study also pointed out that alternative strategies, despite their ostensibly progressive orientation, have normally generated rather conventional development projects that have replicated many of the problems of the mainstream approaches (Black 1991).⁴⁷⁷ In spite of the significant role that the INGOs have sought to play in promoting development, the study argued that their role have not been participatory and empowering. The study further argues that much of their attention is focussed on raising money from the mainstream governments, bilateral and multilateral organizations whose interest they represent. More often than not, the people's level of involvement in the planning, implementation and evaluation of the INGOs projects/programs are very minimal. Also, projects are often designed not based on the cultural orientation and socio-economic experience of the intended beneficiaries, but rather based on the

INGOs and mainstream institutions development perspectives. Much of the criticism leveled at the alternative strategies called into question the usefulness of such strategies and whether they really represented a viable alternative of mainstream development approaches. Further criticism was directed at the methods used to design and to implement alternative development programs and projects. Many analysts question whether these methods were fundamentally different from those of the mainstream tradition. In many cases it was concluded that a large gap existed in the theory or rhetoric of alternative development and the actual practice. This gap between theory and practice was particularly noticeable in the area of participation. Many alternative programs and projects, especially in the sphere of rural development, were heavily criticized for paying only lip service to local participation. (See, e.g., Brinkerhoff 1988; Daniel et al. 1985; Eckstein 1988, Esman and Uphoff 1984; Hyden 1980; Ngau 1987; Shao 1986), which supposedly was one of the key elements distinguishing alternative strategies from their mainstream counterparts.⁴⁷⁸

Chapter 6 discusses the resurgence of CBOs to initiate their own development in Ghana since the 1980s. Anisur Rahman has argued that what gives real meaning to popular participation is the collective effort by the people concerned in an organized framework to pool their efforts and whatever other resources they decide to pool together, to attain objectives they set for themselves. In this regard participation is viewed as an active process in which the participants take initiatives and take action that is stimulated by their own thinking and expectations and over which they can exert effective control.⁴⁷⁹

Hence, the failure of the state, donor agencies and INGOs initiatives toward poverty alleviation and the people's empowerment has led to widespread disillusionment among the people with regard to looking up to 'outsiders' to offer ineffective solutions to their socio-economic problems. This has led to an upsurge of CBOs activities in recent times. In this connection, Korten has argued that development is a process by which the members of a society increase their personal and institutional capacities to mobilize and manage resources to produce sustainable and justly distributed improvements in the quality of life consistent with their own aspirations.⁴⁸⁰

The study also demonstrated in this chapter that contrary to the misconceptions held by some theorists and foreign organizations that CBOs activity begun in the 1980s, the idea of community-based and grassroots organizations have had a long history in Ghana. This system of development was practiced under the indigenous traditional forms of societal organization and the institution of chieftaincy long before the advent of colonialism. This form of community-based development enabled the people to play significant roles in the area of politics, economics and social aspects of improving and changing their living conditions. Also, some of the factors that limit the expansion of the scope of the CBOs were elaborated and how best the state, donors and INGOs could contribute towards the enhancement of the CBOs activities to achieve a self-reliant, sustainable and equitable form of development for the people. This is because their development initiatives have been found to be initiated from "below and within" the local communities, and are more participatory and empowering.

In this view, Rowlands (1996) has argued that "empowerment must involve undoing negative social constructions, so that the people affected come to see themselves as having the capacity and the right to act and have influence."⁴⁸¹

Although the rapidly expanding phenomenon of globalization has worsened the African development dilemma (Aina; 1996, Hirst: 199, Mkandawire; 1999),⁴⁸² nonetheless, the hope of Africa's present and future development depends on the initiatives of the CBOs.

7.2. RECOMMENDATIONS

It has been argued that major studies on development initiatives by the state, donors, and INGOs in Ghana show that they have failed to confront and overcome their own built in limitations. It was argued that the appropriate agency for development in Ghana, one that is most representative of people's needs, is the CBO. In this context, we will make the following recommendations to support the argument in the study:

First and foremost, in analyzing the role of the state in Ghana, it may be argued that the centralized planning system by the state has not been participatory. In this regard, we have put forward the following arguments with regard to the state:

- There is the need for transformation of the structure of the state to both accommodate and create spaces for the CBOs to participate in the identifying designing, implementing and monitoring national policies and projects.
- Regardless of any efforts that state has made in the past it has been feeble and inadequate in meeting the needs of the people. Experience with state-led initiatives has shown that the state does not have the capacity to do everything for the people. Hence, the people should be the object, the means and end result of development

because a development effort in the direction of integrated community-based groups in state policies has considerable potential for changing the Ghanaian economy fundamentally and in progressive directions for effective empowerment and transformation to occur.

