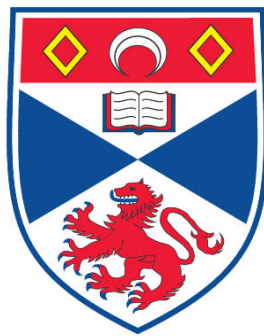


**LOST IN TRANSLATION – THE NEXUS OF MULTI-LAYERED
HOUSING POLICY GAPS: THE CASE OF GHANA**

Kwadwo Ohene Sarfoh

**A Thesis Submitted for the Degree of PhD
at the
University of St. Andrews**



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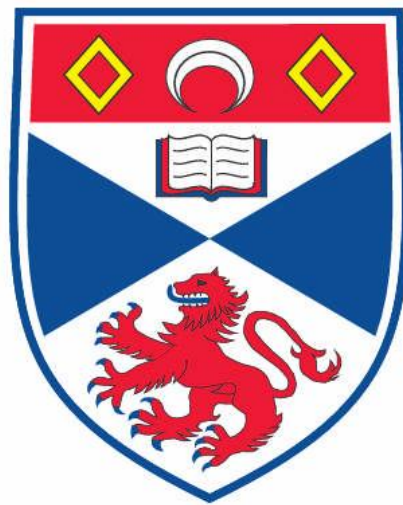
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LOST IN TRANSLATION – THE NEXUS OF MULTI-LAYERED HOUSING POLICY GAPS: THE CASE OF GHANA

KWADWO OHENE SARFOH

**Thesis Submitted to the University of St. Andrews for the award of the degree of Doctor
of Philosophy**



Kwadwo Ohene Sarfoh

**School of Geography and Geosciences
University of St Andrews**

May 2010

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DEDICATION

To God, Great is His goodness towards me

To Awo, my stalwart companion and confidant through thick and thin

To Mummy, who was there at the birth of this dream, but did not live to see this day. I know you are smiling seeing this day

To Daddy, for the inspiration

To Kwame and Ama, for the patience demanded from you at such tender ages

ABSTRACT

Paradigms of housing policies in developing countries have undergone significant changes since the 1940s in the post-colonial era. The involvement of international development agencies such as the World Bank and the United Nations with their substantial financial and technical resources have engendered a conventional narrative of the hegemony of paradigms sponsored by these agencies. It is in this light that the “enabling principles” of housing policy emerged as the dominant policy discourse from the 1980s. This housing paradigm -“enabling shelter policies” – was actively promoted by the World Bank and the United Nations, acting through its housing agency the UN-Habitat, for adoption by developing countries to reform their housing sectors from the 1980s. One of the main instruments of the enabling principles was the withdrawal or contraction of the state from direct housing development in preference for private sector-led and community initiatives in housing development. Government involvement in direct development of housing was conceived to be an ineffective policy choice which had little geographic impact and therefore had to give way to a systematised approach to housing delivery. Ghana was one of the first African countries to adopt these principles for the reform of the housing sector in the country. Two decades later, it has been observed that the government was making housing policy choices that contradicted the ethos of the enabling principles. In particular it was observed that the state was re-engaging in direct housing development. In the light of the past conception of these activities as being defective policies, their re-emergence was characteristic of policy “reversionism”. This concept of policy reversionism is adopted from theories of theology and criminal justice (where it is known as recidivism) in which processes of reform or progression are reversed. The question explored by the thesis is why housing policy reversionism was emerging and what were the generating factors.

The thesis draws on a critical realist perspective to deconstruct the conventional narratives about the homogenous state and the hegemony of international agencies such as the World Bank and the UN in the advancement of “unproblematic” enabling principles through which the housing sector reforms were designed and implemented. In doing so the thesis established the heterogeneity of the state driven by competition for domination by sectoral, intra-state as well as supra-state interests. In this process, hegemony becomes vulnerable to manipulation as these principles were translated or “*indigenised*”. Furthermore it is established that this nuanced perspective is further complicated by a dialectical relationship between the contexts of events and prevailing material conditions and the actions taken by policy agents. These complexities layered the housing policy sphere in ways that masked the primary motivations of class interests and political legitimisation underpinning the incidence of reversionism.

ACKNOWLEDGEMENT

This is the outcome of long nights in distant lands, away from loved kith and kin for a greater cause. In the process this academic exercise has benefitted from the assistance of several people.

My sincere gratitude to Professor Joe Doherty for the incisive commentary on the thesis during its development and the patience with the drama that was my life through out my study

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My work benefited substantially from the support of experts at the World Bank during the studies – particularly Robert Buckley in Washington and Charles Boakye in Ghana. Michael Mutter of UN-Habitat’s Slum Upgrading Facility also provided insights into the perspectives of the UN on housing.

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Figure 1: Map of Ghana



Source: http://www.worldmapnow.com/images/2009/11/Ghana_map3.jpg; Accessed: 12 March 2010

CHAPTER 1 - Introduction

1.1 Introduction

The housing sector in developing countries is faced with several difficulties, especially in relation to the requisite devices that appropriately respond to the needs of the poor. These difficulties arise from the balance of varying housing preferences within each country and the financial resources that are available within the economy to meet needs accruing from such preferences. Housing preferences can be wide-ranging and are shaped by a number of factors including household income and size, and the type of economic activities households are engaged in. In this respect, the housing needs of the poor and the opportunities available to them to meet these needs are critical. The technical expertise available to governments in the design and implementation of public policies is also critical to the quality and effectiveness of housing policies. The challenge is for governments in developing countries to evolve mechanisms that effectively address the concerns and inadequacies in the sector, especially as they pertain to the poor. As a result, a variety of strategies have been designed in the past to unravel the low-income housing quandary. Inevitably, the state has been engaged directly and indirectly in the development and allocation of housing, with such involvement subjected to academic and practitioner interrogation. The results of these interrogations have demonstrated that such state involvement has been frequently ineffectual and often biased in favour of the upper classes of society. Consequently, in pursuit of more effective housing policy responses, the role of the state in housing in developing countries has been the subject of considerable critical attention. Periodically the interrogation of the role of the state in housing has led to policy and institutional reforms that have defined and addressed the functional role of the state and of other actors in the housing sector.

A case in point is the new sets of policies that emerged from the work of the World Bank and the United Nations Centre for Human Settlements (UNCHS) – later known as UN-

Habitat – during the 1980s. These new policies were encapsulated in a broad set of principles labelled the “enabling housing principles”. The enabling housing principles were proffered as a systemized response that would replace the prevailing largely state-led project-based approaches and generate a greater impact in the efforts to address housing problems. It was envisaged that this systematized approach would remove the constraints to, and enhance the incentives for, the participation of non-state actors in housing production and allocation (World Bank, 1993; UNCHS, 1996). With a few exceptions the direct development of housing by the state had proved to be inadequate in meeting the needs of society and in particular, those of the poor households¹. Where state houses were built they rarely reached the poor for whom most of such interventions were supposedly intended (World Bank, 1993; Choguill, 2007) and in any case the supply of such houses fell way short of needs. The UN, for example, estimated that at the beginning of the new millennium public housing amounted to no more than 10% of the total production of the housing stock in most developing countries (Keivani and Werna, 2001a). Similarly, the World Bank articulated an interpretation of the enabling principles in a set of norms – “*Dos and Don'ts In Enabling Housing Markets to Work*” – to guide reforms of the housing sector (World Bank, 1993:46). Generally, these norms had a link to the neo-liberal ideology of the World Bank materialised in the Structural Adjustment Programme that favoured market agents over the state as the primary agents for production. Notwithstanding the origin of the enabling principles certain core features pertained, one of which is the expectation that governments would generally refrain from directly constructing housing². Another essential feature of the enabling principles is the demand for refraining from evictions, especially in slum and squatter communities. Slum clearances and mass eviction policies have been found to be a frequent

¹ Public housing have been ‘successful’, albeit with significant investment of public funds in Singapore, Hong Kong and Israel (UNCHS, 1996; Mohd et al, 1996; Tan and Sock-Yong, 1991 as cited in Keivani and Werna, 2001a).

² The UN however permitted direct state involvement in housing where markets failed in low-income housing.

but inappropriate response to housing produced by the low-income which are deemed “below-standard”. Certainly, advocates of market interventions consider evictions as obstructive to developing property rights necessary for enhanced housing production by lower-income households, while others have viewed the issue from a rights-based perspective deeming evictions to be infringements of the fundamental rights of affected households (COHRE, 2000:18). In particular, the UN has been a front line campaigner of this rights approach, creating a platform through its conferences for the articulation of such rights (Tosics, 1997). Slum clearance policies have also been condemned for their ineffectiveness in resolving housing problems for the urban poor (Turner, 1976; World Bank, 1986; Hardoy and Satterthwaite, 1989; UN Millennium Project. 2005). As a result slum evictions are frowned upon within the body of the enabling strategy framework.

The enabling principles of housing policy have been implemented in many developing countries in Africa, Asia and Latin America and arguably can be said to have been widely applied as part of the market orthodoxy that dominated public policy discourse in most developing countries in the 1980s and 1990s. Upon the adoption of the enabling principles, it was expected that government activities in housing production and allocation would decline and be transformed into those of overall regulator of the sector and facilitator for other agents deemed to be more efficient in housing development. Additionally evictions and slum clearances would be minimised as much as possible. It is in this vein that Ghana adopted the enabling principles of housing policy. The experience of the application of the enabling principles in Ghana however has produced outcomes contrary to those envisaged by proponents of this policy, particularly the two principal actors – World Bank and the UN. This departure from the expected outcomes is a matter central to understanding the dynamics of housing policy making and implementation in a developing country context.

Beyond the immediate results of the reforms, recent government housing initiatives in Ghana – in the aftermath of policy reforms that applied the enabling principles – have initiated state re-engagement with direct construction of housing and appear to reverse the enabling principles. To appreciate this apparent policy reversal it is important to understand the historical context of housing policies in Ghana and in particular the impetus for the enabling reforms. From the onset of the post-colonial experience, public policy on housing focused almost exclusively on government-built housing. However, beginning in 1987, the government initiated,³ as part of the overarching Structural Adjustment Programme, actions to reform the housing sector and change the structural relations in the housing sector. In the budget statement of 1987 it was acknowledged that government housing development had not matched (growing) demand and the government indicated its intention to harness private resources to engender cost reductions of housing development in order to promote housing affordability for “working people”. This took the form of tax incentives, privatization and institutional reforms, and rationalizing land management practices. Public housing agencies were to be subjected to organisational review, essentially to wean them off public subsidies and, for some, divest them of public ownership. Public housing projects initiated in the 1960s and 1970s and abandoned due to shortage of funds were to be resuscitated and transferred to the private sector. By introducing these fiscal measures, the government was signalling its intention to stimulate private participation in housing. This indicative policy stance was reinforced in the economic policy of the following year⁴ which clearly underlined the subscription to market-led housing policy. Initiatives designed to consolidate this subscription comprised fiscal incentives for both suppliers and buyers of real estate property which were embedded in the ‘Housing Sector Reforms Programme’ of 1988 (World Bank Urban II Staff Appraisal Report, 1990) and included: a 10% reduction in corporate tax for

³ 1987 Budget Statement and Economic Policy of the Government of Ghana.

⁴ See 1988 Budget Statement and Economic Policy of Government of Ghana.

real estate companies, a 50% tax-deductible allowance for real estate investment, a five-year tax moratorium for real estate companies with a further two-year moratorium for loss recovery, exemption from stamp duty on real estate property acquisitions, and a three-year public investment programme in infrastructure development for housing estates. Given these initiatives and their pursuit during the 1980s and 1990s, the post-2000 re-engagement of the state in direct housing provision was a stark reversal of the enabling principles.

1.2 The “contradiction” of state re-engagement in direct housing delivery and evictions

Housing remains one of the most urgent problems facing the country and government is collaborating with the private sector to find a proper solution.⁵

Mr. Speaker, in fulfilment of the NPP Manifesto of Housing the People and the realization of His Excellency the President’s vision for the housing sub-sector, Government will provide ₵150 billion to the Ministry of Works and Housing to commence the construction of low cost housing throughout the country.⁶

These two contrasting statements made within the space of three weeks in February 2005 heralded the initiation of the reversal of the enabling principles of housing policy. At the time of the announcement of this new ‘Affordable Housing Programme’, the enabling principles had been the principal discourse of housing policy in developing countries, including Ghana, for nearly twenty years (Buckley & Kalarickal, 2005; UN-Habitat, 2006). About the same time in 2005 when the Minister for Finance was making the announcement of the state’s re-engagement in direct delivery of housing through the Affordable Housing Programme, the Housing Minister announced further measures that reinforced the perception of a reversal of the enabling principles with the declaration of the government’s intention to reduce the cost of housing finance for lower-income households through subsidies on the interest rates (Ghana News Agency, 2005⁷). As part of the Affordable Housing Programme, an

⁵ President J.A. Kuffour, State of the Nation address, First Session of the Fourth Parliament February 3, 2005.

⁶ Kwadwo Baah Wiredu (Minister for Finance and Economic Planning) Presentation of the Budget Statement and Economic Policy of the Government of Ghana for the 2005 Financial Year presented to Parliament On Thursday, 24th February, 2005. At the time the exchange rate of the local currency the Cedi was US\$1.0 to 9,000 Cedis and therefore amounted to the equivalent of US\$16.7 million.

⁷ “*Government to subsidise mortgage purchase*” Ghana News Agency 23rd February 2005.

architectural firm – Modula Grupp – was contracted to design the proposed developments and public lands were secured for three housing development sites⁸. The Ministry of Finance released a third of the budgeted US\$45 million to start the construction, and a supplementary budget equivalent to an additional US\$33 million was further secured. In November 2005, construction of the first phase that would develop 113 blocks of one to two-bedroom flats was initiated, purportedly aimed at low-income households. According to the Housing Minister, the new initiative was intended to “*to give meaning to..... [the]plan of ensuring that people of low-level income groupings owned their houses*”⁹. In this regard the proposed final prices for the developments were set at the equivalent of US\$10,000 and US\$ 13,400 for one and two-bedroom flats respectively. A number of reasons were put forward for the inception of this policy of state delivery. The Housing Minister drew attention to the rapid rise in urban populations and its impact on housing needs of the towns and cities, using reference to the high housing demand levels presumed to range between 500,000 and 700,000 to justify state re-engagement. With a purported annual supply level ranging between 25,000 and 40,000 and an annual need of 70,000 housing units, the action of the direct government involvement was deemed by politicians to be a rational response to bridging the gap between supply and demand.

Although historically, slum clearance policies have been minimal in Ghana, a sudden surge in its incidence from 2000 reinforced the perception of contradictory housing policy. In May 2002, the city authorities together with the central government gained notoriety when action was taken to evict 30,000 households in a slum called “Old Fadama” or “Sodom and Gomorah” – perhaps typifying the extent of dereliction – in Ghana’s capital of Accra. This intended act was condemned by a number of international agencies including the UN and the Centre for Housing Rights and Evictions (COHRE) (COHRE, 2004; du Plessis, 2005:13).

⁸ These sites were in Borteyman, Kpone and Asokore Mampong located on the fringes of the three main cities of Accra, Tema and Kumasi, respectively.

⁹ “**Housing is a critical issue facing Government - Minister**” Ghana News Agency 16th November 2005.

Subsequently, several evictions have either occurred or been threatened in Accra and other urban centres of the country. The evictions and clearances have targeted or affected slum settlements of different sizes ranging from entire communities, neighbourhoods, to individual houses¹⁰ in spite of the solicitations of the UN acting through its anti-eviction advocacy campaign group, the Action Group Against Forced Evictions (AGFE). Clearly, the pattern emerging suggests a push for slum clearance explicitly or implicitly where the government remains silent in the face of evictions by other public agencies and local authorities.

1.3 Conceptualising the housing policy reversal

The re-engagement of the state in the direct construction of housing in the Affordable Housing Programme ran counter to the hitherto prevailing ethos of the enabling principles. Indeed the reversal of enabling reforms can be seen as tantamount to the incidence of reversionism or recidivism in theological and criminal justice theories respectively. A reversionist is defined as “*a person who advocates reverting to the conditions, customs, ideals, etc., of an earlier era*”¹¹. In theology reversionism is viewed as the process of backsliding of a Christian, after having been reformed. This entails a voluntary reversion to practices of a pre-reform state after rejecting the fundamental doctrines that underpin their reformation. Similarly, recidivism in criminal justice refers to the process of “*reversion of an individual to criminal behaviour after he or she has been convicted of a prior offense, sentenced, and (presumably) corrected*” (Maltz, 2001:1). Similarly, it is defined elsewhere as “*a tendency to relapse into a previous condition or mode of behaviour; especially: relapse*

¹⁰Some of the notable slum locations in which evictions have taken place or been threatened by government agencies including the local governments include the Accra Railway Corridor, “Abuja”, “Neoplan Station”, Ministries, Arts Centres, and “Legion Village” all in Accra, “Aboabo Dagomba Line” and “Race course” in Kumasi, Rails Ano in Sekondi-Takoradi, “Ashaiman Tulaku” in Tema. The evictions in Kumasi were implemented in spite of significant lobbying by various groups. The Mayor of Kumasi was invited to and attended the 3rd World Urban Forum organized by UN-Habitat in June 2006 to acquaint herself with best practices and yet returned to instruct the demolitions. In addition, from late 2009 the government announced a policy of no tolerance for buildings sited in water course ways and empowered local authorities to initiate housing demolition and all these demolitions are ongoing at the time of concluding the thesis.

¹¹ Source: <http://dictionary.reference.com/browse/reversionism?qsrc=2446>, date sourced: 23rd November 2005.

into criminal behaviour”¹². Although recidivism has been criticized for its methodological difficulties (Beck, 2001), it nonetheless has conceptual features analogous to the housing practice being studied in this thesis. Therefore drawing on this conceptual outlook, housing policy in Ghana, in the context of the emerging practice of the state to re-engage in direct development after the enabling reform process had repudiated this policy, can thus be conceived as a process of housing policy reversionism¹³. The paradox is, however, that in Ghana, while a socialist inclined military administration initiated the enabling market-based reforms from 1985 to 2000, a market-liberal leaning civilian administration undertook or supported their reversal from 2002. The market-friendly credentials of this civilian administration were well established: it claimed for example that its era was a “*golden age of business*” and adopted the mantra “*the business of government is to govern and not business*”. However, in an economic policy statement of 2001, this same civilian government announced its intention to “*step up its facilitation role with emphasis on land acquisition and provision of basic infrastructure facilities to support housing development*”¹⁴. In addition it promised support for the private sector in securing a US\$50 million financing as part of a “Housing the People” scheme focusing on low-income housing and urban renewal. Significantly, the intention was also expressed to source another credit of US\$50 million for “*land servicing*

¹² Meriam-Webster’s Online Dictionary, Source: <http://mw1.m-w.com/dictionary/recidivism>; date sourced: 12th January 2008.

¹³ The incidence of reversals of the enabling principles of housing policy after a period of implementing policy reforms based on these principles occurred not only in Ghana. Evidence suggests similar practices in other African countries such as Nigeria, Zimbabwe, and Botswana. In all these countries housing sector reforms subscribing to the enabling principles have been rolled back in one way or other. The most documented incidence of policy reversal is that of Zimbabwe – not least because of the notoriety occasioned by *Operation Murambatsvina* and *Operation Garikai* launched in May 2005 in which the government sponsored housing demolitions that affected 500,000 people and subsequently initiated the direct construction of replacement housing through the military and youth brigades (Report of the Fact-Finding Mission to Zimbabwe to assess the Scope and Impact of Operation Murambatsvina by the UN Special Envoy on Human Settlements Issues in Zimbabwe, 2005) .

¹⁴ 2001 Budget Statement and Economic Policy of Government of Ghana; page 50.

development and construction of rental and home ownership housing” with no indication of the principal agent that would be utilizing those funds¹⁵.

1.4 Research Question

The re-entry of the state into public housing as well as the resort to other actions that are contrary to the housing reforms based on the enabling principles has barely been acknowledged by academics and policy makers in Africa and this, in part at least, accounts for the lack of research on the topic. Indeed, even in the limited discussions of government participation in public housing delivery, the critical juncture of the adoption of enabling reforms is very often glossed over (Keivani & Werner, 2000a; 2001b; Angel, 2000); rather the activities of the state are considered as though part of an uninterrupted continuum, without reference to the major disjuncture occasioned by the adoption of enabling principles or by the disjuncture occasioned by the reversal of these principles. These policies of state participation in direct construction in themselves are not new since they were the norm in the early post-independence era for virtually all developing countries (Turner, 1976; Hardoy & Satterthwaite, 1989). What is surprising is that they are being reverted to at this stage when such policies have earlier been declared to be inappropriate (World Bank, 1993; UNCHS, 1990a). The re-emergence of government housing after the experience of reforms based on enabling principles, demonstrates clearly that the issue of urban housing in most developing countries is presently at a ponderous juncture in both theory and praxis. Suffice to say this situation of housing policy reversal begs critical examination.

A principal aim of this thesis is to interrogate and develop an historical explanation of the Ghanaian experience of housing reversionism; to this end the main research questions can be framed as:

¹⁵ This was later clarified by the Vice President Aliu Mahama in a speech during the celebration of the 10th anniversary of the Home Finance Company Ltd. (the only mortgage bank at the time). The Vice President indicated that the funds would be used by the Ministry of Works and Housing to provide serviced plots for which “*low-income*” workers would be allowed to develop their own housing.

- What are the conditions and dynamics generating the recourse to policy actions that contradict and reverse the housing sector reforms based on enabling principles?

Given the contingent relation of the incidence of housing policy reversal to the antecedent implementation of the enabling principles, a review of the experience of the housing policy reforms in Ghana is imperative. In this regard, the conditions and actions preceding the reforms are outlined to contextualise the reform imperative and generate an understanding of the rationale for the introduction of the reforms. Following this, the experience of implementing the housing reforms based on the enabling principles is catalogued in order to develop a framework for a comparison of design intentions with implementation outcomes. This serves to unravel the underlying dynamics and impetus which fuelled the policy outcomes. In the light of the foregoing, the research was driven by the following additional questions;

- How were the enabling principles underlying the housing sector reform policies conceived, designed and implemented in the case of Ghana?
- What were the actions and material conditions that engendered recourse to the enabling principles of housing policy in the sector reforms, and how were these framed?
- What actors were involved in shaping the housing sector reforms and what interests were involved?
- How did these interests intersect with the prevailing conditions?
- What narratives were proffered to validate the adoption of the enabling principles and how did these narratives influence social practices?
- What actions, material conditions and interests are generating the recourse to policies contradicting the enabling principles?

In the light of the primary roles of the World Bank and the UN in the evolution of the enabling principles, coupled with the level of influence these agencies wield, this incidence of reversal of the enabling principles clearly elicits a reflexive look. It is important to understand how the ideology of the enabling principles of housing policy underpinning the sector reforms has been appropriated from international discourse, reformulated and translated to the local level, what outcomes emerged and whether these outcomes have featured in the observed policy reversal.

Over the past half-century, major housing policies and programmes in developing countries have been influenced by orthodoxies practiced in developed countries and been either implemented wholly, or partially re-formulated. Throughout this study, emphasis is placed on unravelling the complexities of the encounters of local policy actors with the orthodoxies generated by global agents such as the World Bank and the UN. These orthodoxies have entered local policy making spaces through the facilitation of “development assistance” and “technical assistance” programmes from the international development agencies. The World Bank, for example, lent a total of US\$4.4 billion and US\$ 8.8 billion¹⁶ for the periods between 1972-1987 and 1987-2003 respectively as assistance to housing sector programmes in developing countries (Kalarickal, 2006). This lending was accompanied by conditionalities mandating specific policy choices. From the mid-1980s onwards, such assistance was accompanied by conditional subscription to policy reforms. These conditions, framed as the enabling principles, required the adoption of market practices by the housing sector. In this process the social, economic and political conditions prevailing in developed countries influenced and guided the implementation of the enabling principles, and have been used to explain (albeit not without controversy) non-converging outcomes. The outcomes of the implementation of the enabling principles have rarely yielded the envisaged results

¹⁶ The shelter lending portfolio comprises site and services, slum upgrading, housing policy, housing finance and disaster relief. Infrastructure loans embedded in these components included loans made for energy and mining, global information / communication technology and transport.

especially for the poor. The ineffectual outcomes of the enabling principles have challenged international development agencies, such as the World Bank and the UN, as well as researchers and practitioners to reflect on the lessons emerging from the assistance programmes (UN-Habitat, 2006; Buckley and Kalarickal (eds), 2006; Zanetta, 2004). Furthermore, the many incidences of reversal of the enabling principles attests to the fact that developing countries' experience of implementing housing policies deriving from these orthodoxies are not necessarily consistent with the development trajectories experienced by the developed countries. The observed reversal reflects the different dynamics at work which need to be examined properly. The ultimate goal of this thesis is to develop a new understanding of the factors that influence local decision-making in housing in Ghana by tracing recent past and present housing policy trajectories. The study thereby attempts to construct a framework for analysing the paths of intersection and disjuncture between local and global policy influences. It is intended through a case study of Ghana to proffer insights into the dynamics of housing policy design and implementation in developing countries within the context of policy discourses originating from the international agencies.

1.5 Relevance of the study

Why is it necessary to explore the rationale for and mechanisms of housing policy in Ghana? One answer would be that we do not know enough of the workings of these mechanisms of policy making in housing, especially how principles developed by international agencies are appropriated and how they filter into the local decision making structures. The ways in which such principles are received and treated influence the extent of the convergence of their design and the implementation outcomes. These ways are channelled by the structure of the power relationships between the local housing sector policy actors and the international agents promoting the principles. Such policy making processes must not be treated as an unproblematic or impenetrable "black box". In this respect, this thesis is about

the politics of reforms and the order of influence of political agents within the multi-tiered arena of actors ranging from the international level to the local level.

Additionally, by extrapolating the trajectory of the principles and values manifesting as policy orthodoxy of housing, the thesis attempts to throw light on the use of “knowledge” in policy making in the housing sector. In this respect, Gilbert (2002b:1912) argues that, with reference to housing, there is inadequate information on governments’ knowledge development processes in an era when knowledge dissemination is at the heart of the work of the international agencies, particularly the World Bank. That the World Bank, for example, under the Presidency of James Wolfensohn recast itself as the “Knowledge Bank” in 1996 (World Bank, 1997), is testament to efforts at immunizing these normative approaches from being construed as political. Similarly, the UN has long postured itself as an eminent repository of knowledge with substantial flagship publications attesting to its industry in knowledge generation and dissemination. This thesis, in developing our understanding of the pathways by which knowledge enters into countries and the treatment given to it by recipients, challenges the ‘objectification’ and ‘political neutralisation’ of knowledge, arguing that the World Bank (and other global agencies), through the leverage of its research and financial capacity to induce specific policy choices by other actors such as local bureaucrats, converts knowledge into a political tool. Knowledge can be used to compel specific actions that are not always in tandem with the innate desires of those charged with the local implementation of policies. In this respect, knowledge becomes an effective tool for coercion. This study thus permits research into the effects of power in its transitive and intransitive manifestations. Furthermore, the thesis’ focus on the multi-tiered framework of intergovernmental relations in housing enables the examination of how narratives engage and intersect and how they are manifesting in the political sphere. This thesis –through a case study of Ghana – thus adds to the understanding of the mechanisms of the penetration of

hegemonic narratives in the internal social, political and economic arrangements of developing countries. Specifically, the thesis provides opportunity to elaborate on the multi-tiered dynamics of power in housing policy framework of Ghana that has largely remained under-researched. In the process, the thesis identifies points of divergence of theoretical constructs from the reality of housing policy in developing countries.

The divergence between the outcomes of implementing internationally developed principles and the envisaged results suggests that if there was adequate knowledge about how such frameworks function in local contexts, promoters of such principles and values would be more measured in their expectations. In this respect, increased emphasis would be placed on understanding the nature of the relationship between contextual framework and the power of agency and its effect in the application of such orthodoxies. It is naïve to assume that local housing policy agents and contexts will assimilate, un-doctored, orthodoxies framed by knowledge external to the local polity. The processes and effects of the interpenetration of orthodoxies on the local policy arena can engender an array of outcomes in varying combinations. In housing this can lead, on the one hand, to the maintenance of status quo conditions that fosters perpetual marginalization of already vulnerable groups such as the urban poor. On the other hand, the entry of hegemonic discourse can set off revolutionary changes to undermine the pre-existing privileged order with the effect of inducing resistance in the attempt of such disenfranchised interest groups to (re)assert control. The ways through which global orthodoxy seeks a local policy agenda foothold is a question for all, and this thesis contributes to the development of our understanding of such processes. In this respect, the critical contribution of this thesis to knowledge is in the empirical evidence produced to unravel the observed reversal of the enabling principles of housing policy.

With respect to Ghana specifically and developing countries in Africa where most housing reforms were implemented within the framework of the neoliberal structural

adjustment regime, the thesis makes additional contribution in furthering our understanding of how the dynamics of the material conditions, contexts and social practices combine with the interests and actions of actors to undermine the hegemony of international agencies such as the World Bank. In this process this thesis throws light on the multiplicity of actors and interests in housing policy formulation as well as the relative priority accorded to housing in the context of decision making and project implementation.

The results of this research point to the need for a guarded approach to projecting housing policy outcomes as these local factors have more weight in shaping the outcomes than the purported influence and power of the international development agencies such as the World Bank and the UN as conventionally expected. Typically research on housing policy in Ghana, and Africa for that matter, construes the state to be a homogenous entity and the government to be persuaded about the importance of the sector in its priorities. However as this thesis suggests, the state is a conflicted site of interest groups competing for space, attention and resources to pursue private interests. In this competition, housing as a priority of the state is not fixed notwithstanding the needs of the people, but rather becomes subsumed in these interest groups' competitions. Lastly, the thesis shows that for Ghana the relationship between the political class and the bureaucrats working in the policy sectors as well as in policy implementation agencies, and other factors such as length of tenure of the political appointee and how the office holder derives their power, are critical in shaping the path of particular housing policies and programmes.

1.6 Limits to the study

The scope of this study is quite expansive given the elements that constitute the enabling principles. For this reason the thesis focused on the aspect of government re-engagement in direct housing activities alone. Cognisance was taken of the diversity of interests ranging from the multi-national to the national level at the sector levels. Other

significant elements of housing policy reversionism such as evictions did not form part of the issues that were analysed in this thesis. In part, evictions have been occasioned by failure to adhere to planning standards and building codes. This tier of local interests draws in considerations of much lower scale of localised interests and contexts which may not necessarily converge with the interests, motives and conditions driving or restraining the functioning of national level policy. Additionally it was felt that the consideration of the issues of evictions introduced other dimensions of housing rights which went far beyond the research objective of determining the nature of the conditions and dynamics generating the recourse to housing policy reversionism. Lastly the consideration of the word limits imposed by the thesis' framework rules constrained the consideration of these issues of evictions. It is envisaged that these considerations of evictions would constitute the next phase of the research after the current work has been completed.

1.7 Structure of thesis

As noted, this thesis stands out because of its recognition and analysis of the conditions, context and rationale for state direct re-engagement in housing development after housing sector reforms that sought to curtail that very action. This perspective is overlooked in the reviews of the experience of the enabling principles of housing policy. As a result contemporary housing policy reviews, are not considerate of the nature of the penetration of the enabling principles of housing policy into the local policy agenda and its impact on prevailing power relations in the housing sector. Nor are these reviews, for the most part, concerned with either the interpretation or influence of the adoption of enabling reforms on social practice, nor with the reversal of the policy reform ethos. The following chapters will examine the research question of the dynamics and context of the incidence of reversal of the enabling principles of housing policy through an analysis of the published literature, documentary evidence and data gathered from the field.

Chapter 2 presents the theoretical basis for the approach adopted in carrying out this thesis and introduces the methodology employed. I note the difficulty accessing data in matters related to policy because of its inherent political nature and the difficulties in extracting information from respondents who were often reluctant to talk openly and freely about their experiences and interpretation of events.

In Chapter 3, I review the origination of the enabling principles in the post-colonial era of developing countries from the perspective of the two main advocates, the World Bank and the UN. In the process attention is drawn to key nuanced differences between these agencies with respect to the origination of the enabling principles, methodological approaches and operationalisation of the terms for subscribing to these principles. In Chapter 4, I review the conventional narrative of the state as the entity tasked to develop policies and point to the inherent weakness of this analytical approach. I observe the centrality of the state in production relations in the conventional characterisation of the post-colonial state in developing countries and the attendant neoliberal critique of this role of the state. I propose the de-construction of the state taking into account the diversity of interests constituting the state. By taking into account such diversity, it becomes possible to distinguish the forces underlying the impetus for specific policy choices. On this basis I submit a stylised narrative of the state of Ghana taking into account the political leadership and their respective dispositions. This foregrounds the discussions on the housing sector in Ghana in the post-colonial period in the following chapters.

Chapters 5 to 7 present the findings from the field stratified into the pre-reform, reform and post-reform periods. This temporal stratification was undertaken on the advice of focus groups in Ghana assembled to assist with the field work. Chapter 5 reviews the pre-existing housing practices of Ghana prior to the reform, drawing attention to practices in land and housing that reduced opportunity for the market to function effectively. However, a

narration of public housing policy prior to the reforms reveals that respective governments discounted the opportunities inherent in traditional housing practices in meeting the needs of the poor. Chapter 6 is an extensive elaboration of the design intentions and outcomes of the implementation of the enabling principles of housing policy in the context of Ghana. Lastly Chapter 7 discusses the conditions and actions that permit recourse to re-engagement into direct housing by the Ghanaian government. Chapter 8 presents the conclusions drawn from this study and a set of recommendations for consideration.

Chapter 2 – Research Design

2.1 Introduction

Generally, the research approach to be adopted is dependent on the type of research question driving the study. As has been indicated in the preceding chapter, this study seeks to catalogue the design, implementation and outcomes of housing policies antecedent to reforms based on the enabling principles, the actions and outcomes of the reforms and their aftermath. It is intended to generate an understanding of the dynamics and the underlying rationale for the observed outcomes of housing policies within the overarching framework of the interrelations between context (or structure) and the actions of agents (or agency). In this regard, the approach of this study is important for its consideration of the spectrum of interests and contexts that range from local to international. Similar considerations of the intersecting local and international interests and contexts taking account of ideological and political motives has been used recently in researching housing outcomes of Argentina, Mexico and Zimbabwe (Zanetta, 2004; Ramsamy, 2006). The study of housing policies and outcomes in the context of the enabling principles thus, takes account of the actions of the agents involved, the context and construction of the problems occasioning the reforms, the means by which this problematic gets on to the agenda, the design and representation of solution narratives, as well as the mechanisms through which the narratives are applied.

This study therefore lends itself to qualitative research. Denzin and Lincoln (2005) view qualitative research as that which primarily generates understanding through interpretive frameworks, that is, work that provides alternative interpretations of phenomenon. They note that qualitative research “*consists of a set of interpretive, material practices that make the world visible.....This means that qualitative researchers study things in their natural settings, attempting to make sense of, or to interpret, phenomena in terms of the meanings people bring to them*” (Denzin and Lincoln, 2005: 3). Furthermore, they

differentiate qualitative research from quantitative research in respect of its emphasis on “*processes and meanings that are not rigorously examined or measured ...in terms of quantity, amount, intensity, or frequency*” (Denzin and Lincoln, 2005:10). However, in a complimentary manner, they posit the emphasis of quantitative research to be “*measurement and analysis of causal relationships between variables, not processes*”. Cresswell (1998: 15-18) takes this argument further. He suggests that qualitative studies are best suited where the research seeks to *explore* an issue because there is insufficient information about the condition of the issue; that is “*variables cannot be easily identified, theories are not available to explain behaviour of participants....and theories need to be developed*”(Cresswell, 1998: 15). Furthermore, qualitative studies recognize the need to develop detailed perspectives of the subject and call for the recognition of the researcher’s role as one of an “*active learner who can tell the story from participants view rather than as an ‘expert’ who passes judgment on participants*”. In this regard, the qualitative researcher “*builds a complex holistic picture, analyses words, reports detailed views of informants and conducts the study in a natural setting*”. This is an important consideration of qualitative research in the sense that the researcher has to be self-conscious and take necessary measures to restrict one’s personal views from interfering with the subject of research. In this respect, I undertook this research bearing these in mind and therefore attempted to discount my own personal views as an expert in order to record and report truthfully the views of the respondents of my research as well as represent the accurate context of the material conditions of the housing sector and the macro-economy within which policies were decided and actions taken to implement them.

2.2. Research Paradigm

According to Guba and Lincoln (as noted in Mikkelsen, 2005: 127) “*No inquirer ought to go about the business of inquiry without being clear about just what paradigm informs and guides his or her approach*” (1994:116). The research paradigm is defined as the

“basic belief system or world view that guides the investigator, not only in choice of method, but in ontologically and epistemologically fundamental ways” (Guba & Lincoln, 1994:105)¹⁷.

Accordingly, the research paradigm represents “*the net that contains the researcher’s epistemological, ontological and methodological premise*” (Denzin & Lincoln 2003:33).