- Ghana's experience with the SAP policies has shown that foreign assistance can distort or improve a country's priorities depending on what conditions are attached to the loan/aid being offered. Although globalization and international trade have increased interdependence among countries and on the international financial institutions for financing, which is inevitably difficult to avoid considering Ghana's present circumstances. As long as external financing is tailored to fit within the political, cultural and socio-economic development priorities of the people, it can continue to play a constructive role in the country's development. However, foreign aid should only serve as an additional stimulus to local resource mobilization. The fundamental issue is for the government to decide which projects warrant borrowing foreign capital and how much foreign capital is appropriate and desirable.
- In similarities, developing country governments should exercise great discretionary decisions in the process of obtaining foreign assistance because any form of external loans/aid should not dictate the development direction a country should take. In this regard, the government should rely more on internal mobilization of capital and human resources for development programmes and decide what conditions/policies clearly of benefit to the people.
- However, in spite of the present fiscal constraints and the need for external financing, as part of long-term strategic considerations, the state should devise a way of reducing the country's over-reliance on foreign capital.
- Furthermore, the state should create more space for increased CBOs participation in governance and in making national development policies because their participation should not be limited to voting in elections and receiving government handouts.
- The role of the state vis-à-vis the development process cannot be understood in the abstract. It must be placed and understood in its specific context and clearly defined in the globalization process. Also, the integration of national economies with one world economic system (New World Order) should be done in a fair and equitable manner to benefit the poor countries in the developing world.

On the other hand, based on the adverse effects of SAP on the people, it could be argued that the IMF/World Bank SAP policies have distorted national priorities in Africa rather than supporting them. In this connection, the donors failed to clearly design human-centred development strategies and to ensure that such strategies were made fully operational by involving the people at the grassroots.

- Equally compelling is the need for governments, bilateral and multilateral agencies to increase the availability of direct funding to the CBOs to boost their economic base because poverty reduction cannot be achieved and sustained without targeting assistance directly to the poor. This will enhance development policy and practice as well as the people group's contribution to local and national development. Rather than relying on the INGOs to play an intermediary role between the CBOs and the donors and/or the state, attention should directly be focused on the grassroots organizations because strengthening of the CBOs should be the basis, if not the object of the development agenda. This will help the people to mobilize their human and material resources effectively.
- We also argue that there should be a constructive dialogue and co-operation between the CBOs on the one hand and the state, the donors and the INGOs on the other because the CBOs hold the most promising potential for poverty alleviation in sub-Saharan Africa. This relationship should be maintained on the basis of mutual respect, transparency, equality, trust and allowing them autonomy over development projects. This commitment entails logistics and financial from governments and donor agencies for any substantial social transformation to occur.
- The donors should create the enabling environment for social development by increasing resources for social programmes and given directly to the CBOs to enhance the social responsibility of the community organizations in development.
- It must be noted that the market theologies of the donors failed to address global structures, independent nation-states erosion of power and the social needs of the people since deregulation resulted in tremendous loss of financial, material and human resources. This in turn, led to social deprivation and fragmentation in SSA. In this respect, debt relief and other poverty preventive measures should be in the forefront of donor agencies agenda and policies in SSA.
- Also, due to the variation in impacts of economic development (growth) and social development (improvement and/or change in human conditions), economic development should be geared towards meeting social goals since economic development does not automatically translate into social development. In this context, the donor agencies should support and sustain dynamic development policies that will address the concerns and perspectives of the people to bring about improvements and/or change in the lives of the people.

Moreover, with respect to the INGOs we propose that:

- The INGOs that are engaged in development in sub-Saharan Africa should learn from the CBOs to enable them understand the problems of the people and to appreciate their local techniques and cultural traditions since the CBOs have the primary responsibility for the development of their communities and meeting their needs.