Mikkelsen (2005) elaborates in asserting that all research should be driven by three ‘meta-science’ questions – namely the ontological question, epistemological question and the methodological question referring respectively to how reality is conceived or the nature of reality, what is to be regarded as valid or acceptable knowledge of such reality and the mechanisms for extracting such knowledge. Denzin and Lincoln (2005) extend Mikkelsen’s observations in suggesting that the qualitative research process which involves Mikkelsen’s three inter-connected activities, identifies the researcher as a socially impacted subject undertaking research on other subjects through peculiar means. They note that:

The gendered, multi-culturally situated researcher approaches the world with a set of ideas, a framework (theory, ontology) that specifies a set of questions (epistemology) that he or she then examines in specific ways (methodology, analysis) (Denzin & Lincoln 2005: 21)¹⁸.

Hay (2002:63) formats a schema depicting the relationship between these fundamental elements of the research as sequential and directional in the sense that ontology precedes epistemology which precedes methodology (Figure 2.1). This schema implies that the researcher is not neutral to the research process. The researcher may have personal dispositions that may bias the outcomes unless explored and, as much as possible, neutralised. Therefore, to carry out this research, it is imperative to explore and justify my personal view of what constitutes reality and through that clarify the ways in which the knowledge of this reality can be known and how this research operationalised the means for obtaining such the knowledge.

¹⁷ As noted in Mikkelsen (2005:127).

¹⁸ See also Blaikie (1993).

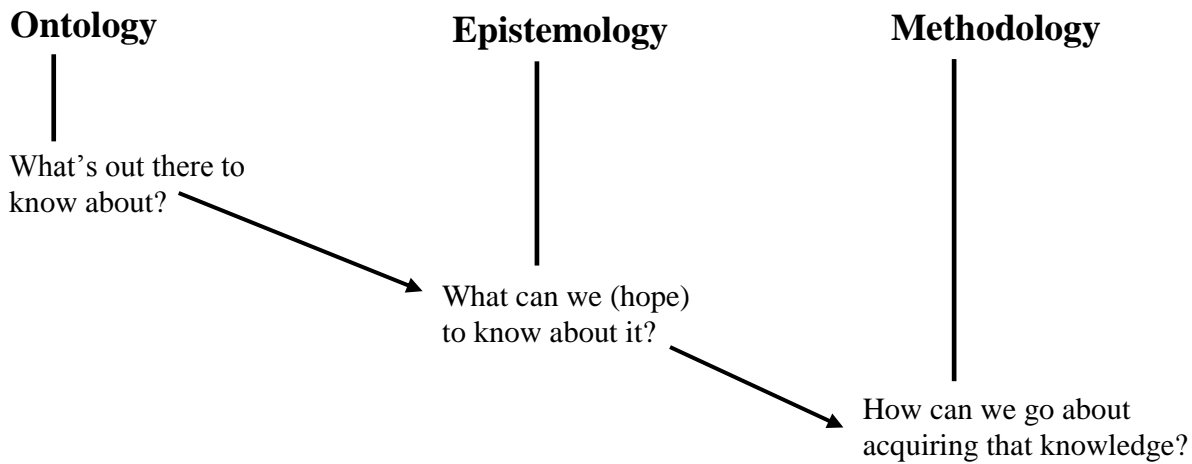


Figure 2.1: Ontology, epistemology and methodology: a directional dependence (Adopted from Hay, 2002:64)

2.3. The Research Question and the Research Model

This study in examining the trajectory of succeeding housing policies in the pre-reform, reform and post-reform eras, challenges the narrative that presents succeeding policies as arising from a consensual desire for improvement of a neutral ‘problem’. In this respect, the ways in which issues gain attention in the policy agenda are seen as contested and not through a logical and value-free process. At junctures of decision-making, alternative issues compete for policy attention and the ultimate policy choices reflect the narrative of the dominant interests emerging from the clash of discourses (Jacobs et al, 2003). In this regard, this thesis does not purport neutrality of the state and its functionaries, nor of international organisations including the World Bank and the United Nations (UN) in the formulation of housing policies. If policy is a decision-making outcome of contested claims and not an objective response to a technical “problem”, then this study is about power and its manifestation in social actions. The research goal of explaining housing policy outcomes is a study of how power is differentially applied by competing interests in the context of compelling and obstructive conditions in framing housing problems and solutions. Embedded in this is a question of the balance of the dialectical relationship between the extenuating conditions and the actions of the interest group(s), the legitimating framework for specific policy choices and the narratives deployed in this legitimation.

According to Bhaskar (1989:2) every philosophy, discourse or practical activity presumes an ontology or general account of the world in one way or another. These are realism, empiricism, pragmatism and idealism or, as conceptualised by Bryman (2001:16-18), *constructionism* or *constructivism* and *objectivism*. Objectivism infers “*an ontological position that implies that social phenomena confront us as external facts that are beyond our reach or influence*”. This implies that reality or the social world as a neutral entity can exist to the exclusion of the observer or researcher and knowledge of this reality can be independently assessed. Conversely, constructivism is the ontological position in which occurrences and their meanings are constantly being “*created’ and accomplished by social actors*” (Mikkelsen, 2005: 137; Bryman, 2001: 18). This position opposes objectivist ontology in the underlying assumption that the observable world as the only reality is constituted by and emanates from the interaction of social actors with meanings constantly evolving from this interaction of agents.

In respect of epistemology or what constitutes valid knowledge, a number of positions allied to different ontological persuasions exist. According to Mikkelsen (ibid), the most common epistemological positions are *positivism*, *intepretivism* and *critical realism*. As noted earlier, the researcher’s ontology helps to shape the epistemological position, although caution must be taken not to conflate these foundational elements: ontology is not reducible to epistemology (Hay, 2002:63). The three positions are briefly described in the next section, following which their relevance to the research questions of this thesis are discussed. The study does not intend to undertake a comparison of the merits of the different ontological and epistemological positions. However, it examines the positions most advantageous in answering the research question.

Arguably positivism is a stance whose definition is contested, has variable slants and can be misconceived, for which reason it has been called “*a slippery and emotive term*”,

“*nebulous*” and considered “*pejorative*” (Silverman, 2006:38; 1997:13, Bryman, 2001:12). Nonetheless, some elements of positivism are un-contested and permit its characterization. Travers (2001: 10) points to positivism’s central assumption that “*it is possible to describe the world objectively, from a scientific vantage point*”. Positivism assumes “*patterns and regularities, causes and consequences in the social world*” (Mikkelsen, 2005: 135). This approach appropriates the use of natural sciences’ research methods, particularly the underlying deductive logic, to be applied in the study of social practices. Positivism utilizes hypothesis that can be tested through the collection and analysis of extensive empirical data for the validation of theories. The positivist approach aspires to universal laws through the generalisability, reliability and representativeness of its findings (Travers, 2001). In respect of this research, positivism implies the search for the cause of observed outcomes through evident “*hard facts*” waiting to be discovered. A positivist approach would thus attribute the observed outcomes of the housing policies to be independent of the actions and interactions of the actors within the housing policy arena including the World Bank, UN, the Ministry of Works and Housing, the local authorities and the communities. Additionally, the positivist approach would seek to explain the outcomes by establishing correlations between variables such as income levels of poor households, cost of urban land, and the private sector’s financial capacity and production levels to deliver down market activities. The positivist approach is implicit in much of the housing research in developing countries, particularly in African countries (Malpezzi et al, 1985; Malpezzi and Mayo, 1987a; 1987b; Strassman and Blunt, 1994; Ikejiofor, 1997; Konadu-Agyeman, 2001; le Blanc, 2005) and is particularly dominant, albeit implicit, in housing research related to Ghana (Malpezzi, Tipple & Willis; 1989, 1990; Willis, Malpezzi, & Tipple, 1990; Tipple, Korboe & Garrod, 1997; Tipple et al, 2000¹⁹; Sinai, 2001a & b; Fiadjoe, Houston & Godwin, 2001; Asabere, 2007).

¹⁹ Most of these reports and papers by Malpezzi, Tipple, and Willis were either directly or derived from

Lawson (2003) catalogues the main arguments set out against the *positivist* approach to housing research based on Blaikie's (1993) interpretation of historical and contemporary debates. Firstly, social science is essentially different from the natural sciences in respect of the complexity of the behaviour of the subjects under study. The behaviour of human beings is conditioned by, and yet impacts upon, the environment and culture of the society they inhabit. In the same vein, society is not composed of distinct, atomised and unrelated entities available for hypothetical research but rather comprise interacting individuals affected by the social relations and material conditions leading to irregular behavioural patterns. The irregularities arise from the changes in historical trajectories and cultural practices. Lawson stresses that "*The laws (events regularities) of Positivism cannot universally apply: patterns of behaviour can be changed by human action, which is both socially constructed, materially constrained and changes over time and space*" (Lawson, 2003: 14). Human beings are strategically calculating subjects capable of taking different directions in the face of the combination of specific material conditions and inherent structural relations. Consequently, positivism's "*experimental method to human behaviour is artificial and overly simple*". The last criticism relates to the position of the researcher in relation to the researched subject. Positivism places the researcher as an objective observer recording the self-evident patterns of behaviour, thereby denying the implicit biases inherent in the researcher which can affect the research subject.

Intepretivism on the other hand, privileges the actions and relations of actors to produce meanings and generate causes. It posits that the actions of social actors are foundational in constructing reality, making it inappropriate to adopt the methods of the natural world to explain the social world (Bryman, 2001). The actors' experience of meaning captured though interpretation and attribution is an important site for study in intepretivism

commissioned research work by the World Bank on Ghana's housing sector prior to the inception of the housing sector projects that implemented the enabling reforms.

and explanations can be rendered by examining the interactions of social actors. To some interpretivists, all reality is subjective and multiple and cannot be objectively discovered. The researcher is required to appreciate this condition in conducting social research (Travers, 2004). However, this position is now being revised by the view that it is rather *access* to the material world that is mediated through communication – language and discourse (Jacobs et al, 2004). Although Schwandt (2000) elaborates the differences between interpretivism, hermeneutics and social constructivism²⁰, it nonetheless shares a common focus on human interaction and has been conjoined by some as interpretivist-constructivist epistemology (Denzin & Lincoln, 2003). On the basis of this epistemological approach, this thesis in examining housing policy outcomes would limit itself to the interaction between the different actors – staff and consultants of World Bank and UN, local bureaucrats, political appointees, community members, and so on. The understanding of the enabling principles held by these interest groups deriving from the interactional encounters between them would be viewed as an important platform shaping the adoption of the reforms. The housing reforms would be characterised as the contest of the discourse of non- or minimalist state housing practices against the discourse of state-centrality in resolving the dire material conditions of housing in society. The outcomes would be explained by examining the ascendancy of the advocates of interventions as opposed to those of regulatory reforms. Although it has gained some utility in the European context (Clapham, 1997; Jacobs et al, 2004), the constructivist epistemology in housing research has rarely been used in developing countries and particularly for African countries (Moyo, 2005).

Somerville and Bengtsson (2002) arguing from a “*contextualised rational action*” standpoint criticize interpretive-constructivism as suffering “*subjectivist fallacy*” because of its absolute disavowal of objective reality independent of human agency of any kind. They

²⁰ The key difference that Schwandt (2000) elaborates is on the position of the researcher in relation to the researched subject – whether the researcher plays any role in the formulation of meaning in extracting the research subject’s perspective.

criticize constructivism's relational production of reality such as "*the problem*", "*my interests*" and "*solution talk*", seen as moves in discourse, to the detriment of discourses of "*rights*", "*duties*", "*justice*". They note that

If human interests are no more than moves in discourse, then why should we be concerned about social injustice at all? (Somerville & Bengtsson, 2002: 122)

Furthermore, they accuse constructivism of making substantial leaps in logic from the stance of the world being constructed to the conclusion that "*referents (such as the self) are constructed or constituted through discourse*". By this reasoning, discourse is constitutive as it is only through discourse that referents are generated and not the other way round, a case of "*linguistic reductionism*". They characterise this approach as strong constructivism, accusing it of being foundationalist and therefore paradoxical, by construing representation to be the actual reality, a criticism endorsed by Schwandt (2000). Strong constructivists further deny the influence of material conditions and any changes to such conditions on the meanings and consequently actions of social actors (Sayer, 2000). By admitting only socially constructed reality, this epistemology is devalued in its disregard of structural factors – visible or not to the actor or researcher – and in not acknowledging the effect on the observed outcomes. Structural influences can dominate and frame actor motivations and need to be taken into account. Therefore, to examine causality without reference to underlying structural influences is a superficial approach to explaining the assertion of power. Lastly, Somerville and Bengtsson (2002) raise issues with the constructivist epistemological position for the constraints it imposes on the researcher moving from discourse to agency.

The last epistemological position to be considered is that of *realism* (and the associated critical realism variant) which premises social actions within the context of structural relations and advocates the recognition of both to discover causality. Contrary to positivism and interpretive–constructivism, realism does not privilege exclusively either the meanings or empirical observations as the cause of human behaviour. According to Sayer

(2000:3) “*social science is neither nomothetic (that is, law-seeking) nor idiographic (concerned with documenting the unique)*”. Whereas recourse to methods of natural science research holds that some parts of objects can be observed empirically or fixed experimentally in order to examine and explain particular occurrences and understand their causes, the same cannot be said about the social world which is open and dynamic. Dynamism in the social world implies that it is not possible to produce generalisable and predictable behaviours and outcomes. In realism, the world comprises more than what can be observed or experienced that can be affected by subjective differences and multiple perspectives. Realism acknowledges the influence of underlying structures, understood to be sets of internal relations existing between material conditions and social practices. Within these relations the interaction between the necessary and contingent features of the structures imposes variable effects that make social practice unpredictable. As a result, social structures have emergent powers conditioned by complex interaction of contingent factors and that can produce peculiar outcomes. Therefore, reality is not the taken-for-granted practices but is rather layered and invisible to the observer and not easily predictable. Critical realism categorically distinguishes the “*real*”, “*actual*”, and “*empirical*”. The real is said to be “*whatever exists, be it natural or social*” irrespective of its perceptibility to the observer. The real is also deemed to be “*the realm of objects, their structures and powers, they have causal powers ... and ... passive powers*”, that engender particular trajectories of actions and generate propensities for specific outcomes. Whereas necessary relations ensure specific outcomes, contingent relations engender potential for particular outcomes. In this regard, the “*actual*” refers to the actions and outcomes when the contingent relations are activated. The “*empirical*” is the realm of experience of either the real or the actual (Sayer, 2000:11-12). Thus to explain social practice, realists advocate the unravelling of these deep-lying features to reveal these emergent causal powers, a process referred to as recovery of *ontological depth*. According to

Lawson (2003: 16), “*It must engage the critical imagination to abstract geo-historical internal relations that form causal mechanisms operating in the context of contingently related conditions*”. Accordingly, housing is characterised as a “*complex of dynamic, underlying and interrelated social relations*” (Lawson, 2003: 16).

Realism is not without its criticism, key among which is the accusation of its “*objectivist fallacy*”. It is claimed that it suffers ontological dualism whereby it admits that both real and experienced world exists distinctively *and separately*. Furthermore, it is deemed that realism suffers from the primary problem of mis-characterization, denoted as “*category mistake*” of agency as an object rather than a process. Thus realism is seen to “*tend to objectify what are not objects. In linguistic terms, they mistake verbs for nouns*” (Somerville & Bengtsson, 2002: 122).

Another critique of realism is that of incoherence between the ontological duality it espouses and the attendant analytical methods in addressing the question of structure and agency (Hay, 2002). Whilst seeking to transcend the duality of structure and agency, Hay (2002) argues that Giddens’ structuration theory, as an example of realism, is however entrapped by its resort to an analytical dualism. The argument is based on the single analytical focus given to the *duality of structure*. The error is made in the analytical approach presuming a constrained observer with a fixed viewpoint and thus unable to capture both structure and agency at the same time. In this respect, using the analogy of a coin with the structure and agency argument being the different sides, the analytical paradox is seen in the notion that the observer is hindered “*confined as we are to view the world from one side of the coin or other at any given moment*” (Hay, 2002: 120-121). This analytical handicap is expressed in the demand for “*methodological bracketing*” of one aspect – such as strategic conduct – when considering another aspect of an issue, such as institutional context.

This thesis focuses on the assimilation of received norms, encapsulated in the enabling principles of housing policy, through the interpretive frames of local policy actors conditioned by context. The potential outcomes of this process are varied as a result of the differing influences which cannot be determined by observable traits. Recourse to observable evidence or the representation accorded to these practices by the policy actors cannot thus deliver the required explanations for the outcomes. By discarding the notion of an objective and independent and value-free housing problem in Ghana, the research approach adopted in this thesis discounts an objectivist ontological position for a subjectivist one. The housing reforms are outcomes generated through two mechanisms of dialectically reinforcing factors. Firstly, the interactions of various agents engaged in determining what should be considered as the housing problems and the consequent policy response can produce the observed outcomes. Agents' perspectives shaped through interactions are an important focus of this study as these perspectives are differentially impacted by the interpretation of the enabling principles of housing policy promoted by the UN and World Bank. Given the origination of the enabling principles within the corridors of these international agencies (see Chapter 3), the treatment of these received principles and values and their corresponding representation by policy actors is crucially important in developing an understanding of the trajectories that subsequently evolved.

Secondly, the interactions of the policy agents do not occur in a vacuum but instead emanate from and are embedded in the socio-historical context within which these interactions are situated. Whatever actions different actors took were in part dictated by the context of the relations between them. Given the different conditions of engagement between agents from national and international institutions in the design and implementation of the enabling principles, the structural relationships between the functionaries of the World Bank and the UN on one hand and the local political, bureaucratic and low-income poor classes, on

the other is central to the analysis. Satterthwaite (2001: 137) indicates that the nature of international development agencies is such that they require local agencies to operationalize their programmes and their effectiveness is contingent on their local partners, especially government organisations. However, the local agents are themselves subject to a spectrum of influences not exclusively managed by the international organizations.

By acknowledging the dialectical complexity of the housing policy process and in particular the contestable entry of the enabling principles, this study is adopting an approach that examines and interprets structural relations and actions; as Heinhelt (2005:1) observes, *“policies cannot effectively be considered separately from their related historical and locational structures and actor constellations related to them”*. On that basis, the housing policies are subject to both structural and agential considerations. On the basis of the foregoing, this study adopts the realist epistemology.

(Critical) Realism derives from and has been situated in the long-standing debates over the influence of structure or agency in observed outcomes that have traditionally polarised the social science community. Although this argument has not been settled one way or the other, there has been an increasing clamour against perpetuating the divide and for returning to *“the most basic of ontological principles, those concerning the relationship between the actor and the context”* (Hay, 2002:115). The proponents and practitioners of the *“return to ontology”* argument include Anthony Giddens, Margaret Archer (all cited in Hay, 2002); Roy Bhaskar (1989), and Andrew Sayer (2000). Realists have not arrived at the persuasion of the conjunctive relationship between structure and agency based on the convergence of positivism and interpretivism. Neither has realism ignored the merits and demerits of either of them. Indeed, these advocates have developed realism as an argument for a third way by interrogating the entire spectrum and nature of positivism and interpretivism. Realism asserts the dialectical relationship between structure and agency. In

the process, critical theory has been streamlined to integrate both structural and agential perspectives into a coherent analytical framework (Hay, 2002). Realism shares a belief with positivism in the existence of reality, but departs in how this reality can be accessed. It understands that this reality can be accessed if the structures generating the events and discourses emanating from them are identified (Bhaskar, 1989:2; Sayer 2000)²¹. The critical approach is seen to go “*beyond surface illusions to uncover the real structures in the material world in order to help people change conditions and build a better world for themselves*” (Neuman, 2003:81). Realism also espouses reflexivity by the researcher in relation to the researched. Researchers must examine and be aware of the biases that they bring to the conduct of the study. Realism’s tenets have implications for the methodology in conducting research which will be discussed in the next section.

2.4. The Data Gathering Process

Data collection in developing countries and especially in Africa is ridden with difficulties as a result of underdeveloped records management systems. However, having lived and worked in Ghana all my life, I was aware of the potential difficulties that I would encounter, especially related to motives underlying policy actions that went back over two decades. However, my experience in undertaking this research also drew my attention to the fact that research related to policy can be even more hazardous than would be the case elsewhere. As I have come to appreciate, policy means politics and politics, be it contemporary or historical accounts, can be very controversial and perceived as dangerous for respondents tasked to reflect on and articulate opinions. In Ghanaian society, emerging from military rule to democratic constitutional rule, people and organisations from whom information is required are often not too keen to candidly share information and opinions for reasons that I have come to appreciate as self-preservation. In spite of the cloud of

²¹ Cited in Bryman (2001:13).

respectability accorded to Ghana, especially by western societies for its achievements in democracy, there is a pervasive sense of arbitrary use of power by the political class.

The principal obstacle to the free sharing of views was the respondents' genuine fear of victimization for expressing honest opinions about policies, past or present. This risk of victimisation is a perceptible factor that can not be discounted. It had the effect of denying, delaying or restricting my access to respondents and institutional sources. A principal lesson learnt in the data collection for this research has been the importance of diffusing fears and guaranteeing protection. I also found value in recourse to multiple sources to securing information on any particular event or incident. The practical experience of data triangulation has shown me in greater detail the significance of its merits than the literature on research methods could ever have taught me. On the down side, this has also led to instances of data overload which has required the investment of time in sifting through review and discarding of information that was not relevant or helpful.

Access to the organizations and informants was helped by my familiarity with some of these organizations as a result of my earlier work as a consultant for the UN-Habitat in implementing a slum upgrading project in Ghana. This generated both opportunity and threat for my data collection. On one hand, being a consultant of the international organisations such as the UN provides access to the highest offices (up to the Presidency) and consequently places one in a position of higher power in relation to bureaucrats and community groups. Furthermore, the assignation as an "international expert" by reason of this association with an international organisation is an intimidating position for bureaucrats. To this extent, respondents could be very economical with information. On the other hand, this position enabled me to get access to documents that ordinarily would not be given out by civil servants. As my association with the UN project ended before the start of this post-graduate research work, this distinction was clarified for informants wherever I went for information in

an attempt to free the selected respondents from any inhibitions. Due to the need for repeat visits to informants and organizations, the field work took a total of seven months to conclude.

At the start of the field work, I identified and assembled distinct sets of people into focus groups to discuss the outline of the research and the related requirements of the field work. Selection of the participants in these focus groups was based on their expert knowledge of the thematic areas which was validated in my initial consultations with housing, local governance and policy experts known to me from my professional work in Ghana. The themes were identified on the basis of the preliminary reading of housing reforms. The focus groups were organised according to the following themes: housing, housing finance, local governance, land management and administration, World Bank projects, UN projects, private real estate developers, planners in central and local government, general policy experts, and lastly a low-income community group in Tema. It took six weeks starting from the second week of August 2006 to the end of September 2006²² to organise the focus group discussions because of difficulties experienced in synchronising the availability of the different experts. The focus group discussions also suffered from frequent interruptions as participants often left the meetings shortly to attend to urgent matters. However most participants did return to the discussions to contribute meaningfully to the discussions as the reasons for which they excused themselves were resolved by telephone. With the exception of two discussions, I conducted all the (ten) focus group discussions in the conference room of the Institute of Local Government Studies because of its location on the periphery of the capital. The motive was to draw the participants away from their respective work places as much as possible in order to minimise interruptions as well as provide a neutral location for the discussions. For the community group I undertook the focus group discussion in their own community built

²² A follow-up validation exercise was done with the focus group of private estate developers in January 2008.

meeting facility. Lastly, I met with the focus group of housing experts in the conference room of the Ghana Institute of Architects.

Prior to undertaking data collection, preliminary consideration was given to the nature of the research question and its imperatives for the field exercise in a focus groups discussion with housing bureaucrats. Through these discussions it was decided to establish a temporal stratification in order to chart policy developments before, during and after the reforms and thereby unravel underlying structures and its associated changes. Focus on this stratification was informed by the desire to establish the social practices and the context prevailing in these periods in order to understand the generative conditions and actions underlying reversionism. The pre-reform era was important in developing an appreciation of the prevailing conditions and state of the housing sector and especially of the elements of these conditions that were deemed as problematic thereby necessitating reforms. Identifying these conditions enabled an examination of the underlying and predisposing structural causes and to what extent the reform activities addressed these conditions. The examination of the reform era then enabled me to identify and assemble all actions that were undertaken under the aegis of the reforms. These facts facilitated the determination of the impetus for those actions and how those actions allied with the enabling principles. By distinctly compartmentalizing the reform era, I was able to review its outcomes in the light of expectations and the actual activities that transpired. Having delineated the reform period from the post-reform era, I was able to then identify the material conditions and processes for which reason the reform outcomes were legitimated. In this regard, the discourse was carefully examined to understand the rhetorical tools utilized to legitimize outcomes.

This temporal stratification which established the boundaries of the three periods however faced the challenge of determining the specific point in time when the reforms began and ended. This was resolved following guidance from the focus group discussions

with housing experts who were involved in the pre-reform, reform and post-reform era. It was concluded that the housing sector reforms began with the invitation by the state of international agencies to support the urban and housing sectors following the inception of the Stabilisation and Structural Adjustment Programmes. Furthermore, following the direction by the housing focus group, the end of the reform programme was fixed to the end of the World Bank's Urban II programme in 2000, which also coincided with the unique occurrence of the first ever democratic political transition in Ghana. Cognisance was taken of this political transition and its impact on the continuities and discontinuities in policies. In the light of the foregoing, the pre-reform era could be considered to be the post-colonial period up to 1984, followed by the reform era spanning 1984 to 2000 and the post-reform era from 2000 to the present (2009).

In respect of the reform era, although the timelines appeared to be quite clear, my attention was drawn to three distinct patterns in the reform trajectories based on the category of sponsors and advocates of initiatives. In this regard, the reform trajectories were driven by the efforts of the (i) World Bank, (ii) the UN (that is, the United Nations Development Programme (UNDP) and the Centre on Human Settlements (UNCHS)), and lastly (iii) the local policy community that originally comprised, predominantly, bureaucrats of the Housing Ministry; latterly the local housing policy community was taken over by the public pension funds, the Social Security and National Insurance Trust (SSNIT). I was made aware, and therefore took account, of the overlap of the activities in these distinct agency trajectories and also an overlap in the established temporal boundaries. Thus, although classified into pre-reform, reform and post-reform eras, the activities led by these three key policy actors in the housing and urban development sectors were not entirely fixed within distinct boundaries.

Having established the external and internal dimensions of the research, I turned my attention to identifying sources for collecting data covering these three (pre-reform, reform

and post-reform) policy periods. These were disaggregated on two operational levels – vertically and horizontally. On the one hand, data was gathered from organisations taking account of the vertical spectrum of interest ranging from the international, national, and local levels. International organisations identified were mainly the World Bank and the UN-Habitat. At the national level, key sources of information included the Ministry of Works and Housing (MWH) from which housing sector policies directly emanates. In addition, the Ministry of Local Government, Rural Development (MLGRD), the Ministry of Finance and Economic Planning (MOFEP), and the National Development Planning Commission (NDPC) were identified as sites for information on policy decisions. The Ministry of Finance, for example, is the sector ministry in charge of managing the macro-economy and supervises the disbursement of annual budgetary funds. As a result, it has an important role in determining the nature of the financial resources available for any sector, and in respect of this study, the housing sector. An important overlap that was taken into account was the operation of the identified international organisations at the national level; the World Bank Country Office and the Office of the UN-Habitat Programme Manager. Lastly, at the local level, I focussed on the local government of Accra with the functionaries of the selected departments as the sources of information reflecting their front line role in housing. These departments included the Town and Country Planning Department, Metropolitan Engineer's Office, Metropolitan Development Planning and Coordinating Unit, and the Metropolitan Coordinating Director's Office. I contacted and interviewed representatives from these offices together with the Chief Executive form the Metropolitan Statutory Planning Committee (in charge of approving development control). Accra was chosen because it has a pioneering role and torchbearer effect on urban development in Ghana.

In terms of the horizontal disaggregation of data sources, I focussed on the sub-sectors of housing namely land management, land-use planning and development control, housing

finance, building materials, and housing development. Given the predominant interest of this study in policy, I focused my initial attention on public agencies in these sub-sectors. In doing so, I observed that some public organisations involved in some aspect of housing policy in one way or the other, had become defunct. This was the case in respect of the main state-owned mortgage bank – Bank for Housing and Construction (BHC) – which emerged in the early 1970s but had collapsed by the end of the housing sector reforms in 2000. Similarly, the first publicly owned housing finance agency – the First Ghana Building Society – had become virtually moribund by the 1990s and was effectively under administration at the time of the data collection. These institutions were incapable of providing the documentation that I required. To circumvent this hurdle, I tracked the former management staff of these institutions and obtained some documentation that they had personally retained. Similarly in housing delivery, two pre-reform public housing development companies – Real Estate Development Company Limited (REDCO), a subsidiary of BHC, and the State Construction Corporation – had been liquidated. Their demise was not critical to obtaining the necessary data for this study since the State Housing Company (SHC) - as the first ever public housing organisation - sufficed in the extrapolation of historical and contemporary data regarding government policy towards housing development. SHC in particular had been engaged in nearly all housing programmes of the state prior to the inception of the reforms. In addition, it was an important player in the reform era, although its institutional charter changed during the reforms. It still retains a significant role as a housing developer, albeit without any state subventions for its activities.

I undertook several key informant interviews and focus group discussions after identifying the sources of information. Focus group discussions and preliminary discussions were held very early in the research to identify key informants. For the World Bank in particular, most of the key informants were staff and consultants who came from

Washington. Checks showed that virtually all but one of the participants in the World Bank component of the reforms had long left their posts. Using different means including internet searches and tracking through the most recent publications of these informants, I was able to obtain the latest addresses of some of them and established contact. Unfortunately, virtually all of them were in disparate locations such as Romania, Jordan and USA (Minnesota) where they could not be physically reached given the significant budgetary constraints. The alternative of using emails to send interview questions did not yield any positive response. However, through participation in the 3rd World Urban Forum in Vancouver²³ from the 19th to the 23rd June 2006 appointments for interviews were secured with a couple of informants from the World Bank. As a result, I visited the World Bank offices in Washington in June 2006 where I met with the Senior Economist of the Bank who had been involved in the Ghana housing reform project. Following an interview on the subject he also compiled and gave to me the project reports that the Bank had in its archives which had not been available at the Ghana country office of the Bank.

Other interviews secured during the Vancouver conference were with additional informants from UN-Habitat, who, though not directly conversant with the peculiar situation of Ghana, were nonetheless informative in discussing the conceptual issues of enabling housing policies. The interviews with the UN-Habitat informants were facilitated by the launch at the Conference of the UN's publication reviewing the global application of the enabling policies (UN-Habitat, 2006). The reflection on the enabling reforms and a special Expert Group Meeting on innovating financing of slum upgrading held as part of forum, to which I was invited as a former consultant, created the appropriate platform for engaging these informants in their natural domain.

²³ The World Urban Forum series was initiated by UN-Habitat and organised in Nairobi as a global think tank for the UN on urban issues and also as a platform for engaging stakeholders of the urban agenda in constructive debates. Subsequently the forum has been held biannually in Barcelona (2004), Vancouver (2006) and Nanjing (2008).

The search for documentary data, especially related to policy rationale at each juncture of policy change, compelled me to go beyond these listed organisations to other sources such as the National Archives, the libraries of the University of Ghana and the Faculty of Planning Department and the archives of newspapers, in particular the publicly owned newspaper, Daily Graphic²⁴ and the Ghana News Agency. However, recourse to the other newspaper sources became necessary following the limited access provided by the National Archives in spite of assurances and accompanying proof that the use of the requested materials was solely for academic purposes. Again, this experience emerged as the manifestation of the perceived fears of bureaucrats. In the light of such fears by bureaucrats, I had to use the newspaper reports of housing related news that I had obtained from the archives of the press houses as supplementary evidence in examining the research questions. In respect of other archival searches, I secured materials from the headquarters of the World Bank in Washington during my research visit in June 2006, related to their participation of the reforms. I was given access to documents such as internal memos and staff appraisal reports and evaluation reports of projects and given permission to use the information therein. In the process of identifying and collecting the requisite reports it became obvious that most of the agencies in Ghana I was researching did not have the reports I needed. However some retired staff of these agencies were able to provide me with the reports as they had made personal copies of such reports of work they had been involved in prior to retirement.

I also undertook three observational surveys to confirm the influence of the public pension funds on the initial housing development activities of private sector developers after the inception of the housing reforms, the penetration of international housing development companies, and ground the anecdotal evidence of the scale of growth of the private sector developers. The first survey was necessitated by evidence suggesting that locational decisions

²⁴ Daily Graphic as the oldest daily newspaper, was established in 1950 as a private business but subsequently nationalised in 1956. The 1992 constitution engendered the editorial insulation of all publicly owned press houses through the replacement of the government's appointive power by a non-governmental commission.

by the nascent private sector developers emerging from the housing reforms were predicated on similar decisions of the public pension funds, centred on the sites of their first mass housing development programme. The second survey aimed to establish the relative degree of penetration of international housing development companies in the housing market of Ghana, using Accra because of its torch-bearing role in the urban spectrum. The need for this survey was generated by the implicit assumptions of “free” markets underlying the neo-liberalism ethos of the housing reforms pursued in Ghana. The last field survey sought to determine the scale of housing development activity by private sector housing developers, (inclusive of local and international developers) by comparing the survey results of Grant (2005) with my own survey undertaken two years later.

Lastly, I undertook a variant of discourse analysis in the post-reform era through an examination of the speeches and statements of the key actors in the NPP administration in order to establish the meanings and representations utilised by these actors to legitimise their actions. Mikkelsen (2005) describes the utility of discourse analysis thus:

The essence of discourse analysis is concerned with the interpretation of human action, ...based primarily on text and talk analysis.....People use discourse to do things – to offer blame, to make excuses, to present themselves in a positive light (Mikkelsen, 2005: 186)

Gregory (2005) also notes that

discourses are regulated: discourses have coherence and systematicity, though they be (and usually are) contradictory and are marked through their own “regimes of truth”, that police the boundaries between inside and outside – to legislate inclusions and exclusions – and to establish criteria for acceptability. they enable us to understand “how what is said fits into a network that has its own history and conditions of existence” (Barrett 1992 cited in Gregory, 2005: 180)

The discourse analysis was necessitated by the need to understand their intentions of the key policy actors and also because language is an instrument of the articulation of power. The actions of the key policy actors including the characterisation of the sector and other actors within provided key learning in the thesis. In this respect, I reviewed extensively the speeches and statements of the key actors in housing, particularly the Minister for Works and Housing

to understand the language and interpretations given for the policy actions taken in the post-reform era.

In all, a total of thirty-five interviews and ten focus group discussions²⁵ were held with the interviews averaging ninety minutes and the focus group discussions also taking one hour. In conducting the interviews and focus group discussions, notes were taken of the responses and these were backed by tape recordings that were transcribed after.

The thesis has focused on the housing interventions adopted by the government, the UN and the World Bank in the reform and post-reform eras. As a result the geographic focus of the study was limited to the key cities of Accra, Kumasi, Sekondi-Takoradi, Tema and Tamale which happen to be the primary cities of Ghana. This focus is premised on the history of Ghana's post-colonial housing policy context in which there has been a preponderance of interventions in these cities and virtually nothing in other towns or in the rural sectors.

2.5. Ethical Considerations

In conducting this research, reviewing government housing policies, the key ethical consideration prior to the field work was transparency about my identity as the researcher and the purpose of the research and its attendant disclosure. Identity disclosure was deemed particularly important, especially in relation to the civil servants because of the work I had been involved in earlier as a consultant of the UN in the Slum Upgrading Facility (SUF). This former position had placed me in a position of power over such respondents in the context of that former relationship having being accorded the status of one with privileged knowledge. This privileged position had to be deconstructed in order to obtain information that was not coloured by this power relationship. To do this, I undertook an initial round of introductory meetings with all respondents prior to, and separate from, the first interviews. During these meetings, issues discussed were not related to the research subject per se but rather covered

²⁵ See Annex 1 and 2 for list of interviewees, composition of focus groups and general guidelines of interview.

social issues that were intended to reassure the respondents and prepare them for the actual interviews scheduled for later dates.

However, during the data collection conducted in the field it became abundantly clear that civil and public servants in particular were very reticent in discussing their views of the reforms and other allied policies in spite of the assurances and disclaimers. Six of such public servants requested outright that their names not be disclosed in the dissertation. Four of such respondents requested that tape recordings be turned off preferring only notes to be taken. One civil servant accepted to be interviewed only during the weekends and in locations far from his/her work environment. This is a similar dilemma to that which Gilbert (2002a: 307-308) faced in conducting a study on the power relations revolving around the role of the World Bank and allied organisation in fashioning housing subsidy policies in Chile. Whereas Gilbert chose not to attribute the responses he obtained in his work, the approach adopted in this research is to protect the identity of the respondents by attributing quotation to the office instead of the name of the officer holder. Furthermore, in listing the respondents in the annexure of the dissertation, some of the names are not indicated. Rather the position and thematic sector of such respondents are disclosed.

Chapter 3 – The World Bank and the UN in the Trajectory of the Enabling Principles of Housing Policy

3.1 Introduction

In developing countries, the experience of implementing housing policy reforms based on the enabling principles has produced results that do not always converge with the envisaged outcomes. The differences in outcomes are as much a reflection of the different contexts in which they were applied as they are a commentary on the differential effects produced by the actors' skills, interests and interactions to pursue them as desirable aspirations. To examine the experience of the housing sector reforms in Ghana, it is important to understand the principles that were being implemented. These were framed as the enabling principles of housing policies advocated by the World Bank and the UN. In the foregoing chapter, I sought to establish the trajectory of the enabling principles of housing policy and contextualise its emergence and evolution in order to understand the underlying dynamics at work in its implementation. To initiate the study of this trajectory, I outline in the following chapter the status quo of the housing policy discourse of most developing countries in the post-colonial period. Although the timing of the arrival of formal independence for developing countries varies, I have adopted the 1940s as the inception point for this post-colonial assessment as this signified the point at which the majority of developing countries began to emerge from colonial rule. Drawing from secondary literature, it is observed that the status quo of post colonial housing policy discourse predominantly favoured government constructed housing based on building codes and planning standards that derived from the colonial era with antecedents from the countries of the colonial masters. Such houses were unaffordable for the majority of the society and yet favoured by governments partly because of the symbolism effect they generated which served, in part, to neutralise criticism. The corollary of this default housing policy was the non-acceptance of housing developed outside of these standards and codes and the recourse to demolition of settlements dominated by non-

conforming housing. However, intellectual engagements particularly emanating from housing research in Latin America confirmed the ineffectiveness of the default housing policy of government built housing and slum demolitions. The recognition of the ineffectiveness of the government built housing compelled a rethink of this approach and generated new prescriptions for reforming the default housing policies. These elicited changes to the conventional roles of the state and low-income households and proffered site and services, and slum upgrading interventions.

In the rethinking that ensued, dual pathways emerged from the UN and the World Bank respectively, as they became the main agencies leading the process of reforming the former policy. Both agencies, at different times, adopted the site-and-services and slum upgrading approaches. However, the new interventions encountered a robust Marxist critique based on ideological differences. This generated a long running debate from the 1970s labelled the “Self-help housing debates”. The basis of the Marxist critique was the implicit class bias of capitalist societies in the choice of site-and-services and slum upgrading as the policy intervention for low-income households because of its perceived exploitation of lower classes through the lowering of labour reproduction costs. In spite of the rigour of the debates, it dwindled into a stalemate and irrelevance partly because it was at cross-purposes and partly because it was overtaken by events of the 1980s with the return to dominance of conservative thinking and the demise of communism. Besides the Marxist critique, the site-and-services and slum upgrading approaches were also criticised for their limited impact. The site-and-services and slum upgrading approaches were unsuccessful in scaling up, replicating or achieving cost recovery of any appreciable level even though planning and building standards had been lowered from the original default housing policy state of government housing. This generated a renewed quest for reforms that culminated in the enabling principles of housing policies.

The entry of both the World Bank and the UN into housing policy assistance was characterised by debates, events, interests and were tentative partly due to internal debates and disagreements among staff regarding the appropriate way to engage in the housing sector. However, I argue that they share no further similarities in their trajectories towards the enabling principles. The marked trajectories of the World Bank and the UN in the evolution of the enabling principles of housing reforms translate into differing emphases and nuances in conceptualisation and operationalisation that characterised their respective approaches to implementation. Although these differences do not oppose each other directly on identified analytical levels of methodologies and operationalisation, they nonetheless engendered distinct articulations in the design and implementation of housing sector reforms.

Methodologically, the UN advanced an inductive albeit unilinear policy process framed as the '*National Shelter Strategies*' (UNCHS, 1990a²⁶). On the other hand, reflecting its more conservative foundation, the World Bank utilised a deductive approach that favoured policy tools readily disposed to market activities. For example, land titling initiatives received preferential attention over land use planning and cooperative approaches. Operationally, the temporal context of the structural adjustment policies foreshadowed and influenced the implementation of the World Bank's perspective of the enabling principles in the sense that the tool of policy-reform conditionalities used in the former were also applied to the latter. I argue that, under the World Bank, subscription to the enabling principles was mandated by the conditions attached to loans provided by the Bank. However this subscription could mask the realistic disposition of the local policy actors as these conditionalities represented a force of coercion for specific policy choices. Upon the withdrawal of such coercion imposed through the policy-reform conditionalities, the deeper-lying realistic disposition of the local policy actors would re-emerge. Therefore under the World Bank arrangements, the

²⁶ Global Shelter Strategy, paragraph 35.

subscription to the enabling principles could be superficial. On the other hand, the UN resorted to technical convictions and moral suasion to promote voluntary subscription to the enabling principles. The UN applied instruments such as conferences, flagship reports and advocacy campaigns such as global awareness campaigns to promote its activities. On that basis, the UN's operational approach required strongly committed policy actors with appropriate powers to initiate and sustain housing reforms based on the UN's version of enabling principles. The UN's position was weakened by its inability to sanction non-compliance. In conclusion, the chapter underlines the complexities of the enabling principles from their origination to implementation which confronted policy makers and the need to unravel these complexities to understand the emergent outcomes following on the implementation of the enabling principles.

3.2 The Public Housing Status Quo and the Self-Help Housing Debates

Prior to the involvement of international development agencies in the housing policies of developing countries, national housing policies featured the government as a direct provider, although the effect of such action was very marginal to total housing demand. Government attitudes to housing constructed by the poor, who were mostly unable to afford even the cheapest options provided by the state, was either indifference or repression or oscillated between these two positions (Hardoy & Satterthwaite, 1989: 15). Direct housing development by the state was constructed to building standards and planning codes deriving from frameworks imposed by colonial authorities. In practice state-built housing benefited the elite and public servants rather than the poor households it ostensibly targeted. As a result, state housing policies were contradictory, paradoxically constraining housing opportunities of the low-income households in spite of contrary claims (World Bank, 1975). This counterfactual logic underpinning conventional housing policies in the developing countries prevailed until the involvement of international agencies such as the World Bank

and the UN highlighted new theoretical and policy alternative (Turner, 1976; Wegelin, 1978; Pugh 2001).

Direct public housing was unsustainable and its inadequacies became evident, falling short of delivering the required housing for low income households and thus necessitating conceptual rethinking. At the core of the new thinking was the recognition that public funds were limited and were incapable of meeting the housing needs of the entire society. Furthermore, it became clear that low-income households had financial and material resources that could be contributed to housing development. Lastly, government could vastly improve the rate of housing delivery by lowering the planning standards and building codes and permitting the beneficiary households to build for themselves. This was conceptualised as the assisted self-help or site-and-services approach to housing (Harris, 1998)²⁷. The underlying principle of site-and-services is to guarantee a minimum yet adequate standard in housing by lowering the existing building requirements and planning codes thereby effectively lowering the overall cost of housing and in turn improving access to housing for low-income households. This approach also guaranteed security of tenure to beneficiaries in the belief that it would induce the progressive improvement of housing.

Reviews of the site and service projects however found them to be unaffordable for the target households, inequitable in the distribution of benefits, incapable of recovering costs, and maintaining unsustainable levels of subsidies, all of which constrained replication and scaling up (Mayo & Gross, 1987: 305). As a result of their peripheral locations, site-and-services effectively displaced the poor from the city centre and imposed additional transport costs even though they moved to new, higher quality sites. As a result, the slum upgrading

²⁷ Harris (1998) argues that the emergence of this concept has been wrongly attributed to its application in post-second World war and especially in developing countries. He traces this concept to Sweden in 1904 and thereafter other European countries as well as the USA. He states that aided self-help or site and services emerged in reaction to the high demand generated after the end of the First World War. Harris & Giles (2003: 183) note that although these two terms implied the same approach, aided self-help was in common use until the 1970s when site-and-services became popular.

concept emerged, favoured by international development agencies such as the UN and the World Bank. Slum upgrading inserted non-existent, or upgraded existing poor, infrastructure such as “*on-site sanitation (private or public latrines), water supply (usually standpipes), access roads and footpaths, street drainage, public lighting, solid waste collection, some community facilities*” in already established settlements and sometimes formally regularized occupancy (Kessides, 1997: 4). Some level of tenure security was provided in the upgrading approach ranging from certificates of occupation, resident permits, conditional stay grants and other intermediate forms of recognition of occupation. Werlin (1999) notes that slum upgrading was less expensive compared to site and services. Findings by Churchill (1980; cited in Werlin, 1999: 1524) of ratio of cost differences between slum upgrading, site-and-services and conventional public housing in the order of \$38: \$1000 – \$2,000: \$10,000.

However, the new thinking in housing – site-and-services and slum upgrading – generated a critique from some Marxists opponents, culminating in long running debate - the “Self-help housing debates” between advocates and opponents of assisted self-help housing interventions (Jenkins et al, 2007). In sum, advocates, led by John Turner, viewed state assistance in self-help activities as a rational approach to ensuring incremental improvement of housing by low-income households. Based on evidence from research especially in Latin America, these new approaches made it imperative to revise the conceptualisation of housing as an object to a subjective one which changed progressively according to the phase of development and income and resource means of the household. Turner argued against direct housing construction by the State and for household autonomy, within limits, in the development of housing. The limits recognised the State’s relatively better capacity to develop basic infrastructure, and its authority in rule making over other facets of the housing process such as finance and building materials (Turner, 1976; Gilbert & Gugler 1992:118). Through such instruments, the State could minimise insecurities felt by squatters which

constrained them from improving their housing conditions. On the other hand, households were better placed to articulate their preferences, being aware of their means. Household decision-making was more effective than the centralised decision-making, also referred to as “*heteronomous systems*, to address the housing needs of the poor. Houses delivered through centralised systems limited the adaptability of the dwelling for functions other than shelter and therefore its desirability by low-income households. That freedom of choice and its derivative dweller control in decision making was essential in housing for the low-income households which required government assistance or facilitation found in site-and-services and slum upgrading, and not substitution found in public housing projects (Turner, 1976).

On the other hand, opponents, based on Marxist critiques of assisted self-help housing and led by Rod Burgess²⁸ viewed state-assisted housing to be ideologically disingenuous, masking the implicit class bias of capitalist societies. The Marxist view opined that capitalist formation in developing countries adapted pre-capitalist activities such as traditional housing construction practices and settlement planning of low-income households and re-articulated them in new subordinate and exploitative relations. Firstly, the dominant capitalist classes were able to reduce the cost of labour reproduction by utilising unpaid or low-paid low-income labour in assisted self-help housing. This condition of self-help housing extended the working hours of the poor beyond the normal working day. Secondly assisted self-help housing promoted the commodification of low-income housing and thereby opened opportunities for the operation of market relations at such levels. By formalising through state participation the informality of the pre-capitalist traditional self-help housing approach, capitalist societies open the space for the dominant classes, owning lands and controlling finance, to assert their power. This further engendered the extraction of rent from the

²⁸ Jenkins, Smith and Wang (2007: 164) indicate that the Marxist critique took its cue from the dependency theorists of Latin America with Emilio Pradilla as one of the pioneers of this critique. Rod Burgess brought this critique into the Anglophone literature.

underclass and thereby regulated the life of the underclass (Marcussen, 1990; Jenkins et al, 2007);

State self-help housing programmes are integrated with the interests of those fractions of capital tied to state housing and cheapened not by the elimination of their profits but because they involve the unpaid labour of their future owners. They do not eliminate the participation of ground rents, profits on productive capital and interests on finance capital in the final price of the house produced. Although the state can reduce the final price by ceding to the beneficiary a part of the ground rents and part of the interest on its own capital (in the form of subsidized interest rates), it cannot eliminate or minimize their participation in the way achieved in the artisanal form. State self-help housing projects therefore transmit to the final price of the house the greater part of the dramatic increases derived from land speculation and the explosion in global and national interest rates (Burgess, 1985: 278).

Furthermore, it was argued that self-help housing ultimately failed to facilitate housing for low-income households with the insertion of tenure regularisation with its associated costs that traditional housing practices excluded (Jenkins et al, 2007). Additionally, by emphasising the commercial values of housing, economic incentives were generated for houses developed for low-income households in site and services schemes which then rationalised the extraction of such commercial values at the least cost to the original low-income beneficiaries. Consequently, it was argued that the expectation in self-help housing that beneficiaries would undertake housing improvements for its social value was illogical as it did not appreciate the inherent incentives to realise the intrinsic commodity value.

In capitalist societies, “all housing objects” are commodities. The self-help housing system is a variant form of petty commodity production functioning within a total system of production where industrialized production is dominating and the petty commodity form is dependent. Even when people build their own houses with discarded materials, they are commodity producers: the builder could realize the value embodied in the building by putting it on the market, and he will not invest more labour and materials in the house than he believes will be recoverable on the housing market. The idea that people may build houses just in order to satisfy their social and cultural needs without regards to the general laws of commodity production is a theoretical misconception, and an ideological smokescreen. The same is true of the idea that the State would give support to people’s self-help activities. In Marxist analysis squatter housing built under the self-help form of petty commodity production is understood to be uniformly of an extremely poor quality. All in all advocacy of self-help is exposed as economically unrealistic, politically reactionary and as ideological bluff (Marcussen, 1990: 11)

The debate on state-assisted self-help was criticised as being at cross-purposes, “*between two different epistemologies, which moreover produced a widening gap between theory and practice*” (Nientied & Van der Linden, 1985 cited in Marcussen 1990:12). Jenkins et al (2007) described the debate as a non-debate because of a lack of alternative solutions in the

Marxist critique. In the light of the influence of the empirical evidence from Lima, Peru on Turner's views (Harris, 1998; Bromley, 2003; Harris, 2003; Harris & Giles, 2003) it is unclear the extent to which the pervasive ideological divide between liberalism and Marxism at the time affected Turner's early views on assisted self-help housing²⁹. Marcussen (1990) pointed to later global events of the 1980s and 1990s to note the blurring of the ideological divide underlying the Turner-Burgess debate. Whereas former socialist countries were experiencing conflicts and contradictions of re-emerging ethnicity and clientelism, a capitalist country like Iran had undergone a revolution. Emerging economies in the Asian region were experiencing varying economic transformations with differing housing outcomes from capitalist transformation to entrenched third world conditions (Marcussen, 1990: 12). The Marxist view dwelt on abstract theoretical notions, distinguishing between the economic (market value) and social (use-value). It also lacked a critical analysis of the state thereby denying the reality of the complexity of the state. Furthermore, vested interests of elites fuelled the objection to site and services schemes because it challenged existing structures of privilege (Jenkins et al, 2007). Marcussen (1990), as well as, Keivani and Werner (2001a) proposed an analytical framework that recognised the various mechanisms by which housing was developed and allocated in developing countries.

The debate also did not take into account the differences between the espoused principles of assisted self-help housing and the experiences emerging from the implementation of these principles. Rodell and Skinner (1983) noted that this difference arose from the difficulties governments encountered in operationalising the "*dweller control*" principle because it implied concession of power by some interest groups and the acceptance of "*a realignment of their old influence*" (Rodell & Skinner 1983: 14). Kessides (1997: 7) notes that very few of slum upgrading and site and services projects piloted through the

²⁹ Jenkins et al, (2007: 172) note that Turner shifted his position in the 1990s from a focus on the household to that of the community as the critical instigator in assisted self-help activities. They discussed how the fall of socialism culminated in Turner highlighting the market efficiency of the capitalist system.

support of the World Bank were expanded by country governments because “*domestic political commitment to alleviating urban poverty through such efforts weakened in some countries*”. Accordingly, dweller control in assisted self-help housing was conceptually redefined as direct labour by low-income households to preserve the dominant interest groups priorities and assuage any anxieties (Rodell & Skinner, 1983). Other criticisms of assisted self-help and slum upgrading derived from the operational difficulties of these approaches to achieving cost recovery and scaling up (World Bank, 1993). In the longer term, negative outcomes such as gentrification, declining maintenance and inequitable gender distribution of benefits were evident (Jenkins et al, 2007). There was concern that site-and-services remained project-focused benefitting small geographic locations. On the other hand, structural constraints such as inefficient land markets and poor building technologies persisted (Kessides, 1997; World Bank, 1993, Choguill, 1995).

The self-help debate was inconclusive and inevitably overtaken by events of the 1980s with the collapse of communism (and by extension the diminishing of Marxist thought) and the rise of neo-liberalism. In parallel, the theoretical construct underlying self-help was overtaken by the development of “enabling principles” for housing policy and reforms. The trajectory of housing programmes in developing countries became increasingly dominated by the two main international agencies, the World Bank and the UN. The two agencies pioneered the enabling principles from the late 1970s onwards, although not always in cooperation. The perspective of the enabling principles of housing policy as a generic framework, limits the recognition of its divergent antecedents in the World Bank and the UN and the associated differences that exist. However, these differences fundamentally influence the design, implementation and outcomes of policy reforms based on the enabling principles. These differences also affected the working relations between these agencies and the countries implementing enabling reform policies. The respective approaches of these

agencies also had a significant effect on what outcomes were produced in projects involving the two agencies separately or jointly. Strassman (1997) draws attention to the differences between the UN and the World Bank which are “*generally hidden [to the public] but familiar to members of the ‘development set’*” – that is staff and consultants in international development organisations (Strassmann, 1997:1730). Focusing on the nature of the relationship between the two organizations helps to draw out the potential for variable outcomes of projects involving the two. McAuslan (1997) asserts that there is as much a need to focus on the “*inter- and intra-bureaucracy relationships [of the two agencies] as on the substance of programme, for the two are inseparably intertwined*” (1997:1727).

3.3 The UN in Housing Assistance in Developing Countries

The UN’s first formal housing policy assistance was a refugee support programme in 1944. However, it was not until 1946 that the UN framed the conceptual basis for its interventions after the incorporation of the International Labour Organisation (ILO) (Arku & Harris, 2005). The ILO had a long standing concern for housing as an employment generating sector focusing on “*vocational training and labour productivity in the building industry*”, as well as housing cooperatives (Harris & Giles, 2003: 172). By 1953, ILO had embraced self-help housing. Subsequently, the UN also accepted the assisted self-help housing approach, albeit with some reservations from within³⁰. By the 1960s, the concept of assisted self-help had become the default policy advice proffered by the UN³¹. According to Harris & Giles (2003), the UN’s initial work in housing also emphasised missions to newly independent countries to generate policy advice based on findings from field research. One of such missions was undertaken in Ghana upon the request of the country’s first post-colonial

³⁰ Agencies such as the Economic Commission for Africa opposed the new approach preferring to focus on the improving efficiency of the building industry (Harris and Giles, 2003)

³¹ Harris and Giles (2003: 177) reports that 5 out of 19 projects identified under the first five-year programme of actions (1961 to 1965) of the UN in housing targeted self-help initiatives. On the other hand 2 of the 19 projects also aimed to improve efficiency of the building industry.

government and is discussed in Chapter 5. Generally, the key ideas that shaped the UN's approach in housing assistance to developing countries evolved from field research from the late 1940s into the 1960s (Harris, 1998). These findings then filtered into principles put forward for discussion and validation during UN conferences and meetings. This is one of the instruments utilised by the UN to assist developing countries in housing – namely, global declarations and conferences. The use of conferences and declarations derived from the structure of the UN organisation which relies primarily on consensus among member countries to generate agreements. This decision-making arrangement materialises through the meetings of the General Assembly, the Security Council or specially-themed conferences by the UN's agencies³². The conferences are touted for stimulating conceptual and policy debates and facilitating changes in discourse and paradigms.

As “town meetings of the world”, they are arenas for discussion and the production and exchange of information. Not only do they take stock of existing knowledge, they also generate new knowledge which may lead to the acceptance of new international norms. As incubators of ideas and agenda setters, UN global conferences have thus contributed to paradigmatic changes in development thinking..... UN global conferences have drawn attention to emerging issues that transcend national boundaries, thus serving as early warning mechanisms for the international community. UN global conferences have contributed [to] changing and mobilising public opinion by triggering the emergence of informal transnational “networks of concern” linked to one another..... Global conferences have in particular brought civil society organizations in to the process of policy deliberations and formulation, through the concurrent participation of NGOs in national delegation or in parallel side events and “forums” (Fomerand, 2003: 8-10)

The assisted self-help housing (or site-and-services approach as it became conventionally known in the 1970s) was discussed extensively in the first UN Conference on Human Settlement held in 1976. This conference focused attention on the inadequacy of the public housing approach and slum eradication programmes. The new perspective of assisted self-help featured significantly in the conference declaration, known as the Vancouver Declaration and Plan of Action. Recommendations for site and services were more than those for the efficiency of the building industry which focused only on enabling private developers' technical capacity.

³² Fomerand (2003: 7-8) identifies 28 distinctly themed conferences of the UN from inception to 2003.

The informal sector should be supported in its efforts to provide shelter, infrastructure and services, especially for the less advantaged³³

Providing sites and services specifically for construction by the informal sector, and taking the informal sector's spatial and locational requirements into account in all sites and services schemes³⁴

National housing policies must aim at providing adequate shelter and services to the lower income groups..... include serviced land supplied on a partial or total subsidized basis³⁵

A major part of housing policy efforts should consist of programmes and instruments which actively assist people in continuing to provide better quality housing for themselves, individually or co-operatively³⁶

Provision of infrastructure, on a partially or totally subsidized basis, in conjunction with shelter being provided by the people for themselves³⁷

The claims of the critical influence of such conferences have been contested as some have noted their ambiguous outcomes. Reflecting the ambiguity of such UN conferences, different perspectives are presented in the review of the second UN Conference on Human Settlements held in Istanbul in 1996 (Strassman, 1997; Satterthwaite, 1997; Tosics, 1997). For example, referring to this conference, Strassman (1997) observes the organisers' avoidance of debates in the quest for harmony as well as conference fatigue among donor agencies which dampened creativity and constrained research funding. On the other hand, Tosics's (1997) experience of the same conference differs as he notes the emergence of incisive discussions in spite of his personal scepticism. Satterthwaite (1997) straddles these extremes by pointing to useful conceptual discussions about sustainability which however lacked details about the operational aspects in the recommendations. Typically, UN conferences had technical and political ends and the critique of Strassman (1997) points to how overbearing political interests constrained rigorous debates. Substantive issues such as the right to housing were opposed and blurred in non-committal language due to the political interests of the USA. Similarly the Vatican and religious interests successfully opposed abortion rights.

³³ Vancouver Declaration Recommendation C.8 (b)

³⁴ Vancouver Declaration Recommendation C. 8 (c) (iii)

³⁵ Vancouver Declaration Recommendation C. 9 (b) and (c) (i)

³⁶ Vancouver Declaration Recommendation C. 10 (b)

³⁷ Vancouver Declaration Recommendation C. 10 (c) (iii)

International conferences have an overriding goal of harmony, the avoidance of embarrassing fights, stalemates and walkouts. (p. 1729) Not much can be learned from harmony craving statements that sound like political propaganda in one-party states (Strassman 1997: 1737)

Lastly the UN advanced its housing assistance work in developing countries through the research activities it undertook and the resulting flagship reports. Flagship reports presenting the synthesis of such research work became a very important tool for disseminating good practices and for advocacy purposes. These flagship reports provided important inputs into international discussions and made contributions to thematic debates (Fomerand, 2003). However, the practical value of these flagship reports is in doubt due to uncertainty regarding their impact.

The extent to which UN flagship reports contribute to a better appreciation of the challenges arising from globalization and the liberalization of the world economy and offer credible alternatives to existing national and international policies remains uncertain” (Fomerand, 2003: 15).

3.3.1 The UN’s Shift to “Enabling Principles”

From 1980 onwards, the UN considered the worsening of the housing conditions of the urban poor.³⁸ By 1982, the issue of housing was raised as a global concern for the plight of the homeless following the passing of UN Resolution A/RES/37/221 in December 1982. This resolution set 1987 as the International Year of Shelter for the Homeless (IYSH) (UN, 1982) and sought to galvanize action by governments, non-governmental organizations and all other interest groups towards the development of innovative housing solutions³⁹. It was established that there was the need for comprehensive approaches to housing to which end The Global Shelter Strategy (GSS) to the Year 2000 was conceived in 1986, launched a year later through UN Resolution 42/191 passed on 11th December 1987 and formally adopted by the UN General Council in 1988. The GSS articulated, for the first time, the multi-faceted

³⁸ Various resolutions passed in 1980 and 1981 all discussed the need to stimulate activities towards resolving problems such as homelessness. A special purpose agency – the United Nations Centre on Human Settlements (UNCHS) – was established in 1978 after the Vancouver Conference to track the conference recommendations as well as monitor global housing policy trends.

³⁹ These included a series of “Public Hearings” conducted by the UN’s World Commission on Environment and Development in locations such as Nairobi, Sao Paolo and Jakarta. This led to the publication of “Our Common Future” in 1987, a manifesto on the sustainability theme including aspects of housing and human settlements.

nature of housing and in particular recognised the economic characteristics of housing. The report of the Commission on Human Settlements, the agency overseeing the UN Centre for Human Settlements (UNCHS) noted,

The multi-dimensional nature of the shelter problem, which has its main roots in poverty and, in many countries, is aggravated by the scarcity of resources, inadequate institutional capacities and the lack of a legal and financial framework for the alleviating the problem (Commission on Human Settlements Resolution 10/1Paragraph 18).

Multiplier effects of shelter development, based on the full mobilization of local resources, and their importance to the economic development of a country, and the lost opportunities for development represented by the neglected shelter sector (Commission on Human Settlements Resolution 10/1Paragraph 20).

This acknowledgement of the multi-dimensional nature of the housing problem, as well as the multiplier effect of housing, in effect re-conceptualised the problem of housing. In this new perspective on housing, slums were symptomatic of underlying structural distortions in housing. Structural distortion occurred in the factors determining the supply and demand of housing including land, finance, planning regulations, and incomes. To unravel the underlying structural causes adversely affecting housing therefore required addressing the whole spectrum of factors determining the supply and demand for housing. This marked the inception of the enabling principles in housing policy. The UN's conception of the enabling principles was clearly articulated in the Global Shelter Strategy putting the emphasis on community engagement and the onus of choice on households (Keivani & Werner, 2001a; Jenkins et al, 2007).

The adoption of an enabling approach whereby the full potential and resources of all actors in the shelter production and improvement process are mobilised; but final decision on how to house themselves is left to the people concerned (Paragraph 14 of Global Shelter Strategy as cited in UN-Habitat, 2006:20)

The UN's conception of enabling principles of housing policy acknowledges a direct interventionist role for the state in the event of the failure of the market to ensure adequate and equitable housing supply:

The objective of "facilitating adequate shelter for all" also implies that direct government support should mainly be allocated to the most needy population groups⁴⁰.

..... governmental intervention may be required, in many instances to remove or offset market imperfections, and in some specific cases, a policy may be justified to meet the social welfare requirements of the very poor and destitute⁴¹.

The Global Shelter Strategy which articulated the UN's perspective of the enabling principles of housing policy also set out a detailed methodology for the design of "National Shelter Strategies" through which the enabling principles could be realised. The specific steps to develop the National Shelter Strategies included the establishment of a task force and a steering committee, housing and infrastructure needs assessment with estimated associated costs, and the identification of alternative housing options and standards to meet the needs of various household groups. In addition, the framework dictated the key steps to be taken towards the formulation of an action plan including the assignment of responsibilities. It was noted that;

A plan of action must be prepared in consultation and partnership with non-governmental organizations, people and their representatives, which:

- (a) Lists the activities that are the direct responsibility of the public sector;
- (b) Lists the activities to be taken to facilitate and encourage the other actors to carry out their part of the task;
- (c) Outlines resource allocation to the aforementioned activities;
- (d) Outlines the institutional arrangements for the implementation, co-ordination, monitoring and review of the strategy;
- (e) Outlines a schedule for the activities of the various agencies.

(Plenary Meeting of Commission on Human Settlements, Resolution 11/2 on 11th April, 1988)

In calling for such methodological rigour, the UN effectively set out the implementation framework of the enabling principles of housing policy and following the publication of the Global Shelter Strategy by the UN, this methodological approach proved to be central in subsequent declarations (UNCHS, 1990a; 1995; 1996; 1997).

⁴⁰ UN Resolution 43/181 passed on 20th December 1988; "Global Shelter Strategy to the Year 2000", Annex Paragraph 4.

⁴¹ GSS Paragraph 54; (cited in UN-Habitat, 2006: 20).

3.4 The World Bank in Housing Assistance in Developing Countries

The World Bank entered housing policy assistance for developing countries following substantial intellectual reflection. It was internally divided between mainstream classical economists favouring trickle-down approach and development economists and urban practitioners inclined to direct housing interventions as a tool of poverty reduction which ultimately dominated. The main policy instruments were site and services, and upgrading.

upgrading squatter settlements can be a low-cost and practical approach to low-income shelter. Upgrading legalizes the settlement, and provides security of tenure (McNamara, 1981: 327 cited in Ramsamy, 2006: 88)

The key principles underlying the poverty reduction approach were affordability, cost recovery and replicability (World Bank, 1993: 54). The critics of this approach within the World Bank as well as the financiers had to be assured that these projects were “*avoiding the self-perpetuating expansion of unaffordable government subsidies in the budget of developing countries*” (Ramsamy, 2006: 90). In the first period of housing lending, from 1972 to 1981⁴², the World Bank supported 79 site and services and upgrading projects at a cost of US\$2.301 billion (Kalarickal, 2006: 13)⁴³. However, the site and services and upgrading interventions were criticised by some staff of the World Bank and practitioners based on problems in the design and implementation. These included land acquisition, indiscriminate and very high subsidies, dislocation, relocation costs, demolition of usable low-income housing stock, increasing costs for the poor to access work locations, poor cost recovery, benefit leakage (Keare & Paris, 1982; Kalarickal, 2005; Ramsamy 2006). As a result, steps were taken to reform housing lending by the World Bank.

Beginning in 1982, the World Bank lending shifted from site and services to housing finance interventions with a project in Zimbabwe. According to the World Bank (1993), the

⁴² The distinction is made in setting 1981 as the end of this phase of lending as the World Bank initiated a new type of lending it labelled the policy based lending (Kalarickal, 2006: 15)

⁴³ 62 shelter projects were approved by the World Bank between 1972 to June 1981 amounting to US\$2 billion Ramsamy (2006: 93)

policy change was seen as an opportunity to gain access into the broader financial structures of the economy to tackle obstacles directly impacting housing.

A well-functioning housing finance system was seen as contributing to financial sector objectives through improved domestic resource mobilization, and to fiscal objectives by making subsidies more transparent and better targeted (World Bank, 1993: 55).

By reforming housing finance, governments would be able to address problems in supply of credit for housing and the economy at large, as well as, better targeting in the use of subsidies. Indeed, housing finance reform was deemed critical as it had become apparent that systemic arrangements for consistent credit mobilization and supply to ensure affordable housing were non-existent (Buckley & Kalarickal, 2005:237). Additionally, housing finance improvements would go further than the previous geographically-limited site and services and upgrading approaches. The turn to housing finance reforms was also induced by the election of ideologically conservative governments in the US, UK and (West) Germany between 1979 and 1981; and their influence in the return of conservative economic thinking within the World Bank. Conservatives claimed that developing countries were failing because of discordant structural relations leading to inefficient markets and called for such countries to undergo structural adjustment reforms. The structural adjustment reforms sought the roll-back of the state in production in favour of the private sector. Thus, the state had to disengage from direct economic activities, *“both in terms of its ownership of industries, financial institutions and marketing agents and of its regulatory activities in trade, industry, agriculture, credit and foreign investment”* (Mosley et al, 1991a:11). From this time, urban interventions by the Bank also turned to urban management, emphasising efficiency in public service delivery over equity-based urban poverty reduction of the 1970s (Jenkins et al, 2007).

In housing finance, the private sector was replacing state-owned banks and banking practices were also being deregulated to improve competition. Experiences from the US and Western Europe also influenced the World Bank’s housing finance reforms. A global survey observed obstructions to growth which included *“credit controls”*, *“limits on the terms for*

loans”, and “*public ownership of the financial institutions*” (Buckley & Kalarickal, 2005: 237). Restricted sub-markets and indiscriminate off-budget subsidies further reinforced the problem (Boleat, 1985). In the US, some savings and loans banks went into crises because of the mismatch between the tenor of savings and loans. In Europe, dedicated housing banks were found to be stifling credit. Under-recovery of loans resulting from below market interest rates and monopolies created unsustainable housing systems in developing countries. The evidence from the deregulation of the financial markets of Western Europe suggested that capital flows increased very significantly after the deregulation measures were implemented. Consequently, the World Bank instigated deregulation and liberalization of housing finance systems in developing countries.

3.4.1 The World Bank’s Shift to “Enabling Principles”

The housing finance interventions advocated by the World Bank appeared to be a temporal punctuation in the neoliberal return within the Bank. Accordingly, when the Bank articulated its sector policy paper “Housing: Enabling Markets to Work (1993)” there was no pandering or wavering about the philosophical direction of the Bank. It noted that “*the housing sector performance is fundamentally shaped by market forces*” and went on to articulate a predominantly economic perspective in analyzing housing conditions in developing countries. The World Bank’s enabling markets strategy was intrinsically embedded in the over-arching neo-liberalism underpinning the structural adjustment reforms. In this regard, issues of liberalization, privatisation and deregulation remained prominent themes in the World Bank’s articulation of its perspective of the enabling principles. Overall, the Bank listed seven instruments necessary for efficient functioning of the housing markets, three instruments affecting demand-side, three affecting supply-side and one targeting the overall sector. On the demand side, the Bank posited the development of property rights and mortgage finance systems as well as the rationalization of government subsidies. On the

supply side, the instruments were listed as follows: provision of infrastructure, regulating land and housing development, and organizing the building industry. The seventh instrument straddled both housing supply and demand, espousing the development of an institutional framework for managing the sector. Table 3.1 below presents the list of instruments and constituent activities comprising these enabling principles.

Table 3.1: World Bank’s Enabling Housing Markets

A. Demand-side instruments	A. Supply side instruments
<i>Developing property rights</i>	<i>Providing infrastructure for residential land development</i>
Establish and enforce laws ensuring rights to own and freely exchange properties	Coordinate effectively infrastructure agencies to focus on efficiency-oriented servicing of existing and undeveloped land
Divest public housing through markets to residents or others	
Administer registration of land and house	
Broaden property rights to poor through tenure regularization in squatter settlements	Improvement in cost recovery
Regularize insecure tenure	Community participation in infrastructure planning and implementation
<i>Developing mortgage finance</i>	Pursue private provision option
<i>Developing mortgage finance</i>	<i>Regulating land and housing development</i>
Create healthy and competitive mortgage lending institutions	Balance costs and benefits of regulations influencing urban land and housing markets especially land use and building
Underpin collateral security by enforceable land title and foreclosure laws	
Foster innovative arrangements for providing greater access to housing finance by the poor	
<i>Rationalizing subsidies</i>	Remove regulations which hinders housing supply
<i>Rationalizing subsidies</i>	<i>Organizing the building industry</i>
Integrate reforms with financial sector	Create greater competition in the building in the building industry
Avoid rent control at all cost	
Dual security for borrowers and lenders through indexation	Reducing trade barriers that apply to housing inputs
Ensuring public subsidies programmes are:	Removing constraints to the development and use of local building materials
<ul style="list-style-type: none"> ➤ of appropriate and affordable scale; well-targeted; measurable; and transparent avoids distorting the market ➤ focused on households than housing units 	
Sector-wide instrument	
<i>Developing institutional framework for managing the housing sector</i>	
Create or strengthen institution mechanisms which can oversee and manage the performance of the sector as a whole	
<ul style="list-style-type: none"> ➤ Devise institutional mechanisms to collect, analyse, interpret and publish data on the performance of housing sector and distinct outcomes for poor 	
Coordinate all public policy bodies with influence on housing sector	
Articulate linkage between housing and macro-economy in planning	
Develop long term housing sector development plan in association with central planning agency	
Craft national and municipal level participatory housing policy platforms for stakeholders (public agencies, private sector, NGOs, CBOs and civil society).	

Review effects of regulations on housing and undertake regulatory reforms
Conduct housing policy research
Canvassing interest groups and decision makers for sectoral improvements
Develop coordinating and supervisory framework for
➤ Private sector-delivered housing finance
➤ Effective targeting of poor with appropriate mortgage lending
➤ Instigating institutional linkage to Ministry of Finance and Central Bank
Pool and coordinate infrastructure agencies to enhance aggregate serviced land supply
Regulatory review and proposal of legislation
Ensure that policies and programs benefit the poor and elicit their participation

Source: Adapted from World Bank (1993: 38-44)

It is illustrative of the weakness of the underlying conservatism of the World Bank’s enabling principles of housing policy that little consideration was given to disaggregating the state and identifying the role of vested interests in the prevailing state of affairs. It was presumed in the World Bank’s perspective of the enabling principles that market relations would be capable of unravelling such challenges. For example, calling for regularising the land tenure of slum dwellers and squatters discounted vested interest groups such as land owners who risked significant loss of potential windfalls from speculation. To induce the participation of such vested interests in housing reforms based on these enabling principles, compensation for the potential loss was critical. However nothing was articulated in this respect. Moreover, the World Bank’s approach presumed integrity and neutrality of the state when in reality the state was neither homogenous nor apolitical.

In the light of the foregoing, some key differences emerge from diverging conceptions of enabling principles by the World Bank and the UN that must be taken into consideration in order to appreciate the context and conduct of the World Bank and the UN in the implementation of housing reforms. These differences are outlined in the following sections under headings of “conceptual”, ‘methodological’ and ‘operational’.