- Although the role played by the INGOs is necessary, however, the INGOs must play secondary roles and leave the principal developmental roles to the CBOs in order to strengthen the people's project participation. Also, caution must be taken that in the process of strengthening the CBOs the INGOs may end up replicating their own institutional framework and agendas. In many cases, INGOs projects have often been poorly designed, relatively costly, less participatory and empowering and difficult to sustain and monitor.
- There should be more dialogue and openness between the INGOs and CBOs to identify what the local people can contribute to the project and what the INGOs can do to help the people achieve their objectives. Accordingly, NGOs must adopt a conception of development, which is multi-dimensional in form to meet the needs of the people.
- In addition, over the past years, the relationship between the INGOs and the state has been rather complex based on complimentary and contradictory levels of engagement since the latter sees the INGOs as usurping its policy-making authority and competing with it for foreign aid. In this regard, there should be constant negotiation, transparency and compromise to keep the lines of communication open between the INGOs and the state. The INGOs need to assure the government of their sincerity of purpose in terms of their contribution to local/national development.
- Moreover, there should more transparency in INGOs operations, abide by national laws and respect the people's traditional values and cultural norms. Again, INGOs projects must address national priorities to better serve the needs of the people.
- In addition, the INGOs development initiatives should be properly coordinated to make their projects evenly distributed across the country. Also, some mechanism must be put in place to ensure the sustainability of INGOs projects.
- The INGOs and the donors should go beyond addressing problem symptoms and tackle the fundamental causes of the people's problems. Community involvement is essential to a sustained development process and is greatly facilitated by local rather than external control. This increases the capacity of the people to become more productive and effective contributors to local/national development.
- Moreover, there should be increased use of local resources, knowledge and technical knowhow in development programs/projects since this will ensure more sustainable and environment friendly forms of development practice.
- To sum up, analysis of INGOs activities in Ghana seems to be necessary. However, the weaknesses of the INGOs initiative shows that Ghana's development path should not be based on the INGOs agenda and policies as they are often influenced by the interests of their sponsors – governments, bilateral and multilateral agencies.

With regard to the CBOs, although the 1980s have been described as a lost decade in development and acute hardships on the people in Ghana, it could also be seen as the beginning of a CBO awakening and opportunities.

The increasing focus on CBOs is motivated by the current emphasis on their activities as the leading edge of future development. The expansion of CBOs activities in Ghana and other sub-Saharan African countries has offered both new opportunities and challenges for contemporary development strategies from an African perspective. In this context, the following arguments have been put forward:

- To adequately exploit the potential of these organizations and help them respond to present and future challenges, it is necessary that the international community – donors, governments, INGOs, and policy makers understand the full nature of these emerging community and grassroots organizations. This could be done by exploring the CBOs socio-economic and cultural orientation, composition, objectives, their mode of organization, financing and methods of operation. Through this, the international organizations can support the CBOs in more practical and effective ways.
- The idea of classifying 'Civil Society' groups to include the CBOs, INGOs and the Private sector is unacceptable and a sham because the Private sector is business inclined and profit-oriented and therefore cannot sincerely champion the cause of the CBOs to meet their political and socio-economic needs.
- There should be a shift away from the current 'top-down' practices towards a more 'bottom-up' approach with a focus on not only the people's participation but also CBOs initiatives. It could be argued that development projects have often resulted in rather disappointing outcomes because they ignored the CBOs initiatives. Hence, the people must be involved in the process of planning their own future through identifying their needs and priorities and the process of achieving those needs.
- Poverty alleviation measures should not be based on giving handouts to the poor but more importantly, supporting their initiatives towards self-reliance. As a popular African adage goes: "Give a person a fish and he eats today, teach him how to fish and he eats everyday.
- Furthermore, we argue that participation alone is not enough to empower the people. The overall initiative should come from them. Without strengthening the power and livelihood interests of the poor, no significant achievement can be made in the alleviation of poverty, empowerment of the poor and achieving sustainable form of development. The INGOs should enhance the CBOs control over the development

process by being more accountable to the communities they assist and increasing their level of involvement in development projects.