3.5 Conceptual Differences: Communities versus markets

One of the most significant differences between the UN and World Bank related to the conceptual development and interpretation of “enabling” as it defined the parameters for

establishing the principal actors and agents to be targeted, addressed or overlooked by policy that evolved out of the process. Furthermore the significance of this conceptual difference is in its effect of determining the trajectory of the methodological and operational differences that flowed from it. Smith (1999) and Wils and Helmsing (2001) provide extensive discussions of the conceptual differences between the UN and the World Bank in the definition and interpretation of the “enabling” principles and the discussion that follows takes its root and departures from these principal analyses. The conceptual differences between the UN and the World Bank emerge from their respective positions taken on the constitutive and distinct social formations that characterise society and the relationships that exist between these social formations. The distinct formations comprise the state, civil society and markets with each also comprising their respective organisational and institutional elements.

Generally, as noted earlier in Sections 3.3.1 and 3.4.1, both the UN and the World Bank were dissatisfied with the orthodoxy of slum upgrading and site and services. However deriving from the Marxist critique of the slum upgrading and site and services orthodoxy which perceived the state and market as mutually reinforcing instruments for the exploitation of the poor or in this case civil society, by the elites, policy reforms were necessitated to cure the challenge of state failure in the delivery of housing. Smith (1999) notes the Marxists’ proposed cure to this challenge, in spite of a lack of evidence of its efficacy, to be the “*elimination of the market*” in order to dissolve the “*penetration of civil society by the market*” (Smith, 1999: 36-37) and the expansion of socialism. On the basis of the foregoing and deriving from the deployment of three analytical perspectives – namely, the “empirical”, referring to the pre-existing conditions, the “normative” referring to the proposed cure, and the “policy” referring to the mechanics of reform – two additional trajectories emerge.

Firstly, the “third sector” approach privileged a civil society- orientation, proposing policies that diffuse civil society and empower the emergent interlocutors such as NGOs and

other non-state actors. This empowerment was intended to facilitate local solutions to be developed by these interlocutors and was characterised as “enabling”. This was the conceptual approach adopted by the UN which underpinned its community orientation and initially discounted the role of markets. Wils and Helmsing (2001:9) note that this community perspective underpinned the UN’s derivative Community Development Programme (CDP), clearly articulating the elements of community participation and management to be central to the intervention.

Secondly, the World Bank adopted the neo-liberal trajectory that conceived the empirical perspective of society to be over-regulating markets leading to constraints of market supply to civil society and inequitable redistribution from the state directly to civil society. The normative perspective envisaged minimum regulation of the markets enabling improvements of market supply to civil society and the establishment of safety nets for those incapable of market participation. Wils and Helmsing (2001) note how the two perspectives – community and markets – contradict each other thus:

Important areas of contact and potential conflict between CE and EM relate to the restructuring of public sector delivery of basic infrastructure and services..... governments in many countries increasingly decentralise the creation and management of basic infrastructure and services to markets in order to achieve more efficient and more demand-driven service delivery and to stimulate private sector growth.....As governments decentralise more to markets, the domain for community management of basic infrastructure and services may actually shrink and the relationships between communities and governments may undergo important changes. For example, policies and proposals for community management of basic services put forward with the aim to replace inadequate public sector delivery, may now have to *compete* with proposals for private sector based delivery. If and when governments in particular countries have decentralised responsibilities for service delivery to the private sector and by-passed, for good or bad reasons, communities to organise delivery themselves, these communities would need to develop new strategies towards governments to ensure their access to the new private sector based services. In such a context, communities would also need to develop new responses towards the new private sector service providers. (Wils and Helmsing, 2001:12-13)

However, it is acknowledged that the relationship between communities and markets are not always “*clear and straightforward*” (Wils and Helmsing, 2001: 13) pointing to an ambiguous pattern of instances of positive and negative relations between pursuits privileging markets and communities. Annex 3b presents the schematic representation developed by Smith of the conceptual differences

3.6 Methodological Differences: Unilinear Dogma versus Deductive Hegemony

The UN's methodological approach to the enabling housing principles was conceptually formulaic in its insistence on the development of National Shelter Strategies. This approach is systematic and unilinear, detailing specific steps to be taken towards the development of National Shelter Strategies. The prominence given to these methodical steps was reflected in project reviews the UN conducted on countries that utilised their assistance for housing sector reforms such as Barbados, Kenya, Jamaica and Zimbabwe where the analysis focused on compliance with the methodological approach (UNCHS, 1990b). As a result, processes appeared more important than theories which were rarely recognised, let alone tested, in UN approaches.

The World Bank, on the other hand, had a different but similarly dogmatic methodological approach in its perspective of the enabling principles. The World Bank's conservative ideology inevitably fixed the conceptual instruments of the enabling principles to elements of privatisation, commercialisation, deregulation and decentralisation within a framework that privileged market relations. McAuslan's (1997) account of the Urban Management Programme (UMP), a joint initiative of the World Bank and the UN from 1986 exemplifies this deductive approach by the World Bank. The UMP highlighted the strategic role of cities in developing countries and aimed to empower them, with the support of donors and other stakeholders, to inculcate sustainable management practices (Mabogunje, 2005). The deductive approach privileged land registration and this subsequently featured in the advice on land management, without regard to the merit of findings from field research;

the particular emphasis in the World Bank's contribution to the land component was, however land registration and information with little work being commissioned from, as opposed to about, developing countries. This was a characteristic of the World Bank's approach to the UMP: developing countries were to be recipients of policy advice, not co-contributors (McAuslan, 1997: 1709).

A similar experience of disregard for the merits of field research unfolded in South Africa's post-Apartheid formulation of a policy on municipal infrastructure that the World Bank

participated in (Tomlinson, 2002). In this case, the World Bank prepared the entire municipal infrastructure policy paper on the basis of a pre-conceived framework, or “*model*” (Tomlinson, 2002: 381), that was not responsive to the local context⁴⁴. Although the World Bank’s housing policy advice was supported by theoretical constructs, it is arguable that these constructs were highly influenced by policy trajectories of Western countries. Such theoretical constructs were developed by a small circle of Bank staff and consultants from consulting firms based in Washington such as Abt Associates and PADCO, as well as from ideologically conservative economists in leading economics departments of universities in the USA (Pugh, 1997a; 1997b). Thus, irrespective of the contexts, the World Bank approach favoured a deductive approach with a homogenous view of the housing sector. For example, (as noted earlier) in the land sub-component of housing, the Bank proffered land titling as the key to increasing land supply. On the other hand, the Bank was critical of other tools such as land use planning and cadastral developments. McAuslan (1997) notes that in the UMP, the World Bank-appointed team leader abhorred land use planning, an abhorrence that McAuslan notes also reflected in the World Bank team’s collective frustrations with the UN team because of the latter’s focus on land use planning in the UMP. It was felt that this focus was delaying the overall programme of the UMP and Washington did not want planning to be the central message of the UMP (McAuslan, 1997: 1709).

The antipathy of the Bank towards land-use planning acted as a *de facto* veto on any publication within the UMP of any of the UNCHS-produced background papers on the subject.” (McAuslan, 1997:1710)

The antipathy to land-use planning derived from the perception of existing zoning regulations as costly and unrealistic, which fuelled informal and illegal developments (Mayo et al, 1986: 200). Zoning regulations could lead to rent seeking and corruption if the infrastructure for

⁴⁴ The World Bank’s approach to deductive policy advice evolved in the 1990s leading to its’ rebranding as the “Knowledge” Bank. Researchers point to the 1998 World Development Report which was aptly titled “Knowledge for Development” as the turning point in this approach. This new turn led to the establishment of the Global Development Network (GDN) which serves as the platform generating the substantial volume of research that has been supported by the World Bank since then (Stiglitz, 1999; Stone, 2001).

enforcement was weak (Deininger & Binswanger, 1999: 263), as it usually was in developing countries. Whereas the World Bank objected to existing zoning regulations because of its potential to restrain housing developments and its related capacity to create artificial land shortages, it acknowledged the utility of zoning to protect ecologically sensitive areas (World Bank, 1993: 33). In terms of housing development, the World Bank privileged the private sector over all other agents. Similarly, improving nascent local building materials industry was rarely promoted whereas price deregulation regimes created by trade liberalisation policies ensured increased building material imports, mostly from western markets. The developmental aspects of local industrialisation plans had been cast aside in the new neoliberal policies.

3.7 Operational Differences: Conditional Reform versus Voluntary Adoption

Further differentiating the respective approaches of the World Bank and the UN was the temporal context of their advancement. As has been noted earlier, the World Bank's perspective of the enabling principles evolved in tandem with the structural adjustment programmes. Participating countries in such programmes were compelled to initiate macro-economic as well as sectoral reforms in exchange for urgently needed funding to pay imminent debts or to bridge critical fiscal gaps in development budgets. Given the high level of indebtedness of developing countries and their critical need for aid, and the World Bank's command over significant financial resources, its influence was considerable in leveraging specific policies. This instrument of policy conditionality in the architecture of international finance was thus very important for neoliberal policy choices and institutional changes (Mosley et al, 1991a; Nelson, 1996). The imposition of conditional policy reform to aid under structural adjustment foreshadowed the World Bank's enabling principles, consequently generating a similar posture in the Bank's housing policy support to developing countries. As a result there was an element of compulsion in the World Bank-sponsored housing reforms.

The down side to induced reform is that the coerced subscription to the enabling principles belies the true disposition of local policy actors. In the absence of such coercion, it is feasible that local policy actors may revert to their deeper lying predilections. This suggests that reversal of the enabling principles of housing policy can be explained as a manifestation of a pre-disposition that re-asserts itself after the release from the compulsion to reform.

Recognizing this weakness of conditionalities, Nelson (1996) enjoins international organisations to review and reform their approach to policy change;

External agencies seeking to support and encourage further reform also must reconsider their strategies and techniques. External agencies seeking to encourage reforms must also alter their approach. Conditions attached to aid in general are less effective in promoting institutional reforms than stabilization or liberalization measures.....It is much more difficult to measure progress on most institutional reforms. Moreover, there is a mismatch between the incentives provided by non-project loans and the agents who must take action and run risks to carry out institutional reforms. many of the agencies and officials involved in institutional reforms see little gain to their agencies or themselves from the aid provided contingent on the reforms (Nelson, 1996: 1556- 1557).

On the other hand, the UN utilised conferences, declarations, public sensitisation, advocacy campaigns and events to appeal to technocratic sensibilities and moral suasion for the adoption of its propositions. Commitment or subscription by member countries to the principles articulated by the UN in these approaches occurs voluntarily. Thus, although the UN set out the enabling principles as a normative framework, its adoption was voluntary with no compulsion for compliance. Furthermore, even where these principles were voluntarily accepted, no sanctions could be applied for modification or discontinuation. Therefore, the impetus for change had to emerge out of a deep conviction among local policy actors of the appropriateness of principles espoused under the global pacts. However, where no such embedded conviction and powers existed among local policy actors, purported voluntary subscription run the risk of distortion either to suit local interests or as a result of misunderstanding of the concepts of the pact.

3.8 Conclusion

Clearly, the enabling principles underpinning housing policies and reforms emerged from complex antecedents within the intellectual community, as well as at the international political level. These antecedents were frequently non-converging and subsequently infused the design of the enabling principles with nuances that are important considerations in any examination of housing policy reforms. In the light of the critical roles of the World Bank and the UN in the evolution of these principles, their respective organisational ethos asserts influences that pervade the design of these principles. As a result, the World Bank's perspective of the enabling principles is heavily influenced by the ideological bent of neo-liberalism, whereas the UN's perspective of the enabling principles was laced with a methodological fervour. Furthermore, the World Bank proffered a deductive approach to policy implementation, applying theoretical frameworks. On the other hand, the UN's preference for inductive approaches implied it facilitated housing reforms without specific theoretical bias. The socio-economic context of the period had a particular influence on the World Bank's approach as the use of policy reform conditionalities occurred within the parallel structural adjustment reforms; they were extended into the housing support programmes. The conditionalities approach overlaid the implementation of the World Bank's perspective of the enabling principles with a coercive imperative. Countries utilising World Bank support in housing thus necessarily had to undertake measures even if unpopular. On the other hand, the UN lacked this coercive apparatus relying on the strength of the arguments to convince member countries into voluntary adoption. As noted by Mukhija (2001),

“It would be much simpler for policy-makers if enabling consisted of decentralisation, privatization, deregulation and demand-driven development. However, the conceptual validity of a simplistic approach is questionable. Enabling is a complicated task with paradoxical policy demands on governments. But policy-makers need more empirically based observations of how private market actors operate..... there are limitations to the role of private actors. They need to profit, and they can be risk-averse. Not only do they need institutional support; in the absence of institutionalised incentives, they are unlikely to play a role in housing the poor. Enabling housing

provision is much more complicated than a simplistic enthusiasm for markets. Housing provision through market mechanisms is likely to be paradoxical and may require seeming policy contradictions..... For policy makers, it is important to recognise the complexities involved in providing housing for low-income group.” (Mukhija (2001:804)

The implication of these considerations is that housing policy makers in developing countries confronted a range of possibilities in adopting the enabling principles. In the light of these complexities, the question arises as to how housing policies and reforms were designed and implemented in Ghana. However, to answer this requires an appreciation of the existing policy structures. In this respect, the theoretical framework of the state is examined in the following section to set the context for a deeper analysis of Ghana’s housing policy reforms.

Chapter 4 – Unravelling the “State”

4.1 Introduction

An analysis of the motives and conditions shaping the design and outcomes of the housing reform policies espoused by the World Bank and the UN, as well as subsequent housing policy actions taken by the state, requires an understanding of the nature of the state in which the enabling principles of the housing reforms were received and processed. In this Chapter, recognising that housing policies are situated within the larger context of national development, I start by discussing the two meta-narratives of development constructed in international intellectual circles and coinciding with the onset of the post-colonial evolution of developing countries. These narratives of development essentially constructed a binary policy framework which posited a ‘state-led thesis’ of the development economists against a ‘market-led thesis’ of the neo-classical economists. The state-led thesis viewed the state as a distinct entity and the main agent of production and distribution. On the other hand, the market-led thesis considered the society to consist of atomised agents taking decisions on their respective needs whose fulfilment generated a market that had rules and norms. I note the adoption of the state-led thesis as the basis for the early post-colonial economic policies in most developing countries. However, the outcomes of these state-led policies in most cases deviated from what was envisaged as a result of the interaction of the prevailing logics of the political framework with adverse material conditions of these countries. To explain these deviations the state was typically conceptualised, especially in western literature (Chazan, 1992; Riddle, 1992; Bratton & van der Walle; 1994; Eyoh, 1996) as a neo-patrimonial one. In this perspective, state power was deployed for the primary benefit of the elite. This provided the opportunity for the advocates of the market-led thesis to proffer new prescriptions that required the state to withdraw from production. I argue that the perspective of the state, particularly in African countries as neo-patrimonial, was analytically very limited in its

explanation of the deviation from the envisaged outcome. It did not capture the underlying dynamics generated by the observed non-converging outcomes of the state-led development thesis. Therefore the subsequent prescription of market-led thesis and its attendant requirement of state withdrawal were similarly flawed in their analysis of the state. I go further to make the case that the meta-narratives of development put forward arguments that were undiscerning of the heterogeneity of interests embedded in the conception of the state. The recognition of this heterogeneity draws attention to the range of outcomes that could emerge from the interaction of the diverse interests within the state and society respectively and provide the requisite tools to analyse policy change. Bearing in mind the aim of this thesis of assessing housing reforms whose principles were generated by the World Bank and the UN, I extend the argument of this chapter to take account of the participation of agents and resources of these international agencies as a further tier of interests, besides the local interests that influence policy choices and outcomes in analysing their engagement with the local policy framework.

The approach outlined above allows for the examination of internal and external considerations or “decision calculus” of policy makers in undertaking reforms. I use the notion of “decision calculus” in this thesis to mean the set of considerations borne out of the local and international contexts and conditions as well as the strategic imperatives that impose questions of contemporary and future legitimacy on the policy actors. The decision calculus of policy actors accommodates both the structural conditions that potentially can shape the choices available to the actors, and the strategic interests, manifest or not, that emanate from an internalised prioritisation process. The decision calculus is thus a complex and dynamic platforms that interrogates material conditions and strategic interests and generates choices and actions of the policy actors. Examining the decision calculus requires an examination of the prevailing contexts and conditions and extrapolating the priorities of

policy actors through the speeches. By examining the decision calculus, it becomes possible to crystallise the underlying motives for specific policy choices. On that basis it can be inferred that the outcomes of reforms have the potential for considerable variety given the diverse range of influence and considerations. For this reason singular analytical perspectives focusing on local or international levels alone, such as the dependency theory deployed by Konadu-Agyeman (2001), fail in their analysis of housing and urban development in Ghana.

To conclude this Chapter I undertake a review of post-colonial political economy of Ghana drawing attention to the diverse relationships between the ruling classes in charge of the state apparatus, mainly consisting of the political appointees and top bureaucrats as well as other interest groups. The relationships are determined by logics that were generated by the combination of ideology, economic contexts and class preferences. On that basis I observe that although ideology prefaced most policy choices, political legitimacy was the underpinning rationale which explains why contradictions occasionally emerged. In this context, I define political legitimacy as the deployment of actions by operatives of the state using rules of the game, formally written or informally pervasive in the conduct of behaviour and relationships which construe such actions as valid and persuade society to accept such political actions to have been taken in the interest of the citizenry. According to Stone (2002:285), *“rules derive their enormous power from legitimacy, the quality of being perceived as good and right by those whose behaviour they are meant to control. Legitimacy binds rule-follower to rule-maker”*. Political legitimacy can thus be coerced or extracted from the society through patronising actions of those who control the tools of state. Arts, et al (2000) indicate that

The rules of the game delineate a policy domain, i.e. they define the possibilities and constrains for policy agents to act within that domain. As such, these rules determine how politics is played, which norms are legitimate, and how policy outcomes are achieved. In fact these rules generate the definition of meaningful and justified circumstances In short, the rules of the game encompass all

modes of production and interpretation of meaningful and legitimate conduct in policy arrangements. (Arts, et al, 2000: 61-62)

The political legitimacy rationale shaped the relationship between the ruling class and various interest groups – local and international – in differential ways. Clearly the differential relationships were an outcome of the articulation of power within the state and society. For that reason, housing policies (and the related reforms) were not an expression of ideological or technical rationalisation alone, but more a response to the imperatives for political legitimacy, given the objective conditions of the economy and the subjective penetration of societal interests.

4.2 Constructing the State – The modernisation and economic growth imperative

The prevailing perspective of the state in developing countries, particularly in Africa, has been shaped by the modernisation thesis manifested in the quest for “development”. This perspective views the post-colonial world as a linear historical-social-economic analytical construct through which all societies progress according to the model of the historical formation of capitalism in the western world. Modernisation had sociological, anthropological, political and economic dimensions (Kilson, 1963). Modernisation espoused a unilinear, unidirectional and irreversible social mobility process that would transform simple primordial societies into contemporary complex ones akin to western societies. The economy would change from antiquated subsistence agriculture to technologically driven industrial manufacturing. Illogical communitarian cultural practices would give way to utilitarian rationality of atomised “maximisers”. Furthermore, organically evolving feudal administration that arbitrarily ruled society through unregulated mechanisms would pave the way for structured liberal democratic governance. In this regard, developing countries in general were part of the post-colonial “*backward, underdeveloped, emergent, poor*” (Hettne,

1995: 36) societies facing a socio-economic and politico-administrative gap bridged by the “*rationality of modernisation*” (Sylvester, 2000: 705)

The political sociology parallel of modernisation was distinctly elaborated by Max Weber’s proposition of a singular trajectory of political administration based on the Eurocentric model evolution of governance in Europe from the middle ages of feudalism to the liberal democratic rule from the twentieth century onwards. In the Weberian model, Western European political modernisation evolved from primitive patriarchy that had no administrative structures, through peasant patrimonialism, that maintained patronage-dependent administration, to rational-legal modern bureaucracy. This transition occurred with changes in religion, science and the socio-economic structure of the society and generated values, capacities and actions culminating in the development of societies of rationality and balanced interests. In such modern societies, formalised rules and processes legitimised professionalism, specialisation and hierarchy in the establishment of a meritocratic bureaucracy (Delany, 1963). Although Weber disclaimed the universality of this model, it nonetheless permeated considerations of other regions and countries beyond the original context of Europe in the discourse of development in post-colonial countries, particularly in Africa (Sangmpam, 1993).

The modernisation thesis obtained significant mileage through the support of Western institutions and international development agencies such as the World Bank. The notion of modernisation was articulated in economic development theories, programmes and projects designed to achieve the desired goals of progress. W.W. Rostow’s “*The Stages of Economic Growth*” (1960), one of the most explicit articles of faith of the modernisation manifesto, reiterated the underlying belief in a singular trajectory for development. Hettne (1995: 39) notes that the leading thinkers of development economics essentially believed in state

intervention or economic planning instead of the market focus of neoclassical economists⁴⁵. This legitimised state interventions in development activities in one way or the other (characterised as a social engineering project) to ensure that the requisite productivity and growth conditions were fulfilled (Hettne, 1995). As a result, irrespective of the particular emphasis by development economics pioneers⁴⁶ – direct engagement of under-utilised factors of production (Keynes⁴⁷), productivity-enhancing growth based on physical capital investments or the “*big push model*” (Rosenstein-Rodan, Nurkse), or import-substituting industrialisation (Prebisch, Singer) – the state was the driver. Although it has been argued elsewhere that these normative development models were assimilated rather than foisted on developing countries because they fitted their existing power structures (Hettne, 1995), such theories provided the intellectual legitimisation of the policy of state centrality in development in post-colonial countries⁴⁸.

Even though state-led development in the 1960s led to economic growth, the benefits of such growth were observed to be inequitable, prompting criticisms. However this critique and the alternate reformulations of development theory proffered in lieu of state-led development approaches, initially did not directly address the issue of how political legitimacy was derived within the state in developing countries. As a result, none of the alternate development theories put forward structurally altered the role of the state. Thus theories of dependency (Baran, 1973; Chilcote, 1974), as well as the human capital formation

⁴⁵ The ascendance of development economics and the emergence of the post-colonial nationhood that the period 1960 to 1970 was labelled as the “First Development Decade”.

⁴⁶ The names of the pioneers in development economics, listed as T. P. Bauer, C. Clark, A. O. Hirschman, A. Lewis, G. Myrdal, R. Prebisch, P. N. Rosenstein–Rodan, W. W. Rostow, H. W. Singer, and J. Tinbergen emerged from a series of public lectures devoted to their work and organised by the World Bank. It is noteworthy that Keynes was omitted from this list. Hettne argues that ultimately his work had least relevance to historical experience of the West, yet its dominance converged with the emergence of post-colonial developing countries and the concerns for their transformation in the 1940s (Hettne, 1995: 38–39).

⁴⁷ According to Hettne (1995) this proposal originally related to short term stabilisation need in economic management during contractions and arose from considerations of the 1930s Depression.

⁴⁸ Arku (2004) notes that at different stages in the 1950s and 1960s, the government of Ghana sought the views of the likes of Arthur Lewis, Dudley Seers and Albert Hirschman, leading development economists at the time. Others named include Nicholas Kaldor, K. N. Raj, and H. C. Bos in this set of government advisors. Yet as will be discussed later, the nationalist government’s quest for modernisation through such advice was also a tool for political legitimation in the face of internal intellectual opposing perspectives at the time.

thesis and the basic needs approach (World Development Report, 1985, Arku, 2004) all maintained the centrality of the state, thereby contributing to the ossification of the political structures. In this respect, the emergence of state owned housing corporations in the post-colonial era was an extension of the logic of modernisation. This also underpinned the preference in state housing policies for “modern” materials and technology imported from the west in place of the traditional typologies. The retention of colonial-era Western oriented building regulations and planning standards found in building codes and planning guidelines respectively was similarly validated by this logic (Hardoy & Satterthwaite, 1989).

4.2.1 The “Big Man” Politics of patronage and corruption

The underlying logic of the post-colonial state in most African developing countries was manifested in a typological style of governance characterised as neo-patrimonialism lacking the elements of a modern state as espoused in the Weberian model. Many authors were emphatic that virtually all African countries exhibited some attributes of neo-patrimonialism deriving from a variety of conditions that ranged from historical to the contemporary (Theobald, 1982; Clapham, 1985; Chazan, 1992; Riddell, 1992; Bayart, 1993; Tordoff, 1993; Chabal, 1994; Bratton & van der Walle; 1994; Chabal & Daloz, 1999; Mamdani, 1996; Herbst, 2000).

Most regimes in sub-Saharan Africa operate some type of patron-client system. They provide their supporters and other members of the elite or potential competitors with jobs (including many specially created), import quotas, contract allocations, access to government projects, funds for the military and police, as well as parastatal organisations (Riddell, 1992: 62)

It was argued that political power in Africa manifested in a more personalised style of leadership by state functionaries that mirrored Weber’s characterisation of patrimonial rule. Under such rule, the person of the office holder and not the office or the formal rules governing the exercise of the authority of the office dictated the approach to governance. Rulers claimed a right to resources of the state that could be allocated through their personal discretion. Positions in public administration depended on relationships with the ruler and

benefits could be extended to patrons without accountability. In the contemporary manifestation of patrimonial attributes in post-colonial countries, the rights were negotiated through patronage thus labelled “neo-patrimonial⁴⁹” rule. This personalised approach was conceptualised as the “Big Man” politics (Sandbrook & Oelbaum, 1997). This system of “big men” penetrated the society and manifested at all levels of society where state power could be exercised (Bayart, 1993). In this system, the “Big Man” obtained legitimacy in society by allocating access to public resources to patrons and sponsors seen as the primary constituents in exchange for maintaining the ruling class in power. In some cases, public resources were indirectly used by the ruling class only as an incentive for maintaining political stability. However this was difficult to differentiate from the corrupt appropriation of public resources by the ruling class given that the ultimate benefits in the former arrangement nonetheless accrued to the ruling class personally. Under neo-patrimonialism other interests in society besides those of the ruling class were precluded from decision making and rather compensated, co-opted or repressed. Articulation by different interest groups such as private capital, organised labour, urban and rural groups on public policy diminished through pacification or coercion. Often, the ruling class virtually silenced the bureaucracy and the judiciary through co-optation. In some instances labour and business groups were co-opted in corporatist compacts through fiscal incentives and rewards such as import licences, business operating permits and tax waivers. In other circumstances, they were selectively intimidated and repressed through the use of the coercive powers of the state. In most developing countries, this resulted in military dictatorships or single-party rule. Although this characterisation of the governance approach in Africa coincided with early stage post-colonial rule, this perception persists in contemporary times. However, new perspectives have

⁴⁹ The term “neo-patrimonialism” was coined by S.N. Eisenstadt (Thomas, 2007:734 footnote 28).

emerged to proffer alternative rationalisation for the observed governance practices characterised as neo-patrimonialism, and these perspectives are presented in the next section.

4.2.2 The perspective of neo-patrimonialism as a public finance tool

Weber's characterisation of patrimonialism existed in some form in most countries with traditional rule in which the society exchanges its acceptance of leadership for the provisioning of some social goods. The society accepts the extraction of resources whereas the leadership accepts the responsibility for providing these goods. Such exchanges became routinised in cultural practices perceived as neo-patrimonialism. Herbst (2000) makes the case that patrimonial practices were imbibed from the pre-colonial era and reinforced during the colonial era. One area in which patrimonial practices were incorporated from pre-colonial era through to post-colonial era is in the administration of taxes. Pre-colonial states, in whatever forms they existed, taxed trade in lieu of personal or land taxes because of the political geography – low land values in excess supply coupled with low-density and dispersed settlements. Tributes raised from conquered lands could be (and often were) limited by frequent challenges to sovereign authority over such territories from either external aggressors or rebellious subjects. Notwithstanding the limited accountability, the indirect taxation methods nonetheless facilitated the accrual and redistribution of resources by the pre-colonial state. Colonial authorities adopted similar methods by establishing commodity marketing boards and export taxes to accrue revenue for their metropolitan enterprise. In this way, substantial resources were generated ranging between one-third and two-thirds of all revenues (Herbst, 2000: 116-117). However, the commodity marketing boards' price regulation obstructed the development of indigenous capitalism. For example, when world prices for cocoa peaked in the 1920s, the benefits were not transferred to the farmers (Konadu-Agyeman, 2001). At independence these structures were transferred to the new nations – highly dependent on indirect taxation of trade with minimal accountability. The

trade-off for state legitimacy therefore was in the expected state-administered disbursement of economic, social and political goods.

4.2.3 The perspective of neo-patrimonialism as an effect of colonialism

Colonialism had an impact on the existing social order which culminated in the reconfiguration of the pre-colonial society and in part also explains the substance of neo-patrimonialism. According to Chabal (1994), anthropologists did not appreciate the ways in which African societies evolved in response to colonialism. Although pre-colonial wars for territorial domination prevailed, the territorial structures were hardly enforced or policed. Herbst (2000) concurs, adding that the large expanses of land and small populations in dispersed settlements in pre-colonial Africa created administrative problems for even the more powerful kingdoms. However colonialism constructed new boundaries that welded together tribal and ethnic groups into distinct territories not necessarily subscribed to by these groups. In order to enforce colonial power and preserve the resource extraction imperative, patrimonialism manifested in selective material inducements and coercion of different interests to contain the agitations against colonialism's arbitrary political geography. The varied application of patronage maintained old or created new inter-tribal hegemonies. The overarching concern for servicing the metropolitan economy of the North constrained colonial administrators from developing systematic and universal approaches to development.⁵⁰ Indeed, the indirect rule system adopted by the British using intermediaries to govern their colonies typified the ambivalent colonial concern for nation building (Ndulu & O'Connell, 1999:49). Thus patrimonialism was institutionalised as an instrument of civic administration by which statehood was maintained among non-consenting ethnic groups.

⁵⁰ Tordoff (1993: 121-2) notes that at the turn of the century, colonial officers working in the colonies were very few. However getting to the end of the colonial era, efforts were made at developing a more comprehensive public administration system in British and French colonies.

4.2.4 The perspective of neo-patrimonialism as a state-building imperative

It has been argued that the nationalist leaders who led the anti-colonial movements and ultimately took over power after colonialism were themselves groomed through the instruments of colonialism – Western education and religion – to imbibe the principles and practice of their peculiar approach to governance. Therefore these new nationalist leaders had very little realistic experience in constructing statehood and modernising their societies. As a result, the administrative systems put in place by the previous colonial enterprise did not transform but rather stalled and as administrative inertia set in, the new leaders resorted to the neo-patrimonial practices to ensure development (Young, 2004). Furthermore the mobilisation of the productive – economic and political – forces in society to pursue the state-building and economic development imperative found merit in centralising the state in production and allocation decisions. In this respect, political plurality constituted a dissipation of resources and energy critical for development and state-building. As a result, liberal pluralism was discouraged as the government executed the state-building and economic development agenda with little tolerance for opposition. Thus political convergence was sought which evolved into authoritarianism using the coercive power of the state. Julius Nyerere, first president of Tanzania and a key anti-colonial leader in Africa, unambiguously underlined the state-building rationale for authoritarianism;

The new nations of the African continent are emerging today as the result of their struggle for independence. This struggle for freedom from foreign domination is a patriotic one which necessarily leaves no room for difference (in “The African and Democracy” cited in Herbst, (1993:97)

Tordoff (1993: 123) and Konadu-Agyeman (2001:29) argue, generally and particularly for Ghana respectively, that colonial rulers restrained indigenous capital accumulation thereby constraining the creation of a pluralist-capitalist society. The existence of a very small class of private entrepreneurs at independence permitted the political class the leeway to craft an active role for the state in capital accumulation for national development. In the face of perceived paucity of domestic capital and national economic vulnerability of the new states, it

became imperative to assert and consolidate state viability through state-led policies. Furthermore the pre-requisites for constructing the state demanded centralising political authority to mobilise mass subscription to the (inherited) territorial construct, to define the subjects of this geopolitical order, and to structure and legitimize the relationship between leaders and subjects. At the same time, the need to generate economic growth required “*new instruments and rationales for re-ordering production, allocation of resources and extraction of surplus*” (Eyoh, 1996: 45-46). This arrangement necessitated privileging particular interests in society and consequently engendering conflicts that would disproportionately affect “*social classes, regions and cultural groups*”. Chabal (1994) notes the turn in the rhetoric of nationalist government to justify authoritarian rule;

..... As the assumption that modernization meant Westernization was shattered in post-colonial Africa, so the nationalist vision was revised. The traditions of African politics were re-examined in the search for a key to an understanding of the vagaries of modern politics. The colonial system was now claimed by the post-nationalist to have bequeathed a legacy of unworkable political practices which went against the African ‘genius’. *If consensus was the African way, one-party states were natural and elections mere formalities. If traditional solidarity still prevailed, trade-unions could only be divisive* (Chabal, 1994:45-46; emphasis added)

Notwithstanding the justifications for neo-patrimonialism, the re-emergence of the neoclassical economists in dominating the debates on development in the 1980s led to the denigration of the observed governance practices in developing countries, especially in Africa. This subsequently led to calls for economic and political reforms which are examined in the next section.

4.3 Neutering state “legitimacy” by the “counter revolution” – the roll back

As has been indicated in Chapter 2, the return to neoclassical economics, labelled “*the counter-revolution*” and its focus on the logic of markets and free trade gained traction with the election of conservative governments in the US, UK and Germany between 1979 and 1981. In Chapter 2, I focused on the effect of this paradigmatic change on the lending activities of the World Bank in housing. In this section I focus on the effect of this change on neoclassical thought on the question of state legitimacy and its instruments. As I have noted

previously the application of development economics views in legitimising state-led development in the early post-colonial era had contributed to the ossification of the political structures in the responses to internal and external interests. Given the preference for market agents as the sole legitimate entities for production allocation and re-distribution, the fundamental posture of the advocates of neoclassical economics in the 1970s, spearheaded by the World Bank and the IMF, was antithetical to the logic of state-led development. The principal instrument formulated to achieve the goals of neoclassical economists in the counter-revolution – the “Structural Adjustment Programme” (SAP) – clearly sought to deconstruct state-led development arrangements. SAPs were conceived during the crisis events of the late 1970s that had engulfed most developing countries, especially in Africa. The crises had antecedents in the worsening international terms of trade and scandalous economic and social policy choices of African governments from the late 1960s onwards. In summary the primary events that fuelled the crisis of the 1970s included among others significant rises in global oil prices, sharp falls in export commodity prices, reckless increases in military expenditure by developing countries, and severe famines. These incidents combined to cause sharp rises in foreign debt (US\$ 9.02 billion in 1970 to US\$ 49.6 billion in 1978) and increased demand for food imports of non-oil exporting countries (US\$ 1.9 billion in 1973 to US\$ 6 billion in 1980) (Owusu, 2003: 1656-1657; Mosely et al, 1991a). These events had significant adverse and unequal social and geographic impacts within and between countries, putting most African countries in political peril (Riddle, 1992; Hettne, 1995). The crises generated a clear rationale for characterising the prevailing governance practices as “*bad governance*” or being emblematic of “*soft*” or “*weak states*” and created the platform upon which the World Bank and its allies designed programmes to detach the state from its dominant position in development. The strength of a state is measured by the capacity to internally assert its legitimacy and externally cohere against implosion or the erosion of its

sovereignty (Sangmpam, 1993). A weak state experiences a reduced ability to deliver on its mandate of generating and equitably allocating social, economic and political goods to the polity. The weak state is seen to be controlled by a range of forces from within and without that transfer these social, economic and political goods inequitably and consequently result in the disengagement of significant sections of the polity from the control of the state. In this respect it was observed that weak states lost institutional authority and were deemed to have failed to become de-institutionalised (Sangmpam, 1993). By characterising the crisis-hit developing countries as weak states, the World Bank and their allied neoclassical economists were successful in compelling economic and political reforms to disengage the state.

In the early 1980s the initial focus of the reforms of the state was getting “prices right” by deregulating monetary policies that affected interest rates, foreign exchange and trade; and reducing the size of the state to suit its limited role in the economy, failed to achieve the goals of improving economic recovery and subsequently necessitated the expansion of the neoclassical prescriptions of reforms to policy making. It was observed that,

policy reforms alone would not suffice to activate markets because a supportive array of political, administrative, legal, and economic institutions was lacking. African states would therefore need the will and capacity to tackle "deep" institutional restructuring as well as policy reform (Sandbrook, 1995: 278).

The institutional reforms required would need to go beyond reducing the size of the bureaucracy;

Markets could not work their magic in the absence of social peace and political stability, a range of reliable physical and social infrastructure, a disciplined and *expert Weberian-type bureaucracy*, functioning financial institutions, the rule of law, and a predictable and non-confiscatory tax system. If these conditions do not exist, then the state must create them (Sandbrook, 1995: 279; emphasis added).

Szeftel (2000) notes the concern of the World Bank (1999) about the weak governance in African countries and that '*internal checks and balances within government need to be stronger*', and '*anti-corruption laws must be adequately enforced, the key "watchdog" institutions made strong and sufficiently funded, and corrupt practices visibly punished*'

(Szeftel, 2000: 290)⁵¹. It is on this basis that reforms were canvassed by international development agencies such as the World Bank. Measures advocated in this respect included the passage of anti-corruption legislation, de-politicization of policy making, improvements in public administration practices, and reduction of the public sector through retrenchment and privatization, and lastly decentralisation. Resulting from these reforms new public administration approaches have evolved in institutional forms in charge of specific policy spheres such as monetary regulation, elections, public procurement, and public expenditure monitoring. The World Bank's so called good governance principles from the 1980s conceived the reformed state to be;

epitomized by predictable, open and enlightened policy making; a bureaucracy imbued with a professional ethos; an executive arm of government accountable for its actions; and a strong civil society participating in public affairs; and all behaving under the rule of law (World Bank, 1999 cited in Thomas, 2007: 729) .

The state in most African countries thus underwent structural transformation under the guidance of the World Bank in particular. In spite of the reforms the neoclassical counter revolution was subjected to rigorous critique, partly because of the failure to achieve the envisaged results of the reforms, and this critique is discussed in the following section.

4.3.1 Critique of the “Counter Revolution”– inspired reforms

Even though the neoclassical economics thought ascended in the 1980s, shored by the economic and political crises in developing countries in general and Africa in particular, it nonetheless received a lot of criticisms. Bracking (2003) argues that conceiving the state through neoclassical lenses takes away from the opportunity to re-conceptualize the governance approach in the context of the imperative for affirmative action necessary to reverse inherent structural biases from the colonial era. Using case examples of South Africa

⁵¹ This concern led to the establishment of the Capacity Building and Implementation Division in Washington and jointly with the UNDP established the Africa Capacity Building Initiative in Harare, Zimbabwe (Sandbrook, 1995:279). Similarly the emergence of transnational organisations such as Transparency International (TI) with substantial financial grants from donor agencies like the United States Agency for International Aid (USAID) and the World Bank as well as the proliferation of local civil society organisations in Africa engaged in the issues of popular participation, accountability and human rights were prompted by such concerns.

and Zimbabwe, she contests the mainstream view of neo-patrimonialism based on its omission of this aspect of legitimacy. She argues in the cases of both South Africa and Zimbabwe⁵² that the historically entrenched social inequalities legitimize state-driven redistribution mechanisms for redressing the “*incapacity of the “self-regulating market”*” (Bracking, 2003: 29).

The theory of patrimonialism has difficulty in distinguishing between the legitimacy of re-distribution and the illegitimacy of corruption, since it assumes that patrimonialism is an essentialist structural failure of the state. Instead, the 'problem' of redistribution would seem to revolve around the legitimacy of method – empowerment, indigenisation, or kleptocracy – and the political negotiations within society which contextualise it. The patrimonialism and corruption of African polities is often seen as embedded in the inability of African state personnel to break away from personal relationships in society, or to state regulators' inability to leave the 'free' market to its own autonomous regulation. There is a continuous reference to the ideal-form of divide between the public and the private of the European liberal state, never mind that this itself is an imagined one. Theorising African states in terms of patrimonialism has undoubtedly produced insights about state class formation and the structural risk of corruption. However, the theory is insufficient in an important respect: its failure to analyse redistributive economic exchange outside an assumed framework of illegitimacy. Redistribution of wealth in sub-Saharan Africa has been restricted by ideas of the inalienable nature of private property and fears of financial collapse if government attempt to change property 'rights'. My point is a minor one, which is that each instance of redistribution is specific to the context in which legitimacy is negotiated, not the 'given' dysfunction that theories of patrimonialism seem to imply (Bracking, 2003: 12-15).

Citing instances from traditional capitalist Europe, late capitalist Asian “Tigers” such as South Korea, and emerging powerhouses China and India, Szeftel (2000) cautions against the indiscriminate, ahistorical and ethnocentric conception of neo-patrimonial governance as a contemporary phenomenon or peculiar to only Africa. The quest to reform such societies according to World Bank prescriptions threatens the legitimate development of a capitalist class;

The nature of underdevelopment makes capital accumulation in the marketplace hazardous and relatively unrewarding. The legacy of imperialism excludes the indigenous petty bourgeoisie from entry into the most advanced or capital-intensive sectors of the local economy, confining it to the

⁵² South Africa established a Black Empowerment program by which the economic inequalities fostered by the former apartheid system of governance would be corrected. Bracking notes its application in the mining sector with the passage of new mining laws (at the time of writing it was not yet passed) which seeks to transfer 26% of the sector into the hands of the “historically disadvantaged within South Africa in 10 years”. Additionally, the private sector would be expected to support raise capital for the new owners. However, Bracking notes that there is a general reticence of the business community to support such empowerment schemes and this has been compounded by the rational recourse to reselling by the new owners to cash in on high market incentives. On the other hand, Zimbabwe’s land redistribution programme is a well covered subject in which the government is seizing, without compensation, commercial farmlands belonging to white farmers and giving to black farmers who are mostly veterans of the liberation war (and inadvertently party members) as well as senior government officials.

peripheral activities of commerce, artisanship and small-scale or petty commodity production. Without access to state office or officials and, thence, to state resources, individual and group prospects are extremely limited (Szeftel, 2000: 287).

Mosley et al (1991a) also protest the ethnocentric undertones in the criticism of the governance approaches in developing countries. They go further in their critique of the characterisation of governance in developing countries as rent-seeking (as a component of neo-patrimonialism) on the premise that such attribution was a misapplication of the original intent of the concept of rent-seeking. The original concept of rent-seeking was intended to identify the welfare cost arising from the activities of interest groups competing for state resources. To the extent that this concept was an abstraction of an economic process resulting in an impersonal allocation outcome and which did not express a political value, then its new interpretation was discordant with the original. Mosley et al (1991a) condemned the characterisation of state power in developing countries as rent-seeking policy making only for self interest as cynical and pessimistic, and was also very selective in its conceptual approach to the variety of interests. Mosley et al (1991a: 11-21) discussed how an economic theory of politics framed the neo-liberal view of state-society relations in developing countries within the New Political Economy (NPE) approach. They noted the disregard of the NPE's approach to the influence and effect of international capital – the capital logic – on the local policy setting.

To say, as exponents of the NPE do, that people in political positions are typically motivated *only* by individual self-interest is, and should be, shocking. However one defines the public interest, and however much scope one grants to the protection of private interests as part of the definition of public interest, the unbridled pursuit of self-interest by rulers belongs to the pathology of politics – to tyranny or dictatorship or, ultimately, to anarchy. To attribute individual self-interest as their exclusive motive to politicians in developing countries is to deny their sincerity, their merit and, ultimately, their legitimate right to govern. Whilst this is appropriate criticism for particular rulers or regimes, in the developing no less than in the developed areas of the world, as a general characterization of the state in developing countries, it is breathtaking in its scope and pretension (Mosley et al, 1991a: 13).

Furthermore, the mechanics of the proposed neoclassical reforms are also problematic.

Olowu (2003: 503–507) argues that these reforms, generated by conditions of economic, social and political crisis, were however based on three wrong presumptions that deviated the

reforms from accurately diagnosing the problems. Firstly the underlying basis for the public sector reforms was the associated cost of maintaining the large-sized civil service rather than the quality of their output. The neoclassical economics perspective thus assumed that the civil service was too large without recourse to empirical and qualitative assessments. As a result, the reforms lost sight of the technical needs and the unequal geographic balance of the public sector that appeared tilted towards centralised entities and urban centres rather than decentralised or rural-based agencies. Olowu (2003) argues further that the public sector problem in Africa was the lack of “*the right incentives for better performance*” (Olowu, 2003: 507) and not the size. Contrary to the neoclassical approach, public sector in Africa required more staff and increased budgets, not less, in order to attract a higher calibre that would deliver better quality.

If the goal is to build stronger civil service systems that can assist the policy process, regulate and stimulate other organisational actors, and ensure the delivery of quality services to a discerning and demanding public, increased costs are inevitable (Olowu, 2003: 507).

Olowu (2003) thus posits that whereas bureaucratic inputs and processes have improved, there has not been corresponding success in outcomes and impacts such as “*improved services delivered to the people, higher customer / citizen satisfaction and ownership, accountability, transparency and good governance*” (Olowu, 2003: 505). The reforms advocated by the neoclassical economists canvassing for the roll back of the state in developing countries did little to unravel the true nature of the state. They did not take into consideration the mechanisms by which political legitimacy was obtained in developing countries (Herbst, 2000; Ndulu & O’Connell, 1999; Bracking 2003; Szeftel; 2000). Asserting political legitimacy requires the persuasion or assuaging of dominant interest groups in society to validate the actions of the ruling classes. These dominant interest groups exist among many other interests, except they control resources and access to state power. Implicitly this infers that the concept of the state as a homogenous entity is analytically flawed. Rather it manifests as a platform that is contested for access to the apparatus of state

power and resources. In this respect, the neoclassical economic and political reforms advocated by the World Bank and its allied partners overlooked the tools to assert political legitimacy. However, the lack of attention to the agents and structures of political legitimacy did not deny the existence or power of these dominant interest groups. They would not disappear just because they were not considered in the reforms. Rather this omission inserted a new dynamic in the implementation of the reforms bordering on how these groups reacted to the lack of attention to their needs.

In the light of the foregoing, the reform proffered by advocates of the neoclassical counter-revolution was itself problematic and not the logical de-politicised exercise that it espoused. It failed to examine the case for interrogating the political nature of the structure of the state and the tensions between the constituent interests. Furthermore, the proffered solutions of state withdrawal by advocates of the neoclassical reforms were superficial in the sense that their primary motive was cost reduction rather than efficiency. Thus the focus on the numbers employed by the state leading to the massive labour retrenchment was analytically misconceived. More importantly it is clear that the advocates of the neoclassical reforms failed to take into account the heterogeneity of the state.

4.4 Theorising the State and Society

Clearly, the conceptualisation of the state was analytically problematic in both the state-led and market-led narratives of development. The market-led analysis of the state does not take into account the dialectical relationship between the constituents of state and society at either the macro level or at the sectoral level. Furthermore, both state- and market-led analysis do not explore the potentially variable responses of the constituent interest groups to dictates for reform that could de-legitimise the instruments used in the quest for domination. Thomas (2007) posits government's simulation of conformance with reform proposals of international agencies only in order to access resources.

Few people are likely to 'own' reforms that will land them in gaol (sic) (p.736)Neo-patrimonial governments have found that they can obtain more resources for distribution, thereby strengthening their own political support (and, as noted above, obviating the need for more fundamental change), by agreeing with the Bank. They allow the Bank to stipulate reform of laws and formal processes that have little to do with the way government operates or that can be quickly coopted for new purposes. (pp. 742 - 743) Most borrower governments would refuse to work with an institution that aims to promote the enforcement of laws that would criminalize their method of rule unless they could be reasonably sure of being able to control the outcomes. Even the Bank's technical assistance for this purpose is often grudgingly accepted as an irritating concomitant of loan money (p. 744)

The conventional analysis of the state masks the inherent heterogeneity of the state and of society respectively as it indiscriminately conflates them. Without recognising the multiplicity of interests within the state, conventional analysis is deficient in determining the mechanisms by which policy decision making evolves as a negotiation process and not just at the whims of a patron. The formal and informal rules that guide political behaviour and generate bureaucratic competition are important sites of conflicts that influence policy. These rules require deeper analysis than the generic conceptualisation of neo-patrimonialism allows.

Another deficiency of the two narratives of market-led and state centred approaches of the state is their oblivious stance towards the influence of resources – intellectual and financial – of international development agencies on the behaviour of the constituents of the state and society. Whitfield and Jones (2007: 1) capture these arguments succinctly when they disagree with the generic application of neo-patrimonialism because it “... *fails to acknowledge two key points. First is the interplay between technocratic policymaking, political expediency and elite economic interests. Second is the dynamics and logic created by the foreign aid system, particularly since the 1980s*”. Skocpol (1979: 31; cited in Ramsamy, 2006: 20–21) condemns the mainstream development theories' inability to conceptualise the state beyond functionalist approach noting how such theories “*managed to create a model that simultaneously has given a decisive role to international political domination and deprives politics of any independent efficacy, reducing it to vulgar expressions of market-related interests*”. Viewed in terms of scale, politics plays a role at the transnational level as well as at the national and sub-national levels. This is the failing of the

dependency argument put forward by Konadu Agyeman (2001) in explaining the question of housing and urban development in Ghana. Konadu-Agyeman's (2001) dependency analyses of the housing sector at the transnational level did not recognise the influence of national or sub-national interests. In expanding Skocpol's conceptual formulation of state strength, Davidheiser (1992) indicates the need to look at the differential impact of state institutions and also the impact of society on the state. By drawing attention to the "*relative autonomy of the state*" and "*replacing the notion of state with state structures*" Davidheiser (1992: 464) posits that researchers examine the "*penetration of the state by societal interests*" and also the "*differentiation across policy institutions*" thereby facilitating the conception of the state as a platform for political conflict. Ramsamy (2006:19) points out the lack of attention in the two development narratives to an "*elaborate choreography of external influences and domestic politics*". Furthermore, he argues for acknowledgement of the "*countervailing international factors*" that create grounds for the international development agencies to discard their own principles. He cites the instance of how an imperative need for supporting a "*strategically important client*" creates the rationale for deviating from an established principle.

Development theories suffer from not acknowledging the influence of politics in relation to how theories and prescriptions originated by international agencies are "*inscribed into local structures*", that is the "*indigenisation process*". On this basis Ramsamy (2006) goes further to make the case that the narratives of development inadequately analyse the issue of "*decision calculus*" and for that reason fail to explain the variable outcomes of the interaction of the international agencies with different countries; "*how some countries circumvent international pressure, including that of the (World) Bank, while others do not*" (Ramsamy, 2006:24).

This is an under-researched arena in relation to housing reform policies based on principles conceived by the international development agencies such as the World Bank and

the UN and which are transferred to developing countries. While Gilbert (2002a, 2002b, 2004) leads the way in analysing encounters between international agencies such as the World Bank and USAID, and the local policy systems in shaping housing policy reforms, he does not focus specifically on the experience of implementing the enabling principles. As a result, the local and international conditions and context within which housing reforms incorporating the enabling principles have been implemented, particularly in Africa, has by and large escaped attention of most researchers. Where it has been considered, much of the literature on housing reforms based on the enabling principles have focused on the overarching neoliberal perspective advocated by the World Bank (Ogu, 1999, Ogu & Ogbuozobe, 2001; Mukhija, 2001, 2004; Butcher, 2004; Rojas, 2001; Keivani, Mattingly & Majedi, 2005; Zhang, 2000; Lee & Zhu, 2006). The UN has published a broad review of the experiences of housing reforms based on enabling principles, outlining general approaches from the emerging lessons, but fails to address itself to the indigenisation process (UN-Habitat, 2006). For the programmes that have been sponsored by either the World Bank or the UN, these reviews have not interrogated the experiences on the basis of the distinct power relations between and within the international agencies and interest groups within the state, falling prey to the notion of state homogeneity and autonomy. Given the nuanced differences between the World Bank and the UN in the formulation and general approach to implementing housing policy reforms, the encounter with local policy framework must be keenly viewed for an understanding of the “*decision calculus*” in the context of the *indigenisation* process. These encounters are affected by the distinct asymmetries of power between and within these multinational agencies and the local policy institutions.

It is clear from the foregoing as well as from the considerations of the preceding Chapter 3 that in respect of housing research in developing countries, especially in Africa, there are analytical gaps that have to be rectified; this thesis attempts to make a contribution

in this respect. In Chapter 3 I discussed the nuanced differences between the UN and the World Bank in their conception of the enabling principles. These differences have to be taken into account in analysing housing reforms that inculcated these principles. Housing research of the implementation of the enabling principles in the African context have suffered this lack of distinction in conceptualisation and its concomitant practice which I am seeking to rectify in this thesis. In the preceding sections of this Chapter, I have demonstrated that the analysis of policies frequently rest on macro-level conceptions of the state and society as homogenous entities. However the shortcoming of this level of analysis is found in the fact that such a conception obscures the complex heterogeneity and contestations encountered within state and society. It is the recognition given to the pluralism within the state, which this thesis adopts to correct the analytical shortcoming of earlier research on housing policies in Ghana in particular, and in Africa generally. This plurality is further complicated by the participation of international agencies such as the World Bank and the UN in local policies either through the funding arrangements or through intellectual support. The intellectual resources of the international agencies have led to the development of theories and principles which are subjected to local interpretation and adaptation, or what Ramsamy refers to as the “*indigenisation*”. The indigenisation process of internationally developed principles have been overlooked in research on housing and this thesis attempts to rectify this in reviewing the implementation of the enabling principles in Ghana’s housing reforms.

Following the articulation of the enabling principles, there has been a theoretical pause as though the enabling principles have adequately responded to the needs of developing countries or for that matter their implementation has been pervasive. Indeed the World Bank has presently moved its focus on housing to the broader question of urban development (Jenkins et al, 2007). In similar fashion the UN has increasingly focused on the urban scale since the 1990s even though housing remain problematic. The housing sector no

longer enjoys exclusive focus in respect of theoretical approaches. Perhaps the departure from housing-specific theorisation derives from the analytical handicap of previous research focusing on a homogenous state and a hegemonic and unproblematic “international” dimension discussed in the foregoing. On that basis the next section will elaborate a post-colonial historical sketch of Ghana taking account of the complex inter-relation of the political and institutional elements constituting the state and society. This serves to foreground the subsequent discussion of the state in housing from the pre-reform through to the post-reform era in Chapters 5 to 7. I chose to start this stylised sketch in the post-colonial era because of colonialism’s attribution of structure and agency to the metropolitan centre and its discounting of the various local strategic actors as well as the indigenisation mechanisms by which principles developed within the international realm were adapted. Post-independence historical analysis opens up the “local” to research on the politico-administrative “*decision calculus*” without foreclosing on the influence of the international. I end this historical sketch in 2008 to ensure a comprehensive appreciation of contextual setting in which housing policy reforms of the enabling principles kind and its aftermath have been implemented.

4.5 The Political Economy of Post-Colonial Ghana – A Stylised Narrative

The narration of the post-colonial history of Ghana appears to be anachronistic because of the transitional arrangements prior to independence in March 1957. At the end of the Second World War the independence aspirations were reinforced by the convergence of Ashanti nationalism, returning Western- trained nationalist elites and disaffected ex-service soldiers and local intelligentsia that coalesced into a political movement in 1946 when the United Gold Coast Convention (UGCC) was formed. However, an irreconcilable chasm opened up between the radical young intellectuals headed by Kwame Nkrumah on one side and the senior intellectuals and merchants aligning with the Ashanti. Nkrumah’s group

became self-declared Marxists and left the UGCC to form their own party, the Convention Peoples Party (CPP)⁵³ in 1949. Agitations⁵⁴ engineered by Nkrumah's CPP pushed the colonialist to accept a joint governance arrangement in 1951 which eventually culminated in independence in 1957. A plebiscite to determine the nature of the future independent Ghanaian nation as a federal or unitary state pitched the Ashanti in particular⁵⁵ against the Nkrumah faction and upon the choice of the unitary state consequently established an ideological divide that has influenced the articulation of class interests in Ghana's post-colonial evolution. The transition to independence saw the election of an indigenous government headed by Kwame Nkrumah from 1951 up to independence in 1957 when the CPP took full reins of power. Therefore although independence was gained in 1957, it is not anachronistic to consider public policies from 1951. Arku (2004) and Ansah (2006) have catalogued the economic and political traditions of post-colonial Ghana according to different perspectives. Arku (2004) classifies the historical narrative of economic policies according to the political regimes whereas Ansah (2006) organises the narrative according to the economic policy disposition as it related to business groups in particular and other interest groups. However both Arku (2004) and Ansah (2006) end their respective categorisation of the historical narrative in 2000. I adopt a framework that accommodates both approaches by viewing the relationship between the state and the society according to the political administration and their relationship with different segments of society. Furthermore I extend the periodisation to 2005 to reflect the thesis' overview of post-enabling housing reforms. In focus group discussions with present and former senior bureaucrats of the Ministry of Works and Housing, Ministry of Local Government and Rural Development, and the Local

⁵³ UGCC favoured "self-government in the shortest possible time" whilst CPP adopted "self-government now".

⁵⁴ These included mass boycotts of British products and riots following the shooting of three ex-service officers engaging in a peaceful protest on the direct orders of a British colonial officer.

⁵⁵ Enriched by cocoa, gold and timber and resentful of the colonial rulers' commandeering a disproportionate share of the wealth, the Ashanti were not keen for this to continue by nationalist governments. The Cocoa Marketing Board had been established by the colonialist in 1946 to extract taxes as the sole marketer of cocoa externally through the retention of a proportion of the proceeds.

Government Project Coordinating Unit – all of whom had worked on the housing sector reforms, directed me to establish the periodisation of this thesis into pre-reforms era of post-colonial Ghana (1951 to 1985); the housing reform era (1986 to 2000) and post-housing reform era (2000 to 2005). The ethos of the pre-reform era aligned to the state-led development policies of that period, whereas that of the reform era aligned to the subscription of the neo-classical economics-inspired structural adjustment principles. The characterisation of the post- reform era derives from the conclusion of the assistance of international agencies directly for the reformation of the housing sector, although they remained significant in other sectors. Table 4.1 is a summary of the characteristic political economy features of the post-colonial history of Ghana.

The discussions that follow indicate that whereas Ghana's political economy has four major shifts from socialism, liberalism, kleptocracy to neoliberalism, (Periods 1 to 4 in Table 4.1) their housing policy orientation has manifested three distinct phases characterised in the pre-reform, reform and post-reform. In tracing the relationship between the political dispositions of the various administrations, the economic policies and the interest groups in the polity I argue that core constituencies shifted according to political traditions that subsequently shaped economic policies. However, the outcomes of the policies were also affected by global political and economic forces which generated new logics, mostly of crisis, that subsequently influenced political re-action.

As a result the penetration of the state by societal interests comprising organised labour, business class, intelligentsia, petty bourgeoisie, youth and students, urban and rural peasantry, and the bureaucracy was ambiguous, dependent on the government's political tradition and the state's responses to the economic exigencies. In the following section I present a narrative of Ghana's post-colonial political economy drawing from the substantial literature on the subject. In the process I reflect on the ambiguity in interest group relations

Table 4.1: List of post-colonial governments and governance tradition

Period	Dates	Government	Type	Political tradition / Economic development stance	Housing
1	1951-1959	Dr. K. Nkrumah Convention People's Party (CPP)	Civilian	Socialist politics, focused on foreign direct investment and joint venture industrialisation. Opposed to domestic capital	Pre-reform
	1959-1966	Dr. K. Nkrumah Convention People's Party (CPP)	Civilian	Marxist authoritarian; state-led development and industrialisation; high public spending; modernization of agriculture, and education	
2	1966-1968	Gen. E. Kotoka / Gen. A. Afrifa National Liberation Council (NLC)	Military	Market-Liberalism, economic liberalisation, privatisation	
	1969-1972	Dr. K. A. Busia / Progress Party (PP)	Civilian	Market-Oriented; liberal democratic; enhanced privatisation, devaluation; radical domestic capitalism; rural development focus and agricultural development.	
3	1972-1975	Gen. I. K. Acheampong / National Redemption Council (NRC)	Military	Protectionist; currency revaluation; foreign debt repudiation; state agriculture; nationalisation	
	1975-1978	Gen. I. K. Acheampong / Supreme Military Council (SMC I)	Military		
	1978-1979	Gen. F.W.K. Akuffo / Supreme Military Council (SMC II)	Military		
	1979	Fl. Lt. J. J. Rawlings / Armed Forces Revolutionary Council (AFRC)	Military	Radical Marxist; populist accountability methods	
	1979-1981	Dr. H. Limann - Peoples National Party (PNP)	Civilian	Socialist administration; Political and economic inertia	
	1981-1983	Fl. Lt. J. J. Rawlings / Provisional National Defence Council (PNDC)	Military	Initial Marxist orientation; rigid price control; arbitrary judicial system	
4	1983-1992	Fl. Lt. J. J. Rawlings / Provisional National Defence Council (PNDC)	Military	Socialist laissez faire. Structural Adjustment Program (SAP) - subsidy reduction, price and trade deregulation, currency devaluation, public sector reforms, privatisation, decentralisation	Reform
	1993-2000	Fl. Lt. J. J. Rawlings / National Democratic Congress (NDC)	Civilian		
	2001-2005	John Agyekum Kufour New Patriotic Party (NPP)	Civilian	Market-Liberalism. Highly Indebted Poor Country Initiative (HIPC); expansion of infrastructure and social programmes	Post-reform

Source: Adapted from Arku (2004:148, Table 4.2); Ansah (2006: 150-182)

with the ruling classes based on logics created by ideology, economic context and the international political economy.

4.5.1 Kwame Nkrumah's Socialist-Authoritarian Experiment (1951 to 1966)

The governance style of the first nationalist leader, Kwame Nkrumah can be divided into two distinct phases in which the Marxist-socialist ideological rhetoric remained the same whilst the economic development approach pivoted from a focus on foreign direct investment to state-led industrialisation. Right from the start, Nkrumah espoused a variant of Marxism that he labelled as the “scientific socialism” as the way to socio-economic development. This ideology and the rift at the formative stages of the independence quest made Nkrumah's government antagonistic towards domestic capital formation. The Ashanti chiefs, cocoa farmers and merchants together with the intelligentsia in urban areas formed the majority of the domestic business class and also the opposition in alliance with rural peasantry.

Nkrumah's support came from the “*upstart class*’ - a lower petty bourgeoisie of teachers, civil servants, small businessmen and traders, allied with union workers and an urban lumpenproletariat” (Ansah, 2006:163). However, limited capital and the dearth of local managerial and policy capacity weakened the socialist development approach and engendered a disjuncture between political aspirations and economic policies in the first period of the Nkrumah regime (1951-1959). It culminated in a “*compromise with capitalism*” (Ansah, 2006:164). A foreign direct investment (FDI) drive⁵⁶ drew in some multinational corporations in commerce, banking, mining and shipping (Hansen et al,

⁵⁶ Several initiatives were passed in this quest. The Industrial Development Corporation (IDC) set up in 1947 to provide loans to industrialist was restructured in 1953 to establish subsidiaries, associate or joint venture companies that would collaborate with the foreign direct investors (Ansah, 2006: 164). Subsequently a Capital Investment Board was established for similar purpose in 1963.

1989: 5 cited in Ansah, 2006:170)⁵⁷. Esseks (1971) notes that Nkrumah was content to have foreign capitalists – Lebanese, Indians and Europeans especially – dominate until state enterprises would be strong enough to compete. In spite of the disjuncture between ideology and economic policies, the core constituencies of Nkrumah’s support did not question or protest, rather demanding part ownership and representation on the boards of such companies⁵⁸ (Ansah, 2006). Aryeetey and Fosu (2000: 45) indicate that organised labour had been largely assimilated as an appendage of the ruling party machinery whereas the voice of the bureaucracy had been effectively silenced.

By 1959 it had become clear that the envisaged foreign direct investment was not forthcoming. In addition, cocoa export receipts had been or were in the process of being extensively dissipated in infrastructure expansion projects, affecting budget surpluses. At this juncture, the Nkrumah-led CPP pivoted towards the (former) Soviet Union and allies from the communist bloc for financial support that barely materialised in investments and more in technical assistance. On the basis of ideology Nkrumah opted for state-led industrialisation as opposed to domestic capital partly due to his views of its inappropriateness for socialism (Ansah, 2006). The new approach culminated in the expansion of the state sector with state-owned enterprises growing from 4 in 1957 to 53 in 1966 (capitalised by a total investment of £82 million), 12 joint venture initiatives, 23 public boards and a corresponding growth of the bureaucracy to 31 ministries by 1966 (Appiah-Kubi, 2001; Arku, 2004; Ansah, 2006). Envisaging agriculture as the base for industrialisation led to the establishment of many farming cooperatives (state owned or

⁵⁷ The Akosombo Hydroelectric Dam and the Volta Aluminium Company were built through such arrangements with Kaiser Aluminium Company from the US as the lead investor.

⁵⁸ However, workers of the mining industry in 1955 and the Ghana Railways Corporation in 1961 went on strike which led to the Trade Union Act in 1955 banning strikes and subsequently the arrest of the labour leaders together with noted opposition members in 1961.

voluntary) that were party-linked. Given the strength of the opposition in the rural area, agricultural support also served the political purpose of availing public resources that would effectively weaken the opposition⁵⁹. The resort to cooperative approaches in agriculture in particular and as a mechanism for business enterprises⁶⁰ in general, subsequently incorporated into the ruling party's agenda called "Work and Happiness" and the 7-Year National Development Plan, is instructive. As will be discussed in Chapter 5, the cooperative approach was reinterpreted in the housing context to suit political instead of technical ends. In the case of agriculture, rural cooperatives yielded political pay-offs in weakening the opposition that also engendered opportunities for local leaders of the ruling party to benefit from the embedded rents (Ansah, 2006).

The Nkrumah government took actions to neutralise the domestic business class and political opponents: the Preventive Detention Act in 1958⁶¹; the curtailment of government funding support for local businesses in 1960⁶²; the government acquisition of a retail chain, Commonwealth Trust, to preclude domestic business from benefiting in 1961; and the 7-Year Development Plan (1963 – 1970) debarring domestic shares acquisition in large companies (Ansah, 2006: 171). According to Aryeetey and Fosu (2000) various interest groups had been compromised or intimidated to ensure the supreme authority of the state and the ruling party⁶³. The opposition coalition against

⁵⁹ The creation of Cocoa Purchasing Company in 1953 as the sole buyer of cocoa from farmers eliminated local middlemen, sympathisers of the opposition.

⁶⁰ Nkrumah preferred small scale enterprises which he felt were commensurate with the domestic managerial capacity and supported socialist development approach. For a full discussion on this see Esseks (1971)

⁶¹ This gave the government powers to arrest and jail opponents including the business class as subversive elements for a maximum of five years without the right to appeal (Gyimah-Boadi and Rothchild, 1982:65).

⁶² The domestic capitalist class was to "stand on its own feet and not rely on the Government for its development" (Ghanaian Times 10th October 1960 cited in Esseks, 1971:21)

⁶³ Under colonialism, the indirect rule system gave traditional authorities roles in local civil administration. Under Nkrumah these were eroded as some chiefs were removed by government edicts. Laws were passed

Nkrumah broadened after he pushed through a plebiscite to turn the country into a one-party state in 1964 and retired the two top officers of the Ghanaian Army in 1965. In February 1966, the Nkrumah government was overthrown by an alliance of army and police, supported principally by the main opposition groups⁶⁴.

4.5.2 The Market-Liberalism Interregnum (1966 – 1972)

The National Liberation Council (NLC) that took power from the Nkrumah government espoused market liberalism and initiated de-regulation programmes to reverse the socialist policies of Nkrumah. Ansah (2006: 174) indicates that the bureaucracy was reshaped into an anti-socialist and pro-market one by drawing in some technocrats disaffected with Nkrumah's economic direction. The military administration proceeded on a privatisation programme that however had to be curtailed because of public protests (Appiah-Kubi, 2001; Aryeetey & Fosu, 2000; Ansah, 2006). In general the emphasis of the new administration was to support local private enterprise which was demonstrated in the passing of a law to reserve some sectors of the economy for indigenous businesses in 1968⁶⁵. The NLC military government promoted private participation in housing, agriculture and commerce (Arku, 2004). In 1969 the state returned to democratic rule in an election that saw the former opposition alliance to Nkrumah's rule taking office. The Progress Party government, headed by Dr. K. A.

to allow the government to effectively seize lands which chiefs customarily administered by right on behalf of indigenous groups, seen as a sacred duty to their communities. On one occasion Nkrumah declared his intention to chase chiefs out of their palaces. The judiciary were also not spared. In 1964, the Chief Justice was expelled because of an unfavourable ruling in a treason trial of political opponents. Within the party moderates had been alienated or dismissed.

⁶⁴ The military overthrow of Nkrumah also had support from the Central Intelligence Agency (CIA) of the US as part of the global encounters of the Cold War.

⁶⁵ The sectors exclusively reserved for local businesses included small-scale retail, representation of foreign businesses, taxi services and any ventures in small scale extractive, processing or manufacturing industry or transportation employing thirty people or less". Affected firms had to ensure change to Ghanaian ownership within five years (Esseks, 1971: 25).

Busia, as self-declared liberal democrats was logically inclined to deepening market liberalisation and the local capitalist's empowerment initiatives of the military predecessors, thus continuing with the privatisation drive⁶⁶. The Busia administration engineered a radical "*Ghanaianisation*" of the economy by passing the Alien's Compliance Order⁶⁷ and the Ghanaian Business Promotion Act of 1970 to open up spaces in the economy for the local private sector to thrive and thereby cultivate political support (Esseks, 1971: 26–27). The government further expanded initiatives in agriculture and rural development, which had been the base of their support since pre-independence. In conducting these market liberalisation policies, the government had an ambiguous relationship with the bureaucracy. On the one hand, the government initially provided generous incentives for the top hierarchy of the civil service in order attract high quality personnel (Agyapong, 1990). On the other hand, the government viewed the civil servants suspiciously, wanting to put them in their place, which subsequently led to the dismissal of 568 civil servants on sometimes very spurious grounds in 1970 (Goldsworthy, 1973). However, where the Busia market-inclined government favoured the local business class, it was adversarial towards organised labour and generally intolerant of opposition⁶⁸. When organised labour protested the imposition of a 5% national development levy principally on urban wages and cuts in allowances of civil servants in 1971, the government seized their assets and, following a rushed Industrial Relations Act, banned the Trade Union Congress (Goldsworthy, 1973; Jeffries, 1982).

⁶⁶ However, few state enterprises in export, grains and cotton promotion were also set up (Appiah-Kubi, 2001)

⁶⁷ This expelled 150,000 foreigners who had been in the country without valid work or stay permits.

⁶⁸ In April 1971 when the National Union of Ghanaian Students condemned the government and legislature for delaying compliance with mandatory asset declaration of political appointees and legislators, the introduction of student loans in lieu of free education and other actions perceived to be wrong, they were roundly criticised by senior government personnel and their leaders hauled before the legislature to apologise.

The 44% devaluation of the currency in 1971 as part of austerity measures necessitated by falls in global cocoa prices and massive foreign debts⁶⁹ triggered sharp rises in consumer goods locally and undermined the government's core support. Additionally, perceived demoralising actions by the government aimed at heads of the military made the return of the military to government inevitable, which followed in January 1972 (Goldsworthy, 1973, Boafo-Arthur, 1999).

4.5.3 The Decline into Economic and Political Abyss (1972 – 1983)

The era that followed the overthrow of the Busia administration has been described as one of “complete mismanagement” (Huq, 1989 cited in Herbst, 1993) and kleptocracy (Sandbrook & Oelbaum, 1997) presided over by five successive governments that were all – but one – military regimes. With even more fervour, the National Redemption Council military government that took power from the Busia administration in 1972 reversed all the market liberalisation policies of the former government to legitimise the military overthrow and rationalise their stay in power. Several policy measures were implemented to appease the polity disaffected by the previous government, but with disastrous economic consequences. The currency was re-valued by 26%, the import licence regime reinstated and the privatisation policies curtailed. Some of the country's external debts, especially those owed to British companies and amounting to £100 million, were unilaterally repudiated by the military regime triggering a freeze on lending by international creditors. This freeze in turn caused the government

⁶⁹ Libby (1976) and Boafo-Arthur (1999) discuss extensively the internal strife within Busia's government on the best way to deal with foreign debts inherited from previous administrations and those accrued from taking power in 1969, all of which totalled more than £ 800million. The Finance Minister, J. H. Mensah, lost to a cabal of Harvard Development Advisory Services (DAS) in the decision to drastically devalue the currency.

to adopt a self-reliance policy approach such as the Operation Feed Yourself (OFY) and Operation Feed Your Industry (OFYI) programmes (Boafo-Arthur, 1999; Aryeetey & Fosu, 2000). Public enterprises were established for this purpose⁷⁰ as well as in other industries. In spite of anti-capitalist rhetoric, the participation of foreign owned companies in agricultural ventures was encouraged. The expansion of corporate activities in agriculture and the large scale activities by the ruling classes induced the rural peasantry to convert to petty wage earners (Ansah, 2006). High returns on cocoa exports from 1973 to 1974 that masked short-term effects of the credit freeze were however wiped out by the global oil crisis of 1975. A famine and another spiral in global oil prices in the late 1970s engendered the government's regression into worse forms of authoritarianism, cronyism, economic mismanagement, patronage and embezzlement. Through a number of "Participation Decrees" the government forcibly acquired significant shares in nearly all multinational companies and also nationalised some foreign owned companies, especially those owned by Lebanese, Syrian and Indian families (Appiah-Kubi, 2001). Migration by the rural peasantry and urban professional classes were triggered by an economic boom in oil producing countries and Nigeria in particular⁷¹. Artificial price controls created opportunities for the ruling class and top bureaucrats to create rents in parallel markets. Import licences, foreign exchange, permits and other facilities became sites of competition, patronage and outright graft. Cocoa, mineral exports, output of staple foods all halved whereas inflation averaged 58%

⁷⁰ Ansah (2006) notes the ruling class direct participation in the agriculture scheme, taking advantage of the state-sanctioned cheap credit.