- In recent years, there has been some level of friction between the traditional CBOs and government controlled or influenced CBOs that sprung up in the 1980s. It is therefore essential that the CBOs – both traditional and contemporary ones- establish closer cooperation and exchange information with one another to enhance their strength and uniformity. This will offer the CBOs more bargaining power in dealing with the state, donors and INGOs. In this regard, there should be more local/district and national level collaboration among the CBOs.
- Moreover, giving a voice to the voiceless alone does not solve their problems since the development initiatives should come from them. Also, if the socio-economic development issues that have been plaguing sub-Saharan Africa such as poverty, poor housing, unemployment, hunger, low standard of living, low-productivity, rural/urban migration illiteracy and diseases could be addressed effectively, the CBOs must be educated and empowered to expand their scope and enhance their effectiveness. This will enable them pursue an autonomously self-reliant, participatory and sustainable forms of development which will lead to effective social transformation.
- It must be argued that although one major limitation of the CBOs is lack of funding, the focus of their activities should not solely be based on external funding since such assistance comes with conditions and constraints which undermines the people's struggle for self-empowerment and sustainable development. Also, the CBOs over-reliance on external finance could threaten their commitment to autonomous development and their capacity to resist making concessions to external pressures and agendas.
- The growing overwhelming interest in CBOs as an alternative vehicle for development is fast accelerating the pace of CBOs projects. In this regard, we argue that community and grassroots organized development activity should be given widespread attention in Ghana and sub-Saharan Africa.
- The study therefore advocates a form of 'partnership' between the state, donors, INGOs and CBOs, which is CBO-led. In this case, the CBOs should be placed on the top of the hierarchy in terms of making decisions in the design, implementation and monitoring of development projects/programs.
- In this context, the concept of 'partnership' with the people should be the guiding principle rather than the idea of 'beneficiaries' and 'target groups', since such expressions and notions reduce the people to the level of beggars and helpless group without any capabilities.
- Effective partnership between INGOs and CBOs should be based on mutual trust, respect, exchange of ideas, transparency, sharing of values and respective roles, strategies, resources, experiences, information and power without any imposition of ideas from either side. From this view, the people's local skills and human resource should be harnessed to make the partnership more viable.

- In concluding this section, we argued that the people's experience with the state-led and market-led development approaches have failed. In this regard, these development strategies should be abolished and replaced with CBO-led development approaches to better serve the needs of the people.

7.3. CONCLUSION

To conclude, the thesis of the study is that an analysis of the development policies of the principal agents of development in Ghana shows major flaws that needs to be addressed. In this context, the poor groups have not been permitted to participate in the design of projects and have not equitably shared in the benefits of development over the past years. This is because the major benefits of projects have often gone to the bureaucrats in the state, the donor agencies and the INGOs. We also argued that the failure of donor and INGO initiatives has proved that there is 'no quick fix' and 'no external answers' to Africa's problems since the solution lies with the people themselves supported by a reformed state and disciplined public officials. In this context, we finally argue that the search for an alternative form of development in the Ghanaian context should be predicated on the agency of the CBOs. In addition, we propose that if certain conditions are met to create the enabling conditions for the CBOs their development initiatives could further be enhanced to meet their developmental needs and immensely contribute to Ghana's contemporary and future development. In this context, the state, the donors, and the INGOs should provide the necessary financial and logistic support to the CBOs while allowing the latter to play principal roles in the development process and projects. This

relationship should be maintained on the basis of mutual respect, transparency, equality, trust and allowing them autonomy over development projects.

It must be argued that if the socio-economic development issues that have been plaguing sub-Saharan Africa could be addressed effectively, the CBOs must be empowered to promote and initiate their own development. Some of the factors that have been identified in the study to impede the progress of CBOs are lack of political power, participation in decision-making and project design, and lack of funding to enable the CBOs establish a sound financial base. This will enable them to pursue autonomously self-reliant, participatory and sustainable forms of development that will empower the poor, and lead to effective social transformation in Ghana.

7.4.**ENDNOTES**

⁴⁷⁵ Henry Veltmeyer, "The Quest for Another Development" p10

⁴⁷⁶ OECD, "Participatory Development and Good Governance" (Paris: OECD, 1995), 7.

⁴⁷⁷ John Brohman, "Refocusing on Needs, Alternative Theories and Practices, Popular Development, (1996). 204-205

⁴⁷⁸ Ibid, 203.

⁴⁷⁹ M.D. Anisur Rahman, People's Self-Development: Perspectives on Participatory Action Research, (London: Zed Books, 1993), 150.

⁴⁸⁰ David C. Korten, Getting to the 21st Century: Voluntary Action and the Global Agenda, (West Hartford, Connecticut: Kumarian Press Inc., 1990), 67.

⁴⁸¹ Karl Botchway, "Paradox of Empowerment: Reflections on a Case Study from Northern Ghana", World Development, vol. 29,no.1, Jan. 2001.

⁴⁸² Maria Nzomo, "Civic Capacity for Poverty Alleviation," 12.

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