⁷¹ All segments of the society joined in this wave of migration from the urban professionals to the rural peasants. A total of 2 million people, constituting more than 20% of the 1970 population, moved to Nigeria during this period with an estimated average daily arrival of 300 people (Aryeetey and Fosu 2000; Anarfi et al, 2003).

throughout the period between 1974 and 1983. Real wages eroded to 25% of 1970 levels by 1983 (Aryeetey & Fosu, 2000). Private sector share of formal employment, with 110,000 employees engaged in 1970 and rising to 137,000 by 1975, rapidly declined to 46,000 by 1983, representing 13.6% of formal sector employment (Canagarajah & Mazumdar, 1999). The government extracted surpluses from the rural economy to pacify urban interest groups, such as organised labour, by maintaining producer prices, especially of cocoa, and providing periodic raises in remuneration, leading to increasing cases of cocoa smuggling to neighbouring countries where farmers could earn up to six times as much (Jeffries, 1982: 312-313). Arising from the economic crisis, virtually all segments of the society were disaffected, except for the ruling class and their business and bureaucratic collaborators. As the situation degenerated it culminated in changes in the leadership and constitution of the government⁷². Eventually junior military officers overthrew the ruling cabal and attempted to radically address the crisis by unleashing what amounted to a brief class war that, however, did not stop the decline before handing over to civilian rule after three months in power.

The Armed Forces Revolutionary Council (AFRC), comprising junior army officers professing Marxist ideals, after overthrowing the Supreme Military Council government in June 1979, embarked on a “house cleaning exercise”. The AFRC meted out harsh punishment to perceived “economic saboteurs” in the name of “probity and accountability” and “revolutionary justice” that essentially targeted the rich as well as

⁷² An attempt to transform from a military to civilian administration was met by significant resistance in the polity and galvanised the coalition of the opposition to the military government

other traders who were not necessarily rich⁷³. These actions were enthusiastically supported across the polity and the brutal violence appeared to be the only way to appease the masses⁷⁴. After three months the country was returned to civilian democratic rule in 1979 without any changes to the structural logic of the state. The People's National Party led by Dr. Hilla Limann, which was elected into office, was virtually paralysed by the impact of the decade of economic mismanagement and internal strife within the ruling party. As a result the country went through a period of economic and political inertia until the 31st December 1981, when the military returned to power through another overthrow.

The Provisional National Defence Council (PNDC) took over from the civilian administration on the pretext of undertaking a comprehensive Marxist revolution to rid the state of the decline. However, it was compelled by circumstances to reorient itself midstream through its administration, resulting in two distinct phases within the same regime similar to Nkrumah's rule in the 1950s to 1960s. The PNDC government initially set out as a radical Marxist regime with a direct link to the short-lived AFRC regime⁷⁵ of 1979 and policy measures were in the same radical vein. The government proceeded to set up structures for the revolution which ran in parallel to the established structures of state in the judiciary and local governance. The systems applied by these revolutionary organs were often arbitrary but had dire consequential effects. The mobilisation of cadres of supporters from the establishment of "Peoples Defence Committees" (PDC) and

⁷³ This included the execution of 8 former military leaders, the burning of some major markets predominantly run by women traders, nationalisation of properties primarily owned by foreigners and the former ruling class, and stringent application of price controls.

⁷⁴ Student groups and others of the petty bourgeoisie went on mass demonstrations in support of the executions and asking for more with the now infamous "let the blood flow" placards.

⁷⁵ Besides Flt. Lt. Jerry John Rawlings heading both governments, they also had a core of Marxist ideologues.

“Workers Defence Committees” (WDC) enabled the regime to legitimise itself among sections of the society. Furthermore the “Citizens’ Vetting Committees” (CVC) became an instrument to mete out revolutionary justice by extracting financial resources from perceived economic saboteurs. By August 1982, the CVC had imposed the equivalent of approximately \$2 million as punitive taxes from 52 people (Ahiakpor, 1985: 544)⁷⁶. Price and exchange rate controls were stringently reinforced and nationalisation threatened or implemented without recourse to legal systems (Jeffries, 1982; Ahiakpor, 1985). Draconian approaches and populism meshed in the actions of the regime as exemplified in PNDC Law 7, which empowered the government to allocate unoccupied private residential property to “every Ghanaian who has nowhere to sleep” where the ownership could not be ascertained.

The ideological basis for the PNDC’s actions was developed by self-declared Marxist intellectuals from the universities enamoured with the dependency ideology of the 1970s which also resonated with organised labour, students and petty bourgeoisie who formed the ruling class’s support coalition (Hutchful, 2002; Ansah, 2006). The business class (foreign and local), the bureaucracy and non-Marxist intelligentsia were not viewed favourably in this regard. However, in spite of the ideological and rhetorical disposition, the harsh economic realities persisted. By 1982, half of the urban population and two-thirds of the rural population fell below the poverty line. The economy was put under further strain by protracted drought and bush fires affecting the entire Sahelian region from 1982⁷⁷ (New Internationalist, 1984; Sandbrook & Oelbaum, 1997). This

⁷⁶ I return to the strategic influence of the leadership of CVC on the housing reforms in Chapter 7.

⁷⁷ “Famine is not a threat in West Africa. It has arrived. World Bank experts are giving Chad and Upper Volta just two months to total collapse barring increased aid, and Senegal, Mauritania, Mali and Ghana not much longer” (New Internationalist 1984).

crisis was further accentuated by the sudden influx of Ghanaians deported from Nigeria in January 1983. There is no certainty on the exact number of Ghanaians who returned but estimates range between 900,000 to 1,500,000 (Gravil, 1985; Peil, 1995; Anarfi et al, 2003)⁷⁸. Gravil (1985) asserts that the expulsion order of the Nigerian government was targeted at Ghanaians in retaliation for the Aliens Compliance Order passed in 1969. Tsikata (2001:18) notes that within this short period, there was a 10% addition to the country's population. After the failing to stimulate economic growth through self-reliance and subsequently failing to secure the needed help from Russia and its communist allies, the government turned to the World Bank and IMF for assistance. This return to the World Bank demonstrated the force of economic reality in imposing a new logic for policy change and institutional reforms that undermined political ideology. In return for financial assistance from IMF and the World Bank, the country was subjected to fiscal and monetary policy conditionalities under the stabilisation and successor economic recovery programmes. These programmes in essence intended to structurally adjust ownership of the mode of production.

Sandbrook and Oelbaum (1997: 613) note the debilitating effect of the economic crises on the ability of various interest groups to effectively protest against the adjustment. The collapse in industrial capacity had reduced organised labour's capacity to protest whilst diffuse alignment and opposition together with political buyout had ensured that the leadership was discredited. Urban consumers had naturally gravitated and adjusted to obtaining goods and services from the parallel markets in the face of the

⁷⁸ Peil (1974:367) notes that of the 200,000 migrants expelled from Ghana under the Aliens Compliance Order of November 1969 the majority were Nigerians.

protracted economic difficulties, whereas some sections of the bureaucracy had adapted by undertaking secondary employment to survive⁷⁹.

4.5.4 Reforming to (Pseudo-) Neo-Liberalism (1983 – 2008)

A request from the Secretary of Finance and Economic Planning to the World Bank and IMF launched a series of missions starting from November 1982, through to June 1983 to assess the general economic situation of the country. Upon completion of the assessment, the World Bank and IMF prioritised an economic stabilisation programme comprising price re-alignment measures of local currency devaluation, interest rates deregulation, and reduction in budget deficits. Subsequently, the structural adjustment program (SAP) was initiated which made the provision of loans conditional to the implementation of policy reforms in sectors such as cocoa, mining, public service, health, education, governance, and the urban sector. The main prescriptions of the reforms touched on reducing the state sector in the civil service, reducing indiscriminate public subsidies on social services, facilitating the growth and participation of the local private sector, investment in infrastructure to attract foreign direct investments and divesting the state of its stake in public enterprises. It was noted that prior to the reforms, the civil service grew five times more than the annual growth of the labour market. Yet the office of the Head of Civil Service was not aware of the full extent of direct public employment and the structure in the civil service. Planning and budgeting capacity was non-existent and could only be done through task forces. A mission from the World Bank in 1987 found that quantitative and qualitative labour rationalisation were necessary in

⁷⁹ The motives for some of the methods employed to silence critics were vengeful and the acts were criminal as exemplified by the state-sanctioned murder of three high court judges and a retired personnel manager by a member of the executive with the connivance of state security apparatus.

Ghana's case (World Bank, 1987). However, the initial emphasis of these reforms appeared to be solely on the quantitative reduction of the public administration staff levels. Civil service capacity to effectively design and implement policies had eroded over time but could not be addressed until the economy had been stabilised (Ayee, 2001; Tsikata, 2001)⁸⁰. The Civil Service Reform Program (CSRP) was launched in 1987 "to restructure the civil service in such a way as to make it more productive, effective and efficient, and strengthen its capacity for the implementation of development programmes" (Ayee, *ibid*: 8). The government agreed to the World Bank / IMF conditions to reduce the civil service by 45,000 annually for three years starting in 1986. In the event, a marginally lower number of retrenchments occurred starting with the purging of non-existent, deceased and dismissed workers from staff roll. The retention of deceased and dismissed workers was made possible by the corrupt cliques within the bureaucracy who set up accounts to receive salaries and share of such "ghost" workers. It manifested the weak monitoring systems in the civil service, which rarely had head count exercises. 11,000 jobs were shed from the education sector in 1986 followed by a further 6,740 in 1987 in other sectors. As at March 1992, civil and public service staff levels amounted to 108,000, representing a reduction of 28,000.

These reforms have continued from the PNDC neoliberal phase through two successive civilian administrations at the time of writing this thesis. The PNDC military administration returned the country to democratic rule in 1992. However the military regime metamorphosed into a political party, National Democratic Congress (NDC), and won a highly disputed election. In the aftermath of the rancour, the opposition parties

⁸⁰ Davis' (1990 cited in Ayee, 2001:3) viewed that the civil service reforms in Ghana were occasioned by their (perceived or observed) inability to forge effective programmes out of the SAP reforms worthy of implementation, giving rise to (donor) frustrations with the service.

boycotted the parliamentary elections creating a de-facto one-party civilian state in the first parliament of 1993-1996. In 1996, opposition parties returned to contest the elections and won 36 seats out of 130 seats. The NDC won the second term of office (1996 to 2000) in which the neoliberal policies continued. However, in 2000 the opposition New Patriotic Party won the elections and assumed power in January 2001, thereby bringing about the first ever non-violent change of government in the history of the country. The New Patriotic party labelled itself a right of centre government and had its antecedents in the anti-Nkrumah Ashanti-resistance and liberal-market-oriented Progress Party regime discussed in Section 4.5.1 and 4.5.2. Indeed, John Kufuor, who led the New Patriotic Party to election victory in 2000, had been a Deputy Minister in the Progress Party government of 1969 – 1972.

In the process of implementing the neoliberal reforms, new logics were inserted between the ruling class and various interest groups. The government used the onset of decentralisation reforms in 1987 to reconstruct its legitimacy and support from the former revolutionary cadre groups that had disbanded in 1984. Decentralisation offered the government the opportunity to simulate the government's populist slogan of “power to the people” by establishing structures of local authority that nonetheless remained in the stranglehold of the government (Haruna, 2003)⁸¹. Thus, decentralisation was a re-interpreted political project and furthermore a means to deflect pressure from foreign and domestic pressure for administrative reforms instead of the envisaged rationalised bureaucracy and therefore, the quest for comprehensive decentralisation remains unfulfilled (Haruna, 2003; Ayee and Asante, 2004).

⁸¹ This has led to the coining of the phrase “decentralised centralisation” (Ayee, 1999 in Haruna 2003)

A small circle of technocrats appointed by the government were very instrumental in forging the design and implementation of the structural reforms. Their influence was secured by the government's protection of this group from the pre-existing rent-seeking structures in the state. This engendered effectiveness in initiating the reforms⁸² (Sandbrook & Oelbaum, 1997; Hutchful, 2002). However, it is the case that in undertaking this task the institutional layering of this group of politically appointed experts over the bureaucracy further deepened the bureaucracy's dis-articulation of policy capacity already demoralised by unstable policies of the 1970s and negative perception held by the government. Hutchful (1995: 305 - 307) notes that this team of local experts, with wide ranging ideological postures, were nonetheless pragmatist and shared a common suspicion of the bureaucracy. Given their diversity, the reasons ranged from perceptions of the bureaucracy as instruments of exploitative classes and ideologically opposed to the regime, to their administrative inertia. As a result, failures in the reforms were quickly blamed on the bureaucrats irrespective of other mitigating circumstances.

The Provisional National Defence Council (PNDC) government, which took over power in December 1981, blamed the civil service for not only sabotaging its policies and footdragging but also regarded the top echelons of the service as "allies of imperialism and neo-colonialism which should be subjected to revolutionary overthrow and not mere reforms"The bureaucracy has been blamed for adjusting too slowly to or resisting the decentralization process (Aye, 2001: 7)

The civil service reform component which envisaged improvement in civil service did not effectively target the political element embedded in the relationship between the political class and the bureaucracy (Haruna, 2003). Haruna (2003) indicates further that the primary concerns of civil servants which include "*weakening of civil service*

⁸² This core was headed by the Chairman of the Committee of Secretaries, P. V. Obeng whose capacity made him the equivalent of a prime ministerial role.

protections, reduction of labour, and fear of victimisation”, were not the basis for the reforms.

Reform took the moral, social, cultural, and political context of public administration for grantedWhile pay and grading have eliminated distortions and improved equity in compensations, they are not the most effective means of addressing motivational concerns among Ghana’s public employees. For example, Indome (1991, 4) identifies political intrusion and threats to tenure of office as factors contributing to what he sees as “lethargy and apathy” in the civil service. In interviews conducted with mid- to top-level Ghanaian public-sector executives, politicization of the civil service was one of the most frequently cited sources of concern..... (Haruna 2003: 346-347).

Some actions undertaken in the civil service reforms purportedly to strengthen the service however, had reverse responses because of the logics they inserted within the service. According to Ayee (2001), special arrangements were put in place to also recruit higher standards of bureaucrats from the private sector and non-governmental agencies, called the Skills Mobilisation Scheme, allowing such persons to be paid remuneration equivalent to conditions of their former employment in addition to an “attraction margin” ranging from \$200 to \$3,000 monthly. In addition, project based special duty allowances of \$25 to \$125 were paid to SAP-related project team members. All of these incentives experienced a backlash from those excluded and a penchant for entrenchment for those participating thereby inserting new logics of competition and resentment in the relationship between bureaucrats and the political class.

Subsequent reforms also led to political pluralisation at the national level which enabled the transfer of power back to civilian administrations from 1992 up to the present time. The opening up of the society for competitive electioneering reinstated less sophisticated forms of patronage which nonetheless have been accommodated by international development agencies. In 1992 prior to the first elections, the government increased wages significantly to capture urban votes whereas rural electrification projects enabled rural voters to be persuaded by the incumbent administration. Similarly, a rural

electrification project carried out in late 1995 into 1996, the election year, was seen as an attempt to buy political support from rural regions. Such patterns of political patronage, attuned to election cycles have persisted to date with corresponding adverse effect on inflation irrespective of the principles for which the reforms were necessitated in the first place and also oblivious of the ideological persuasion of the civilian administrations that have been in office since 1992 (Whitfield & Jones, 2007). As a result of the new logics of patronage⁸³, the economy went into crisis from 1991 due to weakened controls in the management of the structural adjustment reforms as well as the desire to “buy” political support. The sharp wage raise for civil service prior to the 1992 elections precipitated an economic malaise that followed the elections and declined gradually until the advent of the next election in 1996 (Tsikata, 2001; Aryeetey & Harrigan, 2001; Mensah et al, 2006)⁸⁴. Table 4.2 below presents the key indicators of the economy from 1991 to 2000.

Table 4.2: Key financial indicators during reforms (1991 – 2000)

Rates / Year	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Inflation ⁸⁵	18.0	10.1	25.0	24.9	59.5	46.6	27.9	21.1 ⁸⁶	23.7	29.6
Depreciation (GHC:US\$)	12.84	21.95	50.01	21.76	27.33	16.91	22.7	4.1	33.0	49.2

Source: Constructed from Annual Reports, Bank of Ghana 1994 – 2000, (Sarfoh, 2002)

⁸³ “Fiscal trouble began for the government in 1991–1992, as it reduced end of service benefits to public servants at just the same moment that the push for elections presented labour unions with new political leverage and new political urgency. By 1992 Ghana was beset with major labour unrest, centering on demands for increased wages and the reinstatement of end of service benefits. Such was the state of unrest that some leading political figures reported feeling that the election itself could be in danger if the unions were not placated. Whether such a risk was real, or whether the government was simply eager to shore up political support, the outcome was a capitulation to many of the demands of labour, and the opening up of a major budget deficit. The IMF and WB interpreted this as discretionary, and reckless, pre-election spending, and consequently cancelled aid disbursements, which were only restarted in 1994” (Prichard, 2009: 15)

⁸⁴ According to Aryeetey & Harrigan (2001: 13), the public sector salary increase of 80% led to an overall wage bill growth of 38%.

⁸⁵ Inflation figures provided were averaged over the year. In 1995, it peaked well above 60%.

⁸⁶ In 1998 a new series was put in place by the Statistical Service Department to replace the old series. The figures shown in the table are extrapolated using the relationship between the new and old series.

The apparent contradiction between the implementation and outcome of the macro-economic reforms with the principles underlying their design and commissioning have been explained severally. On the one hand, the World Bank blamed nationalistic tendencies by which the regime tended to resist policy advice from “outsiders”, a euphemism for foreigners. Secondly, the contradictions were the outcome of the entrenchment of vested interest in charge of public sectors whose reforms were being resisted by these interests and their collaborators in government, and thus “*these domestic interests had proved relatively impervious to conditionality*”. Lastly, the World Bank and their partners were faulted for failing to articulate the reform in persuasive terms to the Ghanaian establishment (Hutchful, 1995). However, Hutchful proffers other reasons for the contradictions that include the underlying motive of state and regime survival for subscribing to these reforms in the first place. As a result, pragmatism dictated subscription to reforms as the only means to securing resources that maintained the state and regime and not the subscription to market principles. Secondly, it is noted the ease with which credit became available to the regime as a result of the perceived genuineness of their subscription to the principles of neo-liberalism. The test of this genuineness was in the uncontested accommodation of numerous conditionalities in the early phase of the adjustment. Thirdly, it is argued that compliance was extracted through “policy rents” which were resources that compliance to reforms triggered at a time when the state was beset by fiscal crisis. In the process, this exchange enabled international agencies greater control over the state and construed them as an “*important constituency in the political process*”⁸⁷ (Hutchful, 1995).

⁸⁷ Hutchful (1995) cites an evaluation of the SAP detailing how the government used currency devaluation to artificially increase the net effect of foreign loans as a means of improving the fiscal balance.

Another explanation can be provided for the international agencies' contradicting accommodation of lapses by examining Ramsamy's (2006) argument of the strategic interests of international agencies overriding mechanistic application of principles. In Ghana's case, after the rigorous application of the prescriptions of the structural adjustment reforms in the initial stages earned it the accolade of being the "star pupil" of adjustment from the international agencies, it could do no wrong (Hutchful, 1995). As the emergent outcomes of structural adjustment diverged from the envisaged results, it was in the strategic interest of these international agencies to show semblance of positive results to their sponsors, therefore making them more permissive of slippages in Ghana's case. As a result, the state's pervasive presence in production and the lack of an effective private sector capacity did not hinder the continued praise for neo-liberalism using Ghana as an example (Hutchful, 2002). To that extent, the purported subscription to neo-liberalism was in fact an outcome of strategic calculations of both the international agencies as well as the local policy agents in the indigenisation of the neo-liberal principles. Since 1983, "neoliberal reforms" supported by international agencies including the World Bank and the IMF have progressed with frequent lapses. The profession of these principles persisted from 1992, which was also characterised by the transformation of PNDC military regime into a political party to vie and win the elections and return the country to civilian rule and through the two conservative terms that it served, to 2000, when the New Patriotic Party, a self declared liberal democratic party won the elections and took over the ruling of the country.

4.6 Conclusion

In the foregoing, I have sought to demonstrate that the state cannot be considered as a homogenous entity, for which reason the rest of the thesis must examine in greater detail the constituent elements of the state and how their relationship, shaped by differential needs for political legitimacy by the ruling class, influence both choice of policies and outcomes. In particular, it becomes clear that the resources of the international agencies are drawn into the political considerations of policy agents that further complicate the “decision calculus”. Ghana’s post-colonial political economy narrative has shown that different governments at different times have had from the onset ideological bases for their general stance. However, these ideological principles are subsumed under the weight of the political legitimacy question when confronted by the objective conditions of the state, as well as, the interaction of the international political economy; for these reasons the articulation of ideology masks the critical underlying need for regime survival. The context in which housing policies and the concomitant reforms were conceived, designed and implemented are clearly complex and would largely be driven by the imperatives of political legitimacy.

Chapter 5 -The Pre-Reform Period of Housing in Ghana (1951 to 1984)

5.1 Introduction

Given the pattern of political, social and economic conditions presiding over the post-colonial era of Ghana as set out in the previous chapter, it is imperative to align the housing policies in order to establish the patterns in the pre-reform, reform and post-reform era. In particular, it enables the conceptual rationalisation of the observed apparent housing policy reversals which motivated this research. In this regard, this chapter initiates the consideration of Ghana's post-colonial housing policies by focusing on the pre-reform era. This chapter serves as the foreground to the examination of the housing reforms based on the enabling principles by reviewing the post-colonial pre-reform housing policy and conditions. In doing so, this chapter is divided into five sections starting off with an outline of the pre-existing housing practices in the Ghanaian society. The rationale is to establish the context in which the state framed housing reforms. In this regard, the first section identifies the centrality of traditional socio-religious beliefs revolving around land administration and land use that guided social relations in the Ghanaian society. At the core, these beliefs honour deities embodied in natural assets like land as the means for collectively guaranteeing the preservation of indigenous groups and is a requirement transferred from ancestors to future generations. On the basis of this belief, land assumed significant sociological importance intricately linking its use to social relations and necessitating communal practices in land management. The communal practices expand the notion of family to embrace the extended family in all considerations. Deriving from these socio-religious beliefs, four traditional housing norms emerge that make the family housing system a mechanism of

social welfare. The family house supports family coherence and communal lifestyles; is disposed against valorisation of housing and market relations; and lastly generates rent-free housing tenure. The family housing system and the compound housing form is an enduring mechanism providing multi-family accommodation that persists to the present. The social welfare ethos combined with the disposition against housing markets produces the peculiar housing tenure form described as rent-free tenure. This tenure form grants members of the extended family access either by right or by privilege that, in the process, allows poorer family members shelter at no cost.

Juxtaposing these traditional housing norms with discussions outlining the modernisation ethos of development policies as well as Ghana's post-colonial political evolution (see Chapter 4), and the discussions on the notions of appropriate housing policies proffered for developing countries from international circles (see Chapter 3), a very complex contextual milieu of state housing policies emerges. On that basis, the subsequent four sections of this chapter discuss the pre-reform housing policy frameworks contextualised within the overarching political dispensations. I establish pre-reform housing policy patterns and identify the underlying contextual rationale in four temporal blocs – Nkrumah's Marxist-socialist political legitimacy logic, an intervening fiscally-constrained liberalist budget imperative, military-bureaucratic populist-patronage petty bourgeoisie logic, and lastly a radicalised Marxist-revolutionary patronage reversal imperative. The first bloc spanning 1951 to 1966 is distinctly a state-led housing policy setting that is also marked by a complete disregard for the traditional norms in favour of modernisation materialising in single household dwellings. It is also characterised by a quest for advice from international agencies and experts that is perversely subjected to

adaptation in implementation suiting the overarching logic of political legitimacy. The second era spans 1966 to 1972 in which the espoused market liberalism meshed with the dire fiscal realities to effectively curtail the previous expansive state-led housing policies in preference for off-budget housing initiatives. However, the prevailing fiscal realities necessitating further austere economic measures, including the withdrawal of housing allowances for public servants, triggered the military overthrow that initiated the third phase in housing policy patterns from 1972 to 1979. In this era, housing was generally used as an instrument for broadly facilitating political legitimacy that also fulfilled particularistic clientelistic imperatives. Premised on the logic of “affordability”, tools used in this period included mass housing construction schemes engineered to achieve, albeit superficially, cost reductions; unsustainably high subsidy-laden housing finance arrangements; parasitic land and building materials acquisition; politically motivated house pricing and allocation decisions. Further colouring this era is the significant deteriorated levels of managerial efficiency. The decline in the economy and its increasingly corrosive political effect in the third phase legitimised a moralistic house-cleaning era tinged in Marxist revolutionary rhetoric that ensued from 1979 lasting to 1984. This period was segmented mid-stream by a brief intervening period of policy inertia and political paralysis arising from the violent legacy of the first phase of the revolution. This moralistic approach seeking to rapidly reverse the patronage networks and deny the beneficiaries of the rewards of the abused system culminated in populist housing policies that addressed supply constraint through confiscations and imposed constraints through rent control. Inevitably, by the inception of the housing reforms based on enabling principles, the sector was in an extremely poor state, dissociated from the

traditional norms and international housing discourse deriving its impetus primarily from political considerations in the decision calculus. Underlying these considerations was the political logic of reinforcing class differences to empower the ruling class. In conclusion, housing policy in the pre-reform era was characterised by multi-layered conditions that were not always self-evident and masked the dialectical interaction between the seemingly wilful strategic acts of policy agents and the deeper lying biased dispositions of particular groups in the society. In this pre-reform housing policy setting power is unevenly balanced in society and housing remains subjectively instrumental.

5.2 Socio-religious influences on land ownership, alienation and use

Traditionally, all Ghanaian societies deified land⁸⁸ and associated the survival of primordial or indigenous communities with how their land is used. This cosmological association imposed a collective responsibility for the management of land and its derivative assets. These beliefs structured an inter-generational framework of accountability that guided the management of such communal assets. In this framework, the indigenous community comprised three sub-groups with different roles in the management of all communal assets. The first sub-group of any indigenous community comprised the ancestors who were deemed to have passed on to another level of life, where they wielded powers to judge the living in the maintenance of social order including the use of communal assets (Assimeng, 1999). Poor land management including its disposal to non-indigenes risked the invocation of calamity by the ancestors on purported offenders. The second sub-group of the indigenous community comprised the living generation tasked with the contemporary management of communal assets

⁸⁸ In the Akan society, the land was deified and named “*Asaase Yaa*” – meaning Lady of Thursday. In reverence of this deity, farming activities were banned on such days and offenders severely sanctioned.

including land for the survival of the community. The actions of the living generation were critical for what would be passed on. The third sub-group of the indigenous community comprised the unborn generations who also had power to judge the living similar to the ancestral generation.

Land belongs to a vast family of which many are dead, few are living and countless numbers are still unborn (Ollenu, 1962: 4; Cited in Gough and Yankson, 2001: 2490)

Land was not, therefore, private property; control over and access to land were inextricably linked to socio-political relationships and land was not just a physical entity, but had symbolic or spiritual significance as the embodiment of a link between the generations (Rakodi, 1997)

Land is imbued with an element of sacredness. Being the main provider of the means of sustenance, land thus becomes a source of wonder and reverence.Land could not be alienated. This is because to the traditional Ghanaian, land does not belong to the living; it is merely held in trust by the living for the earlier and future generations of the tribal communities as a whole (Assimeng, 1999:49)

Generally, such practices and cultural values were common in indigenous societies of West Africa (Rattray, 1929; Lloyd, 1962; Obi, 1963). It is on the strength of such strict socio-religious sanctions that the indigenous community were empowered as the only group to hold unfettered rights to their communal land. Such powers – referred to as “allodial” title – granted unrestricted control of land and the powers of alienation solely to the collective group and not an individual, although members of the community could be allocated land for development but not the power to dispose (Aryeetey et al, 2007). The administration of such land was entrusted to tribal chiefs and elders and the sub-division of such land could be done only with the consensus of community leaders. In some Ghanaian societies, the customary power over land was appropriated according to a hierarchy of tribal sub-structures. In such circumstances, although the tribal group was essentially the highest unit of social organization that jointly owned the land, the power of alienation and management was apportioned according to sub-divisions into clans and

families⁸⁹ – a form of decentralised land management. This applied in communities where power was diffuse and the social structures federal in character with clan leaders equal in power. On the other hand, the centralized communal land ownership and management⁹⁰ pertained in societies in which power was hierarchical and the social structures unitary in character. In this latter arrangement, the tribal chief assumed paramount position over a hierarchy of clan groups. Notwithstanding the type of social order – unitary or federal – individual community members had legitimate rights to use of the land – usufruct rights –which however barred disposal (Rakodi, 1997; Konadu-Agyeman, 1991). These beliefs predating colonialism survived the influence of social, economic and political forces of colonialism, western education, Christianity and Islam, urbanisation and the market economy, maintaining emphasis on the collective (Aryeetey et al, 2007: 6).

5.2.1 Typologies of traditional housing – family housing, compounds, anti-market and rent-free tenure

The principle of communal ownership of assets extended to housing through which some facilities assumed status of collective family assets. Reference to family went beyond the conventional meaning of the nuclear type to include all members of the extended family (Korboe, 1992). This principle allowed the family to internalise an informal social welfare system. The family house also created the environment for reinforcing traditional values⁹¹. Family houses were mostly developed incrementally with addition of rooms as the family expanded or the means improved. Admittedly, family

⁸⁹ Tribal groups in the south, particularly the Ga-Adangme indigenous in the coastal areas practised this type of devolved communal ownership which differed only in the level of power to delineate land.

⁹⁰ This was the practice of the Akan tribes who constitute the majority of Ghanaian traditional groups

⁹¹ Members of the Ga-Adangme tribe from Accra still go back to family houses to conduct ceremonies for marriage, child-naming and death.

housing was predominant in pre-colonial rural areas although it also existed among indigenous groups of the emerging towns and cities in the colonial and post-colonial periods. The practice also featured among migrants in urban areas whenever opportunity emerged to build and own housing. The principle was for better-off members to bear extra responsibility for the residential needs of those less well-off leading to joint sharing of living spaces as a traditional norm.

Family members gained access to family housing through processes which distinguished between right and privilege (Korboe, 1992). In the first instance, the family members became joint owners of the property by right under the “*custodianship and authority of the appointed head of family of the larger lineage*” in matrilineal societies or through consensual distribution to constituent nuclear families for non-matrilineal tribes (Korboe, 1992: 1162). Ownership became “*dense*”, comprising several joint claimants including non-resident family members possessing equal rights that were not diminished by their non-resident status (Grant, 2005)⁹². Generally, such rights of family members to joint property were perpetual (Korboe, 1992). The rights-based family housing assigned access without examining capabilities and left poorer members competing with every claimant. Rakodi (1999) notes that ultimately, the better endowed members of the family obtained access before the poorer ones.

The second type of family housing occurred where individual family members built property not assigned as a family house and used their discretion to provide access

⁹² However the matrilineal system of property rights is inherently discriminatory as the spouse, essentially the wife, and children in the nuclear family have no rights upon the death of the husband and father through whose relation they become part of the family. The beneficence of the inheriting nephews is the underlying presumption of this practice which in reality rarely materialises. As a result in 1985 the government passed the Interstate Seccession Law to regulate the administration of property rights after the decease of men, especially in Akan families, in order to protect the deceased’s spouse and children.

for selected members of the extended family, thereby honouring the social welfare imperative. In such instances, even though the property was not communally owned, selected members of the extended family were given access through privileged assignment. This privilege would not be easily revoked by the benefactor irrespective of changes to their spatial needs (Korboe, 1992). The security of this privileged tenure arrangement was limited only by the death of the benefactor although good relations with the nuclear family could ensure extension of such privilege. The advantage of this type of privileged access to family housing is that it gave better opportunities for the poorer members of the extended family. In the privilege-based family housing, an informal mechanism enabled the subjective means testing of beneficiaries before granting access. Admittedly, the selection process was limited by the number of wealthy family members capable of developing housing. As a consequence of this norm, the provision of housing was inherently a primary function of a relatively wealthy individual or family network (Korboe, 1998) and not the responsibility of a third party such as the state or international organisations. However, by the mid 1980s there was rising stigmatisation of those dependent on family housing, as a result of which wealthier members refrained from living there (Grant, 2005: 664).

Deriving from the family housing system was the development of multi-room housing types which provided accommodation for multiple nuclear households forming the extended family. Furthermore, the communal living requisites entailed the creation of spaces facilitating socialisation and coherence. These considerations materialised in the “compound house” design typology that responded to the pre-requisites of family housing (Malpezzi et al, 1989; Korboe, 1992; Tipple & Korboe, 1998; CHF, 2004).

Traditionally, the compound house featured a rectangular shape with sleeping rooms on three sides and shared baths and toilets on the fourth side all facing and surrounding an open courtyard where cooking and other social activities were organized. Compound houses were either built in one operation or progressively built up over time. In some instances, the primary compound house unit was further expanded by the addition of an attached three sided unit enveloping a second courtyard. In other instances, compound housing in two or three storeys were built for very large extended families⁹³.

Conventionally, the compound house would have a single, or more frequently, double entry with the courtyard serving as a focal communication space (Schmidt, 2005; Tipple et al, 1998, Amole et al, 1993). The compound house with its central courtyard reinforced two aspects of the indigenous lifestyles – outdoor based functions and shared activities. The courtyard hosted routine activities such as food preparation, dispute resolution and family gatherings, as well as occasional events such as marriage, child-naming and funeral ceremonies and thus created a space for consolidating social relations. The multi-family compound housing development has remained a significant contributor of housing in Ghana. The 1990 survey of Malpezzi et al of Kumasi found that 50% of all households lived in single storey compound units whilst another 25% lived in a two-storey variation of the same type of accommodation. In 2000, compound houses accounted for 50% of all accommodation types in urban Ghana (GSS, 2005). However, not all compound houses are owned by extended family relations, although very little research work has gone into distinguishing between family-owned compound housing and those built for rental purposes. Andersen, Andreasen and Tipple's (2005) study of Kumasi revealed that

⁹³ Such storey compound houses were often necessitated by the very large nuclear families arising from polygamous marriages.

although compound housing appeared to be declining amongst new developments, it remained a significant provider of housing for low-income households. Furthermore, they noticed that even though single-family housings were in the majority of new housing developments, their occupation was not restricted to the nuclear family as multiple households could be found in occupation of these new single-family houses, thus necessitating a review of conceptual foundations of such developments.

Another feature of family housing manifesting the social welfare ethos of the traditional system was the rent-free housing tenure. By this tenure form, poorer members of the extended family were able to obtain housing without having to pay for rent, notwithstanding the competition for housing between extended family members alluded to above. Rent-free tenure inferred the non-payment of rent for the occupation of the housing obtained by right as a member of the extended family or by privilege provided by a benefactor. The only obligation for the beneficiary was participating in the basic upkeep of the house such as cleaning. In return, the benefactor gained an enhanced social status for having extended family members living under their sponsorship.

Social convention does not allow a house owner to resist requests from lineage members for a room in the house: they have a right to a room, just as much as if they had already inherited it in common with other lineage members. In reciprocation, they would have obligations to their benefactor, and an owner's status would increase by having them around. (Willis & Tipple, 1991: 1706)

Up to the mid 1980s, rent-free tenure was a significant component of housing in the country. For instance, by 1986, 25% of the population in Kumasi lived in rent-free housing (Sinai, 2001a: 536). Sinai (2001b:112) found that households in rent-free family accommodation were disposed to remaining tenure-immobile. This implied that such households frequently remained relatively static in respect of housing mobility. Studies in the 1980s revealed that rent-free tenure was directly linked to the state of the rent control

regime (Malpezzi et al, 1990; Willis & Tipple, 1991). As rent control laws became restrictive, availability of rental accommodation declined with house owners unwilling to be subjected to excessive control over rent pricing. This resulted in increasing tendencies for affected tenants to seek out new accommodation from relatives for rent-free tenure (Korboe, 1998). The stringency of rent control depended on the type of political administration and the conditions for its legitimacy. As will be discussed later in this chapter, rent control was used frequently whenever governments wanted to garner support and therefore affected the fortunes of the rent-free tenure.

The last facet of the traditional housing norms deriving from socio-religious practices is the disposition against housing markets. As a result of the socio-religious concerns, the disapproval of outright land alienation and sale was extended to all developments on the land including housing. Thus commercialisation of housing was frowned on in traditional Ghanaian societies. Selling a house amounted to a taboo and stringent sanctions could be applied against offenders. Houses became part of the obligatory family assets to be passed on to future generations, notwithstanding its status as a family house or individually owned property. Selling was stigmatised by the community as it signalled financial failure (Mahama & Adarkwa-Antwi, 2006: 4-5)

Cultural tradition tends to look down upon the selling of property. The selling of property can imply to other Ghanaians that the owner is in debt or has had some other misfortune. The tendency is for Ghanaians to buy and hold property, then build a second housing and rent the first. The intent of many Ghanaians is to accumulate property, rather than to maximize economic returns.

The idea that land belonged to the ancestors made the Ashanti unwilling to sell his land. There was always the dread that the ancestors would summon him to account for such conduct (Busia, 1958:43 cited in Konadu-Agyeman, 1991: 144).

Tipple et al (1998: 399 - Footnote 1) note that it would take very dire circumstances for a house to be sold. Any house(s) developed on family lands reverted to the family

becoming part of the communal assets upon the death of the builder, a practice formalised in legal rulings (Korboe, 1998). Thus traditional housing norms barely registered a commercial housing market, and where it existed, it catered solely for the upper class (Konadu-Agyeman, 2001: 22).

A small proportion of these owners consider themselves indebted in some way to the extended family others are simply trapped into this position as it were having built what were intended as personal homes on family-owned land. Case-law precedent suggests that where an individual builds his house on "family land" - a minority but by no means uncommon practice - the usufruct legally reverts to the larger family on the death of the builder. In *Ansah vs Sackey* for example, it was ruled that "a house which a person builds out of his private means on family land is family property" (Ollennu, 1962, p. 40). In a subsequent Court of Appeal ruling – in the case of *Biney vs. Biney* – this interpretation was confirmed with the increasing commercialization of ancestral land, however, such private construction on family land may well be on the decline (Korboe, 1998: 7).

5.3 Dynamics of pre-reform state housing policy

Although public housing policies existed in Ghana's colonial period, they have been excluded from consideration in this thesis for a number of reasons. Firstly, although simplistic, it is important to note that the exclusion of colonial housing policies is justified on the grounds of the temporal focus of this work on the post-colonial era. Even though arguments have been made about strong connection between colonial and post-colonial housing policies (Konadu-Agyeman, 2001; Jenkins et al, 2007) this is contradicted by the focus of the colonial and post-colonial policies. Colonial era housing policies were essentially driven by the primary needs of the colonial bureaucracy exemplified in the development of racially segregated neighbourhoods. As a result, colonial housing policies did not have a national outlook whereas the post-colonial housing policies were required to be national in character, in form if not in substance. In reviewing colonial housing policies of Ghana, it becomes clear that interventions that addressed indigenous society were compelled by crisis conditions – health and political – endangering (personally or politically) the expatriate communities. Demolitions and re-

housing only arose when the bubonic plague struck some settlements in Accra and Kumasi in 1907 and 1926 respectively as well as the 1939 earthquake. The passage of rent control regimes in 1941, as well as, the initiation of housing for Second World War veterans in 1943 arose to forestall anti-colonialism sentiments in the country (Agyapong, 1990; Konadu-Agyeman, 2001; Owusu, 2005). Housing regulations deriving from European public health concerns that changed housing practices in Europe in the 19th century were subsequently transplanted into colonial building regulations and planning codes (Jenkins et al, 2007). Arguably, colonial administrators could be excused on the grounds of a lack of familiarity with the socio-religious values in traditional housing norms. On the other hand, the same cannot be extended to post-colonial national governments given their origination. On the basis of the foregoing, I discounted colonial era initiatives in considering post-colonial housing policies.

The combination of the traditional housing norms of the Ghanaian society, the modernisation notions in development theories and the political imperatives generating priorities of respective governments discussed in Section 4.5.1 to Section 4.5.3 of Chapter 4, and the intellectual discourse on housing approaches for developing countries detailed in Section 3.4 of Chapter 3, created a complex layered post-colonial housing policy calculus. In the following section, I relied on reports commissioned to assess pre-reform housing policies and also recast new perspectives of published literature which were corroborated by primary data gathered from key informants' interviews. Some of these reports have not emerged in published literature, and I was fortunate in this regard to be given access to such information. I also obtained access to two doctoral theses by Agyapong (1990) and Arku (2004) on housing policy and practice in Ghana, which

looked at the overall policy patterns albeit from economic and project perspectives, bearing in mind their few inconsistencies with other data I had gathered. Proceeding from this, I extracted pre-reform structural and strategic impetus for the housing policies of the respective regimes.

5.3.1 External advisors, selective policy choices and ambiguity (1951–1966)

In the early post-colonial era, the government appeared to rely on international advisors in forging the state's housing policies at both the national and city-specific levels. This pattern has been overlooked by most researchers rather taking them as isolated incidents. On the national level, the first request went to a company in the Netherlands – M.V. Schockbeton of Kampen – to advise on the direction of housing policy (Agyapong, 1990). This request was in furtherance of the first Five-Year Development Plan's (1951-1956) aim of rapid industrialisation in all sectors including housing. In 1952, M. V. Schockbeton advised the government to focus on prefabrication, which led to the Schockbeton Housing Scheme that imported prefabricated housing panels from the same company. The importation was justified under the pretext of fast-tracking mass housing development. In 1953, the government also invited Charles Garrat-Holden, Secretary of the Building Society's Association of Britain to advise on establishing a housing finance operation (Arku, 2004). Garratt-Holden's advice, given in 1953, was for the formation of a building society with a start-up capital of £2million. In 1954, following an invitation to advise on housing, the UN constituted a team comprising Charles Abrams⁹⁴, Vladimir Bodiensky and Otto Koenigsberger⁹⁵ to undertake a study of

⁹⁴ Harris and Arku (2007:5) note Charles Abrams was the most influential expert on housing in the 1960s.

⁹⁵ Koenigsberger has been labelled "*one of the founders of modern urban development planning in the rapidly growing cities of Africa, Asia and Latin America*" (The Guardian, 26th January 1999, obituary).

Accra, the capital, to form the basis of the advice that followed. The UN team visited the country from 1954 to 1955 and published its final reports in 1957 with several recommendations for housing policy⁹⁶. The government was advised to discontinue various housing replacement programmes initiated from the colonial era in response to bubonic plagues, the 1939 earthquake and the periodic slum demolitions. Furthermore, the government was advised to discontinue the Schockbeton housing project because it was “*a farcical waste of resources*”⁹⁷. The UN team objected to the advice for a state-run building society, proposing instead the deployment of the £2million in other interventions. Furthermore, the UN mission proposed a state housing policy response that differentiated affordability within society identifying four distinct categories. The top tier 4% who earned above £800 annually were capable of affording housing if the government ensured “*financial and technical systems to enable them to build for themselves*” (Konadu-Agyeman, 2001: 144). On the other hand, 45% of the populace deemed incapable of affording meaningful housing required public subsidy. In between these two groups, variable interventions were recommended including hire-purchase and mortgage, serviced sites, an incentive-based housing standardisation and a cooperative scheme. The incentive scheme – the Roof Loan Scheme – proposed loans of £560 for participants to construct roofs and standardised doors and windows of their houses provided they accepted to participate in a cooperative arrangement. This was premised on the fact that the roof constituted the most expensive housing element ranging from 20% to 30%. It was suggested that almost half of the proposed £2million funding for the

⁹⁶ Through the studies undertaken during these missions, the UN developed the requisite knowledge for proposing good practices in housing policy for governments especially in the developing world (Harris and Giles, 2003).

⁹⁷ Abrams (1964) cited in UN-Habitat (2005: 32) “Financing Urban Shelter Global Report on Human Shelter 2005”

building society be reallocated for the Roof Loan Scheme and the remainder committed to a mortgage bank. Lastly, the mission recommended the establishment of a National Housing Authority to develop and implement housing policy. These policy recommendations sought to create space for other entities other than the government in housing delivery and management (Konadu-Agyeman, 2001; Owusu, 2005).

The recourse to foreign experts was not limited to the UN or western agencies alone. After the Nkrumah administration's pivoting to eastern allies from 1961 (see Section 4.5.1 of Chapter 4), it requested technical and financial support from the (then) Soviet Union to establish a concrete prefabrication plant in the context of the industrialisation goals of the Seven-Year Development Plan (1964–1970) (Owusu, 2005). After the overthrow of the Nkrumah government in 1966 (see Section 4.5.1 of Chapter 4), the military regime extended an invitation to a joint team of the United Nations Economic Commission for Africa (ECA) and Netherlands Government, represented by a mission from the Bouwcentrum in 1967 to study and advise on housing. Mirroring the UN mission a decade earlier, the Bouwcentrum mission advised housing policy to be focused on three key aspects of directly targeting the poor, systematising housing finance, and creating a centralised decision-making inter-ministerial agency for managing policy.

The mission observed that state investment in completely built public housing was very expensive. It recommended limiting such funding to 42% of the prevailing housing costs for this type of housing. Beyond that, it was better to invest in site and services, aided self-help projects as well as mass housing schemes based on industrially produced standardised components (Nierstrasz & Hunnik, 1967 cited in Malpezzi et al, 1990: 39;

Owusu, 2005: 5). Furthermore, untapped or under-utilised resources from insurance and pension agencies should be channelled as capital for housing investments in addition to the mobilisation of personal savings. Lastly, the mission proposed the establishment of a Housing Advisory Committee to ensure policy integration and coordination through a decentralised framework. In the light of the numerous recommendations proffered by the various international agencies, it bears investigating the choices of the government in relation to the advice in order to appreciate the underlying logic of state housing policies.

The Schockbeton advice led to the commissioning of a total of 168 houses of which only 64 units were completed at a cost of \$7,000.00 each, more than twice the cost of traditionally-built housing. Inevitably, this prefabrication policy was halted by the Nkrumah government in 1955 due to its high costs (Agyapong, 1990: 265; Konadu-Agyeman, 2001: 144; Owusu, 2005:3). Konadu-Agyeman (2001: 142 -144) condemns the naivety of the government for accepting such parochial advice given its opportunism.

The consultants..... recommended prefabrication as the solution to the problem, and went further to recommend their own products..... The company therefore acquired a double role: as authors of the report they were the consultants and trusted advisors to the government, and as producers they became the suppliers of the commodity on the suitability of which they were to advise (Abrams et al, 1956). It was a serious error in judgment on the part of the government to have allowed the authors of the report to produce the houses even if the decision was made bona fide (Konadu-Agyeman 2001: 142-144).

On the basis of the advice of Garratt-Holden in 1953 to establish a state-run building society, the government indicated the allocation of £2million for the purpose. Although subsequently objected to by the UN mission in 1955 led by Charles Abrams, the government went ahead to set up the First Ghana Building Society in June 1956 after passing the Building Society Ordinance 30 in December 1955 with a capital of £216,000. The government subsequently added G£500,000 for guaranteeing private investments

made by the Society⁹⁸. Other state owned non-bank agencies also provided mortgage loans, but they focused exclusively on high income clients. One of such organisations was the State Insurance Corporation (SIC)⁹⁹, which entered the housing market providing mortgage loans as part of an expansion drive of its investment portfolio (Agyapong, 1990: 285; Konadu-Agyeman, 2001: 193).

The UN mission-proposed Roof Loan Scheme was initiated from 1956 albeit with modification by locating the intervention in rural areas instead of the recommended urban areas. In the light of the strength of the opposition in rural areas noted in Section 4.5 of Chapter 4, it is arguable that the geographic focus in the implementation served the Nkrumah government's political goals of providing public resources controlled by local allies in areas where the opposition was strong. The UN mission recommendation to structure a differentiated system of housing delivery mechanisms was also partially adopted. The Nkrumah government did not curtail the slum clearance actions as advised but rather pursued an urban redevelopment scheme in the major urban centres that spurred demolitions in pursuit of a "modern" city. Buttressing its selectivity of the "expert" recommendations, the site and services approach was used minimally to accommodate households affected by the urban redevelopment programme. The National Housing Authority proposed by the UN mission was overlooked in favour of the Gold Coast Housing Corporation, set up in 1955 (and subsequently renamed State Housing Corporation in 1965) to directly construct housing. The State Housing Corporation (SHC)

⁹⁸ There is some discord among various researchers regarding the capital and the purpose of the funding from the state to the First Ghana Building Society. Konadu-Agyeman (2001: 146) and Agyapong (1990: 306) agree on £216,000 and £500,000. On the other hand, Arku (2004:204) states that £260,300 was provided as grants and share subscription whereas (Osei Kwame and Anwti, 2004: 54) indicate that the state provided an initial grant of ₵ 87,000 (equivalent to £ 43,500) and a preference share subscription of ₵279,000 (equivalent £139,500).

⁹⁹ SIC was transformed into a public owned limited liability company in 1995.

fulfilled dual goals of housing as a social welfare instrument and a tool for modernisation. This social welfare ethos in housing underpinned the earlier-established Tema Development Corporation (TDC) by Gold Coast, Ordinance No. 35 of 1952 and tasked with constructing and managing the new Tema Township. This new township was associated with the construction of the Tema harbour as part of the industrialisation plans. Additionally, the Ghana National Construction Corporation (GNCC) – later renamed State Construction Corporation (SCC) – was set up by the government in 1958 in conjunction with an Israeli partner, Solel Boneh. This partnership, at a time when Israel was deemed a pariah state, was driven by political and economic goals nuanced in the geopolitics of Africa and the Middle East. Israel used such ventures to divide international opposition to its legitimacy, whereas Nkrumah initially used this and other ventures to counter Egypt's leadership aspirations in the emerging post-colonial continental unity agenda (see Rivkin, 1959; Akinsanya, 1976; Levey, 2003). This partnership with Israel also served Nkrumah's other agenda of securing funds for development projects. However, the unanimous condemnation of Israel during the second meeting of independent African states held in Casablanca, Morocco in January 1961, nullified Nkrumah's geopolitical motive for siding with Israel, culminating in the nationalisation of the State Construction Corporation in February 1961 (Osei-Kwame & Antwi, 2004). The common feature of all the public housing agencies was the choice of single-household units over the traditional compound houses that provided for multiple households.

External advisors were also sought for city level planning with the recruitment of international experts such as Otto Koenigsberger and Constantinos A. Doxiadis for new

town development projects linked to the Volta River industrialisation project and the Tema port city development¹⁰⁰. Koenigsberger developed proposals for the creation of a new town to be created as part of the Volta hydroelectric dam project in 1954¹⁰¹. Proposals such as the functional zoning and infrastructure improvement were implemented whereas others such as the development of participatory community governance framework were discarded in favour of a town management agency run by the hydroelectric power authority. Doxiadis¹⁰², on the other hand was engaged in 1961 to replace local planners tasked to design a new town concept that would be developed to integrate the new Tema Harbour (Kirrcher, 1968)¹⁰³. Doxiadis' plan for Tema that envisaged the development of 24 distinct neighbourhoods or "Communities" to house a total population of 250,000 by 1985 was implemented with no changes.

Typically, such state-led housing was disproportionately lower than envisaged and also less than those developed through non-state activities. Furthermore, such state houses went to higher income groups than envisaged under the espoused welfare ideology. The Second Five-Year National Development Plan (1959 – 1964) aimed to construct 6,700 units in the proportion of 200: 1,500: 5,000 units for middle –income, lower-income and labourers respectively. However, SHC produced 2,517 units representing 38% of the target with this production skewed towards the higher earning groups in the ratio of 46% for middle income, 27% for lower income groups, and 27% for labourers (Agyapong, 1990: 301; Arku, 2004). The Third Seven-Year Development Plan

¹⁰⁰The Tema Acquisition Area comprising a total of 63 square miles was acquired under Gold Coast Ordinance No. 38 of 1952, 'The Tema Town and Port (Acquisition of Land) Ordinance'.

¹⁰¹ The Volta River Project: Report On Housing And Regional And Urban Problems (1954) Submitted to the Volta River Project Preparatory Commission, Ghana.

¹⁰² Doxiadis, renowned Greek Architect, worked extensively in various developing countries on human settlements using principles deriving from kinetic energy labelled ekistics (see Doxiades, 1968).

¹⁰³ Subsequently Doxiadis was tasked to develop a regional plan that would link the hydro-electric power plant to the new harbour and foster industrialisation of the south eastern corridor of the country.

(1964 – 1970) imposed an annual target of 2,000 housing units for SHC (SHC, 2001) yet realised only 521 from 1964 to 1966 when the Nkrumah administration was overthrown. In total, from inception in 1955 to 1966, SHC produced 3,323 housing units with a total allocation approximately equivalent to £4.5million¹⁰⁴ (Effah Commission of Enquiry, 1966¹⁰⁵). Similarly, between 1952 and 1966 Tema Development Corporation (TDC) constructed 10,700 housing units in five residential communities¹⁰⁶. The State Construction Corporation set up with a start-up capital of £200,000, built a total of 718 houses on hire purchase in high class neighbourhoods in Accra, Kumasi and Akosombo by 1966¹⁰⁷. After the overthrow, the military administration abrogated the hire purchase scheme and placed all the estates under SHC management (Agyapong, 1990: 282-293). The state housing production of less than 10,000 contrasts with the target of 600,000 housing units envisaged in the Third Seven Year National Development Plan (1964–1970). As revenue from cocoa proceeds fell in the 1960s, some policy modifications of the socialist principles resulted in pragmatic responses. In 1962, the government withdrew the subsidies provided for rent for non-state tenants in public housing but however maintained them for civil servants (Agyapong, 1990).

¹⁰⁴ At independence the currency of Ghana was the Ghanaian Pound Sterling which experienced variable exchange equivalence to other international currencies. In 1965, the government broke its relation with the United Kingdom, establishing the Cedi as the new currency which exchanged with the British Pound Sterling at £1 to 2.40 Cedis.

¹⁰⁵ Cited in Agyapong (1990: 300). The Effah Commission of Enquiry was one of many ad-hoc investigative bodies set up after the 1966 military overthrow to probe the Nkrumah administration, in this case to look specifically into the activities of the State Housing Corporation.

¹⁰⁶ This was financed from budget of £14 million for importation of materials and £1.8million in local currency to cover local costs (Coopers and Lybrand Deloitte, 1991). Significantly an audit of TDC's accounts in 1991 by Coopers Lybrand and Deloitte did not register this transfer from the government, perhaps reflecting the poor record keeping in the company.

¹⁰⁷ The government retained 60% share and the Israeli investor owned 40% share. However, the state made land available in lieu of actual financial contributions. The Israeli investor's contribution was used to pre-finance the construction that prospective buyers then repaid through a hire purchase scheme. The estate built in Akosombo was to provide housing as part of the Volta River hydroelectric dam project started in the 1950s.

Overall, it can be deduced that during this era, with a few exceptions, the quest for advice from international agencies and experts mirrored a similar pursuit from foreign advisors such as Dudley Seers and Arthur Lewis in national development policies discussed in Section 4.2 of Chapter 4. However, the solicitation of the international housing discourse through the advice of experts did not connote the subscription to the technical ideals underlying such advice. The subjection of the expert advice to local political imperatives and logics culminating in the modification of such advice reflected the dilution of international housing policy discourse and its translation embedded in local political nous. Arguably, the penchant for such expert advice reflected the ruling class' doubts of the bureaucracy's policy design capacity. The invitation to Doxiadis to replace the local bureaucracy in planning the Tema Township is emblematic of this lack of belief. In the broader economic sphere, this lack of belief in the bureaucracy was partly the basis for the Nkrumah government's initial "*compromise with capitalism*" (Ansah, 2006) which has been discussed in Section 4.4.1 of Chapter 4. Secondly, this penchant for expert advice also limited the need to fall back on local experts, given that the intelligentsia formed the core of the opposition. However, as has been discussed, it appears that even though the Nkrumah regime had a penchant for inviting expert advisors, it was peculiarly selective in adopting the advice. Recommendations adopted by the government without modification were those that promoted state-run responses and direct construction of housing. Advice that diffused the centrality of the state were either modified or ignored. Furthermore, the enduring focus on state housing construction whilst ignoring the traditional sector and pursuing urban redevelopment schemes that demolished housing embedded in traditional values points to a statist interpretation of

modernisation in housing. The implementation of the Roof Loan Scheme in rural areas and the joint venture with Israeli company in the formation of the State Construction Corporation point to a logic of political legitimacy at work differing over time and space. By building state agencies yet denigrating local bureaucracy, privileging foreign advice thereby denying the local opposition intelligentsia work opportunity yet failing to adopt the recommendations that diffused state power, characterised a paradoxical ambiguity in housing policy. It points to a deeper lying logic at work and suggests that the ruling class' "decision calculus" in housing was steeped in the complex milieu of a modernisation ethos overlaid with internal and external political legitimacy imperatives. Within this calculus is a running theme of a class conflict setting the political class against the bureaucracy, intelligentsia, and sections of the urban proletariat class patronising the traditional compound housing system. Was this complex logic regime specific or symptomatic of the "state" in Ghana in the pre-reform? The next section reviews the patterns of state policies after the Nkrumah administration, ending the narrative in the mid 1980s when the housing reforms were initiated.

5.3.2 Market ideology and fiscal pragmatism (1966 – 1972)

Immediately after the overthrow of Nkrumah, the military regime reduced or discontinued housing policy interventions initiated under the previous administration on economic and ideological grounds. As noted in Section 4.5.2 of Chapter 4, deriving from the espoused liberalism ideology, the military regime (1966 – 1969) and its successor civilian administration (1969 - 1972) all sought to reverse Nkrumah's state-led policies. These reversals were reinforced by the dire financial situation of the country after years of significant public expenditure unmatched by revenue. As a result, the Soviet-built

concrete prefabrication plant which had been completed in 1965 was not given any capital for production after the 1966 overthrow. Furthermore, replacement housing necessitated by the urban redevelopment programmes was terminated¹⁰⁸. Reduction in public funding to only infrastructure also constrained the state housing agencies compelling the agencies to recover other costs directly from clients. Initially, this was quite successful as steady advance payments from prospective clients generated a flow of funds for production. Nonetheless, under the Two-Year Development Plan (1966-1968) SHC's actual production levels fell to 764 housing units of which only 2.7% benefited the labourer class (Konadu-Agyeman, 2001:149). TDC also suffered a similar fate from 1966 to 1969. Subsequently, the Busia administration (1969-1972) with its more pronounced market liberalism obliged TDC to sell off some of their rental housing stock allowing a margin of 2% over the cost of construction with repayment over 20 years, as well as, increase the rent levels in order to recapitalize TDC. TDC was also tasked to transform its operations from a direct provider of public housing to providing serviced plots (Acquah, 2001). However, most corporate and individual tenants of TDC declined to acquire the properties unwilling to accept responsibility for maintaining the properties¹⁰⁹. As a result, from 1969 to January 1972 TDC completed 1,750 houses and another 3,750 houses were partially built (Acquah, 2001: 6). The liberal dispensation from 1966 to 1972 also laid emphasis on the mobilisation of funds for housing through non-budgetary sources as well as private sector participation in housing, listing "*building societies, housing cooperatives, banks, insurance companies, private financiers and*

¹⁰⁸ As a result 400 residential plots serviced to accommodate 2,000 housing units under this scheme was subsequently reclaimed by the indigenous chiefs albeit unlawfully (Agyapong, 1990: 283-284).

¹⁰⁹ The Ghana Railway and Ports Corporation were the exception as they leased a substantial tract of land to develop properties on behalf of their staff.

housing consortia’ as sources for housing finance (Konadu-Agyeman, 2001: 149). Nothing practical was done in this regard with the exception of housing cooperatives initiatives, although they existed under the Roof Loan Scheme in the Nkrumah era, albeit predominantly rural–focused. Following the passage of a new cooperative law by the military regime, NLC Decree 252 in 1968, urban housing cooperatives were encouraged with the Tema Housing Cooperative Society as the first urban pilot scheme that completed 21 housing units under the first phase (Konadu-Agyeman, 2001:202-204) and progressively built a total of 105 housing units (personal interview of Cooperative President and Welfare officer, May 2007)¹¹⁰. The Busia administration (1969 – 1972) also reinstated the previously discontinued urban redevelopment scheme albeit emphasising slum upgrading. The government sought the assistance of the World Bank in this regard, which led to the design of the Ghana Urban Development Project in 1971. This project identified upgrading interventions for selected slum neighbourhoods in the five main cities of Accra, Kumasi, Sekondi-Takoradi, Tamale and Tema and received loan pledges from the World Bank in 1971. However, after the January 1972 military overthrow, the World Bank withdrew the funding. From this point onwards, succeeding governments discontinued the quest for expert advice from international agencies until the housing reforms in the 1980s (personal interview of Project Advisor on World Bank urban projects; September 2006).

In summary, the liberal era from 1966 to 1972 was characterised by efforts to reverse the state-led socialist policies of Nkrumah’s government from 1951 to 1966 on ideological and fiscal grounds, culminating in significant reductions in public funding for

¹¹⁰ With loans from the government and technical assistance from the Department of Housing and Planning Research of the Kwame Nkrumah University of Science and Technology, the Tema Housing Cooperative was established in 1971.

housing and a corresponding promotion of cost recovery principles for public housing. Related to this, a new emphasis emerged focusing on off-budget financial resource mobilisation for housing from banks, insurance companies, private financiers and housing cooperatives. Although most of the plans did not materialise, their articulation highlighted the government's underlying disposition towards its traditional support base, as well as, the opposition. By stimulating urban based housing cooperatives with public financial and technical assistance, the Busia administration was attempting to pacify traditional opposition groups of organised labour and the urban proletariat opposing the government's market liberalisation policies (see Section 4.5.2 of Chapter 4). The attempt at placating these groups was articulated in the Prime Minister's address to organised labour in 1970.

Industrial development will be hampered unless workers are adequately housed..... We believe that economic change and social change go together. The two are integral parts of the process of development... We believe that while we are trying to provide industries... we should at the same time also try to provide more housing.....¹¹¹

However, diffusing political opposition, mirroring the political logic underlying the implementation of the Roof Loan Scheme, was tempered by the fiscal realities, thus limiting the government to mostly rhetoric.

5.3.3 Unravelling ambiguities into ineptitude and larceny (1972 – 1979)

As has been noted in Section 4.5.3 of Chapter 4, the primary basis of the National Redemption Council (NRC¹¹²) military overthrow of the Busia administration was the austerity measures necessitated by the high external debt. These austere measures

¹¹¹ *Daily Graphic*: "Housing: A basic necessity for workers" (1970). Address by the Prime Minister to the Trade Union Congress cited in Arku (2004: 164-165)

¹¹² After the National Redemption Council (NRC) military regime overthrew the Progress Party civilian administration in January 1972, it subsequently metamorphosed into two succeeding administrations called the Supreme Military Council I and II. These nomenclature changes arose from changes in leadership of the Government including the Head of State in the last internal change. The nature of the government essentially remained the same in its form as an executive class made up of the senior military class.

included the withdrawal of housing allowances and the imposition of special tax on all public servants. Expectedly, the new military regime reversed these measures and restored publicly-funded mass housing schemes to garner political support. Aided by resources garnered from high cocoa export prices in the early 1970s and the government's unilateral debt repudiation and deferment decision, these resources were channelled into several development initiatives that included large scale public housing. The NRC regime initiated mass housing – the Low Cost Housing Programme – in 1972 purportedly for moderate income urban households. The main public housing agencies – State Housing Corporation (SHC), Tema Development Corporation (TDC) and the State Construction Corporation (SCC) – obtained unprecedented funding for their activities. Through this programme TDC built three additional residential communities, in a Home Owners Scheme (HOS) in 1974. Similarly, State Construction Corporation was involved in the development of several housing estates in Accra (Dansoman Estates), and Tema (Ashaiman, Sakumono and Manhean) during this period¹¹³. Although the Low Cost Housing Programme aimed to build a total of 23,000 housing units, its final output of 6,092 at the end of the first phase in 1974 nonetheless represented the highest level of public housing delivery ever (Agyapong, 1990, Konadu-Agyeman, 2001). However, the involvement of the state with the inherent subsidies and powers in the sub-markets of land, building materials and finance masked several structural challenges in land markets, affordability and the building materials industry. The housing programme resulted in a growing demand for such properties that was unmatched by the supply, with the public housing agencies inevitably accumulating debts to prospective clients who had made full

¹¹³ In the Dansoman Estates in Accra for example SCC constructed 60 and 166 buildings singly and jointly with other state developers, in 1972 alone (Osei Kwame & Antwi, 2004: 24).

or partial advance payments. Excess demand over supply also created incentives for patronage and clientelism among the political class and senior bureaucrats to influence the distribution of such properties. Rules guiding allocation procedures were subverted for such purpose. For example, in a study of one such estate (Chirapatre) in Kumasi built under the Low Cost Housing Programme, Adjei (1976) found that upper limits on incomes of targeted beneficiary households were overlooked in 55% of cases studied (cited in Agyapong, 1990:305).

Allied to the military regime's populist disposition, a new law, the 1972 Mortgage Decree, NRC Decree 96 was passed requiring mortgage providers in general to undertake a legal process to recover loans in default. It became mandatory to appoint a receiver to conduct mortgage debt recovery through specific procedures including notification, negotiation, and application for court approval. This situation culminated in protracted and costly mortgage debt recovery and benefitted loan defaulters over the mortgage loan providers such as the First Ghana Building Society (FGBS) (Sarfoh, 2002: 49-51).

Without revoking the detrimental mortgage law, the government subsequently established the Bank for Housing and Construction (BHC) in 1973 with the passage of a new law NRC Decree 135, to support housing and construction in general. This was at a time when virtually all the commercial banks desisted from offering housing finance in any form and FGBS was being constrained by the operation of the Mortgage Decree Law. BHC was not allowed to function commercially but rather controlled by the state through regulatory limits on lending terms and volumes which were expectedly generous to borrowers but in the long run unsustainable. Expectedly, the majority of borrowers were either from or linked to the ruling class. In 1975, the government passed the NRC Decree

319 instituting the Public Servants Housing Loans Scheme and the Armed Forces Mortgage Loans Scheme with the objective of facilitating home acquisition by public servants. Funds were provided through annual budgetary grants and loaned to beneficiaries below-market rates at 10% in lieu of the realistic levels of 30% per annum in order to ensure the affordability of housing. However, budgetary allocations for this scheme were sporadic and never in sufficient volume to make any meaningful impact, processing only 435 loans by 1988. The terms of the Public Servants Housing Loan benefitted the upper echelons of the public service although lower level staff made up the majority exemplifying the prevailing class conflict. According to Konadu-Agyeman (2001:152),

Under this scheme, only public servants in the upper grades whose incomes were considered sufficient to pay back the loan qualified..... It was a typical case of people at the top devising policies to assist their 'classmates' to acquire housing. Most of those who obtained the loans at very low interest rates were already living in government accommodation attached to their jobs and they ended up letting out the new houses at high rents while paying less than market rents for what they occupied.

Besides the government's direct initiatives in establishing housing agencies, other public agencies also participated in housing at this time. The Bank for Housing and Construction (BHC) expanded its activities in housing through a joint venture with a Spanish investor, Tecnicas de Multiconstruction SA (TEMSA) setting up a subsidiary, the Real Estate Development Company (REDCO). After a site was "acquired" in Accra for the first phase, a bank loan of \$12 million was secured from Spain between 1976 and 1977 to finance the operations of REDCO. However, the funds were not accessed because the government failed to provide a guarantee (Daily Graphic, 15th June, 2007). As a result of the difficulties in securing finance, REDCO faced interminable delay in the realisation of the proposed developments from 1979 to 1988 leading to price escalation of

6,900% in 9 years (Konadu-Agyeman, 2001: 128)¹¹⁴. The state pension fund, the Social Security and National Insurance Trust (SSNIT) also engaged in housing from 1974, initially for its staff exclusively but later expanded to other groups.

The confluence of the global oil crisis from 1974, falls in cocoa prices and export volumes and revenue, shrinking agricultural base, decline in local building materials industrial capacity, declining foreign exchange and sharp rise in inflation, compelled the government to curtail its expansive programmes from 1975. Worsening conditions led to tightening of the import licensing regime in a purported bid to limit the dissipation of foreign exchange. This culminated in severe shortages of key imported building materials like cement, reinforcing steel and roofing materials that could last up to three years (SHC, 2006:7)¹¹⁵ and fuelled patronage and corruption in the supply of building materials. In this environment, SHC's activities were further hampered by delays in securing import licenses, not having the political clout to attract priority attention whereas others who were politically connected readily obtained such facilities. In some instances, SHC was compelled by either government officials or management to acquire materials at exorbitant prices from such private importers connected to either government or management (personal interviews of Heads of Finance and Planning, SHC, September 2006). Constrained by the global and local challenges, the government cut back on funding for direct public housing construction. The combined effect of high inflation and building materials shortages significantly affected the capacity of SHC and TDC to meet their obligations and increased the backlog. In time, the government recognised the

¹¹⁴ Houses expected to sell for ₵100,000 for a flat and ₵200,000 for a detached house in 1979, were only completed after 1988 with prices ranging between ₵4 million and ₵6 million.

¹¹⁵ See Leith and Soderling (2003) for a discussion on post-colonial import licensing regime

challenges and initiated action to extricate itself and diffuse the responsibility for housing.

The present economic position of the country and the competitive demands on public funds from the other sectors make it difficult for Government alone to undertake to house every Ghanaian¹¹⁶.

In this regard, recommendations were made to develop proposals that led to the National Mortgage Finance and Guarantee Scheme (SMC Decree 23) of 1976. This promoted the mobilisation of household savings by the National Savings and Credit Bank, a state bank, to be channelled into a secondary mortgage scheme with the involvement of the central bank, Bank of Ghana, and the Bank for Housing and Construction (Agyapong, 1990: 292-297). However it was not implemented. Under the Five-Year Development Plan (1975 – 1980), the state pension funds, SNNIT, was expected to expand into mass housing and eventually evolve into a secondary mortgage financier providing long term funds. However, not much was achieved in this regard and by the close of the 1980s, SNNIT had initiated only 910 housing units at different stages of completion. Under the Five-Year Plan (1975–1980), the government allocated ₵1 million – approximately equivalent to \$580,000 – for urban housing co-operatives which facilitated their growth (personal interview of Head of Housing Research Centre, October 2006). Inevitably, the government ceased financing SHC altogether in 1977, requiring full cost recovery directly from clients (personal interview of Head of Finance of SHC). Infrastructure grants to TDC became very infrequent in the 1980s¹¹⁷. Arising from inflation and

¹¹⁶ Daily Graphic, June 14 1975, p. 8-9 cited in Arku (2004: 165-166)

¹¹⁷ Even though infrequent, the state nonetheless **did** provide TDC with some grants to partially support their operations. They became more consistent in the late 1980s with grants of ₵ 22,977,365 in 1986; ₵4,686,450 in 1988; ₵5,660,667 in 1989 and ₵20,000,000 in 1990. Although these grants were purposely for servicing industrial sites, they were rather used to cover recurrent expenditure (Coopers and Lybrand Deloitte, *ibid*: Item 452)

declining funds from the state, TDC's Home Owners Scheme (HOS) was abrogated in 1981.

Managerial ineptitude also contributed significantly to the dire state of public housing agencies. Despite the rapidly declining volume of work, the public housing agencies kept workers on payroll compounding the debts. SHC management plans to rectify this were constrained by lack of funds to pay compensation. Retrenchment plans were then shelved after workers' threats of legal suit. Subsequently, a total of seven loans were contracted from SSNIT – the state pension funds; SIC – the state insurance agency; and other organisations to refinance the operation of SHC and thereby reduce the waiting lists. However, the SHC management capitulated to workers' agitation and diverted these loans to directly support remuneration. Additionally, SHC was affected by infractions ranging from pilfering of building materials to illegal sales of staff accommodation (personal interview of Heads of Finance and Planning, SHC). On the other hand, TDC took actions preceding the housing sector reforms to resolve the problems and costs associated with maintaining large numbers of workers on payroll without corresponding volume of work to sustain them. TDC took advantage of the mandatory labour rationalization and retrenchment component of the Structural Adjustment Programme (SAP) from 1984 to shed 40% of their staff (World Bank Urban II Staff Appraisal Report, 1990: 55). TDC's relative success in this pre-reform labour rationalisation derived from the preponderant engagement of the workers in secondary employment and other unofficial channels of income generation (personal interview of Head of Quantities, TDC).

As a result of the high costs of importing building materials which constituted 60% share of building materials (Ministry of Works and Housing, 1986) and to circumvent the restrictions on import licenses, TDC invested in brick and tiles production, acquiring 20% shares in the Kpone Clay Products in 1979, and 51,761 shares in the Tema Brick and Tile Company in 1988. The Bank for Housing and Construction similarly invested in brick and tile production on a very large scale to reduce the housing sector's dependence on foreign imports. However, the returns on these initiatives were essentially minimal. In TDC's case, share certificates in the Kpone Clay Products were never issued depriving TDC of any compensation when the company collapsed in 1984. In the case of the proposed Tema Brick and Tile factory, the factory site did not pass the environmental permit requirements thereby stalling the project even though TDC had made payments. BHC, on the other hand, secured local and foreign loans to invest in the production of building materials. BHC raised \$11 million in 1975 through public offer on bonds, \$17 million loan from Banco de Brasil and another DM15 million – equivalent to \$6.1million – from the (West) German government through its main development agency, KfW. The loans were used to establish seven brick and tile factories¹¹⁸, many of which were in rural locations with significant clay deposits and adequate timber resources for firing the bricks. Yet, the case of the Takoradi Brick and Tile Factory highlights BHC's managerial ineptitude.

Part of the Brazilian loan used for the Takoradi Brick and Tile factory, was used to import the equipment for the factory. Yet when the shipment arrived, no factory building had been constructed to house the equipment due to the shortage of building

¹¹⁸ Other BHC investments included a limestone factory set up in Buipe, Tamale, primarily for road stabilization works; several stone quarries; and a plant yard for servicing equipments for the quarries.

materials. This was linked to the delay in securing a license to import the materials. After eventually acquiring the building materials, the project was delayed due to BHC's view of submitted quotations from contractors as excessive. The decision to use direct labour to construct the facility was foiled by the lack of internal technical capacity to manage the construction efficiently. The factory was thus delayed for more than two years (personal interview of Special Assistant to BHC Managing Director, November 2006).

Leasing un-serviced land to individuals and companies to raise funds for clearing the housing delivery backlog did not yield expected returns for TDC. Infill developments in existing neighbourhoods to reduce the need for new infrastructure and using private contractors instead of staff to reduce labour cost overruns achieved marginal success (Coopers and Lybrand Deloitte, 1991: Item 219). These measures were also undermined by under-pricing of houses and preferential treatment for the politically connected and staff. The actual cost of land and the actual administrative overheads associated with the developments were excluded from the selling price. A 10% notional assessment was imposed covering land and administrative overhead costs. Additionally, house prices, fixed at the start of the construction, were not always adjusted to take inflation into account given the lengthy construction period. Furthermore, 10% price discount and interest charges waiver in the hire purchase scheme of the Home Owners Scheme given to TDC staff also contributed to the decline. It was found that only 16% of the actual development cost was recovered by TDC (Coopers and Lybrand Deloitte, 1991: Item 525).

Besides the noted ineptitude of the management of the public housing agencies, the causes and effect of the actual conditions of land acquisition have not been adequately

addressed in examining state housing policies and this has limited the consideration of the dynamics within the decision calculus of the pre-reform housing policies. In the following section, based on interviews of key informants in the public land and housing agencies, I take note of these land acquisition arrangements and argue that, the choices by government fostered the superficial quest for affordability that however, masked underlying leveraging of public resources for the benefit of the ruling class.

Repeatedly, land acquired for housing by the state generated tensions between the indigenous owners and the public housing agencies with the exception of the Tema Development Corporation. As has been noted in Section 5.1.2, communal ownership and delegated administration of land engendered non-valorised interests in its use. This imposed the requirement of customary consent before its alienation that was obtained by the payment of “drink money”¹¹⁹ for the lease and use of land, and upon the expiration of such lease, reverting to the original owners. Such consent would be obtained from the heads of groups owning the land, be it tribe, clan, extended family or household. This traditional norm contrasts with the formal civic administration structures by which land could be completely alienated and transferred. However, the public expropriation of lands generally did not observe these traditional norms with the passage of laws to override such demands. The Administration of Lands Act, 1962; State Lands Act, 1962; the Lands (Statutory Wayleaves) Act, 1963 and the Public Conveyancing Act, 1965 all empowered the state to expropriate lands without negotiating for consent but rather compensate the owners. The land expropriation process required the attestation of the transfer of the head lease title in the land indenture document from the owners by the signature of the chiefs

¹¹⁹ “Drink money” was a token payment to the chiefs and elders to signify recognition of the undisputed rights of the chiefs over the land.

and representatives of the land owners on such documents. However, as the government continually failed to pay compensation in part or wholly, the community representatives refused or failed to sign this head lease. In some instances, establishing the rightful heads and representatives of the owners to facilitate the payment of compensation became difficult to ascertain because of disputes over these positions. Partly because of the lineage based inheritance and partly due to the prospects and payments of compensation, complex leadership selection processes ended in disputes. Rapid urbanisation with its high demand for residential land brought this issue into sharper focus. As a result, the Lands Commission, the public agency responsible for land expropriation on behalf of all state agencies, was unable to complete the documentation of the head lease transfer yet went ahead to assign such lands. Frequently, governments abused the complex leadership selection process to withhold payments interminably. Governments got away with the situation because aspects of the various land laws allowed the state to enter and develop expropriated lands even though the transaction had not been completed. The acquisition of land was frequently exercised under the provisions of the State Lands Act 1962 (Act 125) on the basis of “public interest”. This condition was loosely interpreted by the government to downplay the right to compensation for some land acquisitions (personal interview of Regional Director of Lands Commission). In some of the compulsory land acquisition, this public interest imperative was not ascertained (Agbosu et al, 2007: 76). Inevitably, tension arose between the public housing agencies and traditional land-owning groups who reacted to this situation of incomplete land expropriation transaction by re-entering such lands to repossess and resell them to individual developers¹²⁰. As

¹²⁰ This situation also prevailed in cases where the land was properly acquired but remained undeveloped when such lands were sought by individual developers and speculators. In Accra, facilities such as the

urbanisation induced demand increase for residential land, publicly acquired sites that remained undeveloped – completed transactions or not – were contested more vigorously by land-owning groups through legal suits, but more frequently through recourse to illegal repossession methods. The absence of the head lease significantly limited the SHC decision to undertake land swapping to reduce the backlog of clients on the waiting list¹²¹ (personal interviews of Head of Planning, SHC; Director and Regional Director, Lands Commission). Arising from the stalled head lease SHC was unable to issue sub-leases to the owners and tenants of their houses. As a result, throughout the 1970s and 1980s SHC was increasingly unable to compel clients to pay the requisite ground rents owed on their properties due to the reticence of clients to make payment in the face of the insecurity of their tenure. This increased the debts for SHC as it was unable to make the requisite income tax payments to the state (personal interviews of Head of Planning and Finance, SHC). Similarly, the state failed to pay compensation for the 373 hectares of land acquired for REDCO, the housing development joint venture of the Bank for Housing and Construction¹²². The land owners of the REDCO lands rationalised their action thus:

When government sees an idle area of land then we are in trouble, they will take it without any compensation. They will tell you they are going to use it for development projects which will benefit us in the future. So we have decided to lease land to individuals to enable us to get money for the development of our community (Gough & Yankson, 2000: 2494).

It should be noted that Tema Development Corporation (TDC) was the only exception to the problems generated by the incomplete land transaction even though the government

proposed Sports Complex and a Police Training College were affected in this manner.

¹²¹ The majority of such arrangements took place in Accra (Adenta) and Western Region (Sefwi Wiawso) (SHC, 2001).

¹²² Arising from the lack of compensation, significant portions of the land were encroached by developers who “illegally” acquired the land from original land owners. The Government’s decision to de-confiscate and transfer part of the land back to the original investor, REDCO, was met with significant objection by the land owners on the grounds of a pending suit sued against the state since 1988 to recover their lands (Ghanaian Times, Tuesday 26th June 2006).

failed to continue compensation payments after negotiating annual payments in lieu of lump sum payment. Although these payments were initiated, they stalled within a short period in spite of the frequent requests from successive Tema chiefs. TDC's success in protecting its ownership of the Tema lands arose from the enactment of a law – the Tema Acquisition Area Ordinance – detailing the specific boundaries of the acquired property and the outlining of TDC's authority over developments within that territory. Thus, TDC had enforcement powers and did not require appropriately signed indentures to assert its ownership (personal interviews of Tema Chief, October 2006; Director of Housing, Ministry of Works and Housing, September 2006; and Senior Quantity Surveyor, TDC, October 2006).

Besides the problems of land expropriation, directives from political appointees were also detrimental to the operations of these agencies. Successive Commissioners for Housing regulated selling prices to maintain the populist rhetoric of providing cheap housing, even though such properties eventually went to elite groups. Additionally, SHC was periodically instructed to release completed properties for state protocol purposes without being paid compensation (see Box 5.1). In some instances, ranking on the waiting lists were discarded or disregarded through edicts in favour of other people who were either unlisted or further down the list even though deserving prospective owners had made full or partial payments.

Land acquisition by the government in combination with the politically directed mortgage loan terms of BHC and the Public Servants Housing Loan Scheme, and the house pricing methods, were carefully orchestrated to signal the government's desire to ensure affordability for the masses for whom these were intended. However, these actions

masked the underlying class conflict as they served to engender the restrictive benefit of this largesse directly to the ruling class and their collaborators in the bureaucracy and the private sector. Public housing was just one of several state instruments for ensuring the consolidation of class domination by the elite. This era is well summed up by Hutchful (1979) thus:

The state has been central in the process of primitive accumulation by the petty-bourgeoisie in both the private and public sectors. *The bureaucracy has, of course, been the main beneficiary of the public facilities in housing*, education, medical care and transportation developed on such a unique scale (for Africa) by the Ghanaian state, and financed on the basis of cocoa surpluses. *Access to these privileges has been greatly extended upon the SMC, senior civil servants and military officers appropriating the bulk of the increasingly scarce supplies channelled through state organisations They have even been the main beneficiaries of the system of price controls. The truly significant development under the SMC, however, is the extent to which both active and retired military and bureaucratic officials have come into possession of capital* as such, invested typically in agriculture, bulk-haulage, luxury transport systems, real estate, and the acquisition of company shares, thus allowing them to diversify from their immediate base in the state and taking on the role of kulaks, merchants, and 'entrepreneurs'. *Loans from the state banks (sometimes never repaid) have been important in this development, but perhaps even more so have been the proceeds of bureaucratic corruption - kickbacks on import licences, state contracts and purchases, the embezzlement of state funds, even outright extortion - facilitated by the unprecedented levels of state intervention in the economy* (Hutchful, 1979: 50) emphasis added)

Box 5.1- Public housing as state protocol without compensation

Periodically, the NRC / SMC military regime gave out houses as awards to individuals and groups who had excelled albeit without compensation to the public housing agencies. When D.K. Poison became first Ghanaian world boxing champion after winning the World Boxing Council Featherweight title in September 1975, the government rewarded him with one SHC's estate house in Teshie Nungua Estates in Accra. Similarly, the entire cast members of the Osofo Dadzie Drama Troupe, a popular television drama group of the 1970s were each rewarded with public houses in 1977. Senior officers of the Special Branch of the Police Service were given houses on a similar basis. In other instances, SHC was ordered to develop houses that were then handed over to some organs of the state such as the police (Flagstaff House Security Barracks in Accra), soldiers (Wajir Barracks in Accra and Air Force Barracks in Takoradi), doctors (Korle Bu) and engineers (of then Water and Sewerage Corporation at Kanda, Accra). SHC was also occasionally engaged in infrastructural works that were also not paid for. In 1981, the Minister of Works and Housing ordered SHC to undertake civil works in the Mamprobi neighbourhood. However, at the time of completion of the works, the PNDC military administration that had deposed the civilian government on 31st December 1981 refused to compensate SHC for this work.

Source: Personal interview of Head of Planning, SHC, September 2006

5.3.4 Lapsing into deeper populism and policy inertia (1979 to 1984)

The insurrection led by junior military officers in June 1979 that overthrew the SMC military government also marked the inception of government populist housing policies and general inertia up to the mid 1980s. As noted in Section 4.5.3 of Chapter 4, the Armed Forces Revolutionary Council (AFRC) of June 1979 espoused a Marxist orientation aiming to conduct a “house cleaning” purge of the former senior military ruling class and their collaborators in the bureaucracy and private sector. This manifested in executions and extreme brutalities, praised by the urban proletariat and organised labour, and materialised a pent up class conflict. Populist measures in housing were part of the overall disposition towards assuaging the regime’s class of supporters. The traumatic legacy of the AFRC inevitably paralysed the successor People’s National Party (PNP) civilian administration up to December 1981, when it was overthrown by the Provisional National Defence Council (PNDC). At inception, the PNDC was disposed to Marxist ideology and allied to the earlier AFRC military regime.

As part of the populist measures, the AFRC military regime of 1979 set up the State Houses Allocation Policy Implementation Commission (SHAPIC) by AFRC Decree 50 to curtail the practice of acquiring multiple publicly developed houses by the former ruling class and their collaborators. This decree empowered the state to seize publicly built houses from persons owning more than one such property. Section 2 (1 to 3) of this law stated that

(1) Subject to section 1 of this Decree, no person shall at any time own more than one house built by the State Housing Corporation or Tema Development Corporation.(2) Any person who immediately before the commencement of this Decree owns more than one such house as is referred to in subsection (1) of the section shall be entitled to own one house only and shall accordingly surrender free from all encumbrances the remaining house or houses as the case may be, to the State Housing Corporation or Tema Development Corporation.(3) Unless the Armed Forces Revolutionary Council otherwise directs in writing the State Housing Corporation or

Tema Development Corporation may refund to the owner of any such house surrendered to it under subsection (2) of this section the purchase price or part thereof paid in respect of that house.

After the handover of power by the AFRC, the policy paralysis of the civilian PNP administration from 1979 to 1981 affected the housing sector inevitably leaving most policies of the AFRC intact. Kondau-Agyemang (2001:153) noted that the PNP's housing policies "*remained at the rhetorical level without being transformed into reality*".

Therefore, when the Provisional National Defence Council (PNDC) took power in 31st December 1981, with its Marxist link to the AFRC, it was inevitable that populism would re-emerge. Characterising landlords and property owners generally as "Shylock", the regime passed the Rent Control Decree PNDC Law 5 that limited rent levels and permitted confiscations of properties and prosecution of owners who failed to comply with the law. Subsequently, the sanctions were maintained under the Compulsory Letting of Unoccupied Room and Houses Decree PNDC Law 7, which further empowered functionaries of the government to allocate privately built accommodation to tenants with or without the consent of the owners. However, by 1987 when the housing reforms were in the inception phase, these stringent measures were relaxed with the passage of the revised rent control law, PNDC Law 138. Under Section 10(a-b) of the new law 138, market conditions were permitted to be considered in assessing rent levels (Kufuor, 1993: 49). However, the rent freeze on publicly built housing persisted until 1991, when TDC was able to advance arguments to convince the government to allow a 350% rent increase from the 1979 levels. However, as will be discussed in greater detail in Chapter 6, the reaction of a section of TDC's tenants restrained the effectiveness of the decontrol (Coopers and Lybrand Deloitte, 1991: Item 411 & 420).

5.4 The state of public housing at the verge of reforms

By 1989, SHC had 200 housing units under construction and held 4,800 units in rental (Urban II Staff Appraisal Report, 1990: 5). Furthermore, it had outstanding debts of approximately equivalent to \$1.7million comprising unmet obligations to prospective clients who had made advance deposits from the 1970s, as well as debts owed other agencies (Urban II Staff Appraisal Report, 1990; Konadu-Agyeman, 2001:168). This included a debt approximately equivalent to \$130,000 owed to SSNIT in loans and deferrals of mandatory pension payments. House prices had escalated nominally by 120,000%¹²³ over a period of two decades between the early 1970s and the early 1990s (Konadu-Agyeman, 2001). As at 31st December 1986, which was the last time SHC published its audited accounts before the reforms, SHC had negative net assets approximately equivalent to \$2.4 million. Depositors' funds partly financed SHC's annual operating deficit in 1986, approximately equivalent to \$580,000 (Urban II Staff Appraisal Report, 1990: 54). Similarly, the waiting list of TDC clients grew from 1,000 depositors by 1981, when the Home Owners Scheme (HOS) was officially abrogated, to 1,370 depositors by 1990 when Coopers and Lybrand Deloitte, a management consultancy consortium, undertook an assessment of the reformed "The Special House Ownership Scheme". TDC had an outstanding debt approximately equivalent to \$1.12million whilst creditors owed TDC approximately \$280,000 as outstanding payments for completed properties. By 1989, TDC had built a total of 16,000 housing units and retained 7,520 housing units in its rental portfolio, making it the largest single landlord in Ghana. Additionally, TDC's net worth was approximately equivalent to

¹²³ This discounts the effect of inflation, which averaged above 45% over the two decade period and rose above 100% in three non-sequential years (derived from Aryeetey and Fosu. 2008).

\$890,000 – with a working capital approximately equivalent to negative \$3.1million – and a cumulative loss of the company approximately equivalent to \$1.5million – (Coopers and Lybrand Deloitte 1991, Items 408–410). Clearly, SHC and TDC were in a precarious financial state by the inception of the housing reforms compounded by litigations, mismanagement and staff challenges and this reflected a general malaise affecting housing developers at the time. Furthermore, due to unavailable materials and financial constraints, there were a total of 1,892 abandoned uncompleted houses by SSNIT, SIC and REDCO in urban areas and 834 units by the Department for Rural Housing and Cottage Industries (DHRCI) abandoned in rural locations by 1988. In addition to those abandoned by SHC, TDC and SCC, there were approximately 4,000 abandoned incomplete houses at the inception of the reforms¹²⁴.

In the late 1980s, the Bank for Housing and Construction had a real estate credit portfolio of ₵71.4million representing 1% of its outstanding credit. Other banks and non-banking financial institutions – Merchant Bank, National Investment Bank, National Savings and Credit Bank, Ghana Commercial Bank, Agriculture Development Bank and Barclays Bank – undertook very limited activities in housing finance with similar results. The limited activities of such banks targeted formal sector employed high income households. Some multinational organisations such as Nestle, Lever Brothers (of the Unilever group), British Petroleum, and the Volta Aluminium Company (VALCO – subsidiary of Kaiser Aluminium) arranged with these banks to replace pre-existing staff housing schemes solely financed by such companies. Very few local companies, including Aluworks Ltd, also undertook such arrangements.

¹²⁴ The World Bank estimated the uncompleted stock to exceed 5,000 units (Urban II Staff Appraisal Report, 1990: 132).

Table 5.1: Residential Mortgages Provided by Major Financial Institutions, 1974 – 1988

Name of institution \ Year	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	Total (no.)	Remarks
BHC	19	109	74	44	16	8	–	6	2	7	7	4	30	3	24	363	
Ghana Commercial Bank	–	–	–	–	–	–	–	–	–	–	–	–	89	90	–		Mortgages to customers suspended since 1979
Barclays Bank	–	–	–	–	–	–	–	–	–	–	–	3	–	–	–	–	
Standard Chartered Bank*	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Social Security Bank	–	–	–	2	44	59	46	29	24	27	16	48	26	–	–	225	
SSNIT	–	–	–	–	–	–	–	–	–	1	1	1	–	37	33	75	Employees only
FGBS	–	–	–	–	–	–	159	217	122	91	31	63	146	105			

Source: Adopted from Konadu-Agyeman (2001:125)

* - Does not reflect staff loans and special arrangements with multi-national organisations

Table 5.2: State of mortgage lending of selected banks by 1988

Name of Bank	Mortgage portfolio (¢ '000,000)	Overall credit portfolio (¢ '000,000)	Proportion of mortgage to overall credit portfolio (%)
Bank for Housing & Construction ¹²⁵	318.7	6,370	5
Standard Chartered Bank ¹²⁶	66	7,800	0.85
Social Security Bank ¹²⁷	154	3,000	5

Source: compiled from Consultant's Draft Report; 1988 Urban II Preparatory Study – Housing Finance

¹²⁵ Credit position as at 31 October 1988 and included loans given to staff of the Bank

¹²⁶ Credit position as at September 1988 and included loans given to individuals to construct their own houses as well as those given for the purchase of corporate real estate.

¹²⁷ Credit position as at September 1988 and included loans given to staff of the Bank

These organisations routinely subsidized these mortgage loans in one form or the other, even though beneficiaries were predominantly in management positions. A few other banks like the Social Security Bank and the National Investment Bank also provided housing loans albeit restricted to their own (bank) staff. By September 1988, mortgage and real estate lending by the commercial banks was almost non-existent (see Tables 5.1 and 5.2).

5.5 Conclusion

On the basis of the foregoing, it is clear that prior to the enabling reforms, state housing policy ran on two parallel tracks. On the one hand, there was the pre-existing traditional housing delivery and allocation systems that were premised on socio-religious customary norms of land ownership which permitted leases in lieu of outright individual ownership, promoted housing types based on communal lifestyle and provided opportunities for low-income households to obtain access to minimal legitimate shelter. By the traditional norms, squatting was not possible because all land was owned by an indigenous group and could be procured by consent. In this regard, traditional housing approaches derived from structural functionalism. On the other hand, state policy promoted a conventional approach to housing that alienated land, developed single family housing by public agencies and adopted allocation mechanisms that benefitted mostly formally employed households. In the process, several public agencies in housing were established. The logic of modernisation also directly facilitated demolition of houses developed on the basis of the traditional norms. The existence of the plethora of public organisations provided opportunity for the frequent political interference in the use of housing to achieve political goals. The state's methods for acquiring land without completing the payments of compensation combined with political interference in management decisions of the public housing agencies to generate difficulties directly for the operations of the agencies, yet enabled the farcical demonstration of cost reduction in housing development. It is clear that the state maintained such a perverse

relationship with these public agencies compelling them to rely on their own resources in facing the brunt of the socio-economic and political difficulties, although some of the challenges derived from managerial ineptitude. This general trend was interspersed with episodes of state withdrawal from active public housing by reason of constraints imposed by realities of fiscal limitations or moralistic tendencies to deconstruct patronage networks. Generally, the logic of housing policy decisions privileged local political considerations over technical rationality espoused in the expert advice procured in the early post-colonial era from international agencies and individuals, as well as the social welfare ethos embedded in the traditional housing norms. However, in reviewing how the benefits spread in society, it becomes clear that whereas political legitimacy directly formed the basis of most housing policy decisions, seeking to ensure that office holders strengthened their hold on office, there was an underlying class basis that shaped such decisions. The pattern of pre-reform housing policy shows clearly that underlying the political logic are class differences, conflicts and considerations from which the decisions go to empower elite and ruling classes or their supporters and deprive their opponents in lieu of the provision of housing as an objective end in itself. In conclusion, housing policy in the pre-reform era is characterised by multi-layered elements that are not always self-evident and mask the dialectical interaction between the seemingly wilful strategic acts of policy agents, and the deeper lying inherent collective biased dispositions of particular groups in the society. In this pre-reform housing policy framework, power is unevenly balanced in society and housing remains subjectively instrumental.

CHAPTER 6 – The Housing Sector Reforms: The World Bank, UN and the Local Actions

6.1 Introduction

The previous chapter established that the pre-reform era, beginning from 1951 and ending in 1985, clearly manifested a dual trajectory of housing development and allocation. The traditional housing practice of the polity was generally dominated by pre-existing socio-cultural norms that privileged non-commercial development and supported communal lifestyle in society. This traditional approach to housing generated the opportunity for low-income households to afford shelter; often in ways that neutralised economic relations and rather highlighted social capital. On the other hand, the formal public policy adopted the modernisation ethos underpinning a westernised approach to housing development. This approach emphasised nuclear family life-styles at variance with the pre-existing traditional socio-cultural norms. As a result, formal housing policies adopted by governments in the pre-reform era promoted housing development and allocation that favoured business elites, senior bureaucrats and the top echelons of those formally employed. However, as has been discussed extensively in the previous chapter, the public policy approach to housing was overlaid with extensive political considerations of legitimacy, patronage and corruption. Finally, the chapter demonstrated that the overarching impetus of public policy on housing generated from the class bias of the politicians and bureaucrats designing and implementing the housing policies, programmes and projects of the pre-reform era. The preceding chapter makes the case that in the pre-reform era, the practice of housing was subjected to, and a subject of, uneven power relations in society which needed to be taken in account in formulating reforms of the housing sector.

In this chapter, I examine the reforms of the housing sector within the context of the structural adjustment policies implemented during the period 1985 to 2000. The context of

the housing reforms was further overlaid with the respective conceptual perspectives of the UN and the World Bank in the design and implementation of the enabling principles for housing reforms discussed in Chapter 3. In this regard, the chapter traces the different entry approaches and conditions of the World Bank and the UN to supporting the housing sector in Ghana. On the one hand, the World Bank was invited by the Housing Ministry and, by leveraging its significant funds, the World Bank crafted mandatory reforms for implementing the designed intervention. On the other hand, the UN entered the housing sector of Ghana through its advocacy for methodological rectitude and without the funding for implementation, hence the subscription to its ideals was voluntary. Alongside these interventions, reflecting the state's preference for a regime of publicly developed mass housing (discussed in Chapter 5), the Ghanaian government engineered conditions for the deployment of significant state pension funds into housing. This chapter traces the trajectories of the three streams of housing programmes led by the World Bank, the UN and the state pension fund agency, during the period of the housing sector reforms. It emerges that irrespective of the pathways, the experience that evolved during reforms was driven by motives outside of the issues of the housing sector. Housing as a sector within the economy was a residual priority of the government and therefore was not integrated into the overarching structural adjustment goals and activities, although periodically, the government used rhetorical devices to simulate this perception. It is found that competition between housing sector and local government interests emerged and this manifested the heterogeneity of the state discussed in Chapter 4. This state heterogeneity is one of the gaps in the analysis of policy – that is the consideration of the variety of interests groups within the state, the exploration of which reveals the potential of diverse trajectories in policy outcomes as a result of intra-state competition – that has not been applied to housing research in Africa and Ghana in particular which validates this thesis' attempts at rectifying the analytical lacuna.

The competition between the housing sector and local government sector interests was decided by the assertiveness of the local government interests and the government's desire for political legitimacy. The housing sector interests were not helped by frequent political changes in personnel and the drive for policy continuity, whereas the local government interests maintained political stability that was consolidated by the political influence of the head of the Ministry of Local Government throughout the reform era. In this competition between housing and local government sector interests it is noted how the quest for legitimacy forced the government to draw public funds into direct housing construction, contrary to the enabling principles and without regard to admonitions by the World Bank. It is noted further that the recourse by the government to adopt recommendations of the World Bank for the establishment of a secondary mortgage system using some funds of the public pension funds agency, was done to assuage the concerns of the World Bank about the government's direct housing construction. Ultimately, local government interests transcended housing concerns within the central government's policy priorities, which was extended into the priorities of the World Bank. As a result, the pace and outcome of the housing reforms was determined by individual personal interests and the material conditions of the economy as well as the changing political context.

The chapter further discusses the emergence of new actors such as local and international private sector housing developers as well as the state pension funds agency in upscale housing markets. On the housing demand side, Ghanaians in the Diaspora constituted a new and expansive market opportunity whose requirements influenced an inordinate supply of upscale housing. Furthermore the chapter notes the effect of the emergence of these new actors and dynamics on the government's housing delivery programme. The chapter concludes by observing how the enabling principles underlying the housing sector reforms were subsumed under evolving priorities that bordered on political legitimacy and class

considerations. In this respect, the enabling principles developed by international development agencies under a hegemonic framework are nonetheless affected by local dynamics and strategic actions to the extent of diminishing the perceived relative power of the hegemonic order.

6.2 The World Bank in Housing and Urban Sector Reforms

As noted in Section 4.5.4 of Chapter 4, the World Bank and the International Monetary Fund (IMF) were the first international agencies to engage with the government of the Provisional National Defence Council (PNDC) in initiating the economic reforms in Ghana. It is from the urban sector component of these reforms that the (then) evolving enabling principles-based housing reforms was conceived, albeit with significant strategic actions by key policy agents. By 1984, the urban sector in Ghana was characterised by critical physical infrastructure deterioration particularly in Accra (World Bank, 1984: 26). The economic decline of the late 1970s (see Section 4.5.3 of Chapter 4) culminated in the decay of the comparatively better developed urban services and efficient local administrative systems of the late 1960s (World Bank Urban II Staff Appraisal Report, 1990: 3-4). For example, by 1984 in respect of liquid waste, 23% of Accra's residents had no toilets at all and the public toilet system operated a mere 20,000 antiquated bucket latrines to serve the city's population of almost 1 million. Furthermore, in Accra, only 400 properties were connected to the municipal sewerage system and the sewage treatment plant was broken resulting in untreated sewerage being pumped directly into the sea. The situation was little different in other cities of Ghana. Kumasi (population = 1,570,000) operated a public toilet system comprising 4,000 bucket latrines. In Tema (population = 209,000), significant portions of the sewer lines and the main sewer pumping station had collapsed. Besides sewerage, solid waste services did not fare any better. By 1980, only 20% of solid waste generated in the city was disposed of by Accra's management. Similarly, the road network in Accra had also

deteriorated to the extent that vehicular maintenance costs were rising significantly, travel time was increasing and generally traffic conditions were worsening. In Sekondi-Takoradi and Tamale, only 23% and 27% respectively of the roads were paved; and in Kumasi, only 20% of the road network was in a serviceable condition. Property rates had not been adjusted since the 1960s and municipal revenue had become insignificant. Reflecting the significant dependence of local authorities, central government contribution to the payment of the salaries of local authority staff grew from 53% in 1975 to 75% in 1985. The only external intervention was supported by (West) German aid agencies engaged in a 2-year programme – the Accra Waste Management Project – comprising re-organisation of waste management services, construction of sanitary facilities, improving financial management, providing equipment and training (World Bank Urban II Staff Appraisal Report, 1990). The Ministry of Works and Housing – with responsibility for housing, drainage and sewerage – approached the World Bank in 1984 for assistance primarily to address housing shortages. This approach fitted the framework of engagement under the SAP by which individual ministries presented their programmes to the World Bank to explore the prospect for securing finance. Underlying this request was the desire to restart public housing activities that had collapsed. The request to the World Bank was a response to rising demand by organised labour for government initiatives in directly providing housing to curtail the excessive rents being paid at the time on private tenancies.

The Ministry of Works and Housing made several representations to the World Bank to provide financial support for housing. However the Bank was not inclined to do so for two reasons. In the first place the World Bank was not persuaded that there was an effective system in place to manage that type of project. Secondly the Bank was of the opinion (successively) that the presence of SHC and TDC and the emergence of GREDA¹²⁸ served the same purpose and therefore were better suited to undertake the desired housing delivery with some support. It was argued that direct financing of the housing targets by the Bank would stifle the private sector's growth potential. There was an underlying principle of removing the Bank from financing direct housing development although this was not (explicitly) stated and the Bank maintained their stand notwithstanding the solicitations of the Ministry of Works and Housing (source: Personal interview of Deputy Minister, Ministry of Works and Housing – August 2006).

¹²⁸ At this point the Ghana Real Estate Developers Association (GREDA) was yet to emerge although a few private developers and some private contractors posing as developers undertook limited housing development.

The World Bank initially responded tentatively to the Housing Ministry's request, preferring to conduct an appraisal of the sector reflecting its view that public housing agencies were too inefficient to be given the resources being sought by the Ministry of Works and Housing; and that the private sector was deemed better suited for mass housing and had to be encouraged. However, the World Bank acquiesced eventually, albeit addressing housing at the level of the lagging municipal infrastructure. As a result, the initial housing concerns were subsumed under urban infrastructure initiatives and framed within the overarching structural adjustment goals. Supporting urban initiatives was crafted as a pre-requisite for national economic growth. It was argued that with the 30% urban population contributing more than 50% of the GDP, investing in infrastructure of urban centres was important because these urban centres were;

Key centres of economic activity, political decision making, administration and learning centres for the transmission of technology to the rural areas, providing markets for rural produce. poor infrastructure and services, and weak local government institutions impose heavy costs on economic activity and drain national resources (World Bank Urban II Staff Appraisal Report, 1990: 1)

The World Bank agreed (in 1984) to allocate unused funds earlier committed for the Ghana Urban Development Project (1970-1971), which had been subsequently revoked after government unilaterally decided to repudiate some and defer other outstanding foreign debts (see Section 5.3.3 of Chapter 5). The World Bank restricted the interventions to fit the scope and budget of the curtailed urban project of 1970. This involved upgrading in five slum neighbourhoods in four cities – Nima in Accra, Moshie Zongo in Kumasi, Kwesimintsim and Afia-Zongo in Sekondi-Takoradi, and Kamina Barracks in Tamale. However, inflation had significantly devalued the unused funds of the 1970 project compelling the reduction in the scope of works in the 1984 programme. On the basis of the foregoing, the 1984 urban project was re-designed to pilot interventions in Accra, culminating in the Accra District Rehabilitation Program from 1985 to 1998 (Personal interview of Project Advisor, Urban Project Support Unit, August, 2006). Clearly, the Housing Ministry and the World Bank

engaged at cross purposes. The Housing Ministry's primary quest was to secure finance to continue support for public agencies-led housing development. The World Bank's response was situated in the context of the period when it was transiting from project-based state-led interventions to private sector-led housing finance and urban sector-wide reforms (see Section 3.4.2). On the strength of the World Bank's considerable financial resources, the uneven balance of power between the World Bank and the Housing Ministry resulted in the selection of the urban over the preferred housing interventions.

6.2.1. Accra District Rehabilitation Programme (ADRP) – 1985 to 1988

The Accra District Rehabilitation Programme (ADRP) focused on three interventions, namely upgrading of slums, improving municipal revenues, and project management capacity building of the Housing Ministry. The slum upgrading interventions targeted the two low-income communities of Nima and Maamobi in Accra. Although Nima and Maamobi were indeed among the most deprived communities in the city, their selection served other political ends for the government. Home to migrants mostly from the northern regions of Ghana¹²⁹ and predominantly Moslem, the residents in these two neighbourhoods were attracted to the populism of the PNDC government and its anti-elite rhetoric. Frequently, Flt. Lt. Rawlings, Head of State in the PNDC Government, actively participated in de-silting choked drains and sweeping the streets in these neighbourhoods¹³⁰. These interventions consolidated the PNDC government's political legitimacy among the urban poor. The PNDC leadership was thus easily persuaded in the selection of Nima and Maamobi for the proposed urban interventions.

The infrastructure upgrading component allowed the World Bank to test its integrated multi-sector urban upgrading approach labelled the "Christmas Tree" model. In this model, different interventions including neighbourhood infrastructure, municipal revenue, transport

¹²⁹ Impoverishment of Ghana's northern regions had colonial antecedents (see Forde, 1968; Songsore, 1989).

¹³⁰ For accounts of populist acts of the PNDC Head of State see Gyimah-Boadi and Rothchild (1982).

and local economic development were all combined in a single urban project (Kessides, 1997). The Indonesian Kampung Improvement Project (KIP)¹³¹ of the 1970s provided the antecedent ‘model’ for the ADRP. The ADRP’s upgrading component included improving drainage and sanitation, pedestrian and vehicular access in order to potentially benefit 19,000 residents (World Bank, 2002:10). However, the Bank felt there was inadequate local experience or capacity to implement such multi-sectoral interventions. Chris Banes, a Municipal Engineer and staff of the Bank on the ADRDP, discussed the perception held by the Bank’s staff on the paucity of local capacity in managing such interventions:

There was very little knowledge of what could be achieved with the multi-sectoral, integrated approach to basic infrastructure provision in these areas. Probably the Bank and/or other donors were saying this is what has been done in the KIP. So they said, yes, we’ll give it a try, and [*sic*] the project unit for the first Bank project overall, the ADRP, staffed it up with a lot of young, bright guys out of the University of Science and Technology, among them architects, planners and engineers. The Bank teams worked with them, and they cut their teeth on the pilot project, which was a small, 30 hectares project the Ministry of Works and Housing was very weak. Ghana was then a centralist country. Everything was directed top-down from the Ministry of Works and Housing. So the Bank latched its project unit, the Technical Services Center [*sic*], onto the Ministry of Works and Housing, and it was driven technically (World Bank, 2000¹³²).

Although the project was coordinated and institutionalised through the Technical Services Centre (TSC), it required capacity building. However, the World Bank training was tailored primarily to make the TSC staff conversant with the World Bank’s guidelines. These staff were also given salary incentives to secure their continued employment in the Housing Ministry similar to the conditions enjoyed by those engaged in projects deriving from the structural adjustment reforms (see Section 4.5.4 of Chapter 4). Chris Banes (World Bank, 2000) describes how such incentives helped to maintain the local experts thus:

Within the Ghana civil service and the local government service, there is some continuity which is surprising, **given the woeful remuneration they get. But I think the continuity with regard to the project unit is that they have had perks. The usual way they are kept on is they all get a new vehicle; every new Bank project means a new vehicle.** And now there is a move to take people on contract. Of course, that upsets the system a bit. We have been tinkering around with civil service and local government reform for a long time, but if [*sic*] we haven’t found a solution so far. For the moment

¹³¹ The KIP, often cited as a good example of slum upgrading, was initiated by the Indonesian government in 1969 and progressively expanded to cover 200 communities and 15 successive projects (World Bank, 2005:62).

¹³² source: <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTURBANDEVELOPMENT/EXTUSU/0,,contentMDK:20248523~menuPK:512857~pagePK:148956~piPK:216618~theSitePK:341387~isCURL:Y,00.html>)
Date Sourced 15th May 2006

we continue doing other things like contracting staff as consultants or giving them perks so that they accept the poor salary situation” (World Bank 2000; emphasis added¹³³).

The World Bank’s wage enhancement for the TSC staff created an elite agency within the bureaucracy of the Housing Ministry. Additionally, with the exception of the Director of Housing, none of the other staff of the Housing Ministry had direct interaction with TSC. Apart from mandatory management meetings of the ministry bringing together all departmental and agency heads, TSC was operationally delinked from the Ministry (personal interview of former Director, TSC; September 2006). It remains unclear the extent to which the ADRP slum upgrading interventions influenced the national housing policy discourse as evaluation studies were conducted only by the World Bank. In total, the World Bank granted a US\$22 million loan for the ADRP (Ewool, 2004) which ran from 1985 until it officially closed in 1992. However, by 1988, the main construction works had concluded and attention turned to extending similar interventions to other cities earlier excluded as a result of the budget limits set by the World Bank. This also coincided with the end of the stabilisation phase and the launch of the growth phase of structural adjustment – the Economic Reform Programme (ERP). Studies of the dynamics of housing and urbanisation in Ghana and primarily undertaken by staff of TSC concluded with the imperative to develop the physical and social infrastructure in secondary towns and cities to stem the drift to the primary urban centres. Additionally, it was hoped that interventions in the other cities would address housing and urban development in a more integrated fashion.

6.2.2. The Priority Works Programme (PWP) (1988 – 1991)

Before the proposals for the next phase of urban and housing interventions could be fully developed, urgent priorities emerged that compelled a temporary redirection of housing

¹³³ Source: <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTURBANDEVELOPMENT/EXTUSU/0,,contentMDK:20248523~menuPK:512857~pagePK:148956~piPK:216618~theSitePK:341387~isCURL:Y,00.html>)
Date Sourced 15th May 2006

policy. From 1986, emerging evidence suggested that the civil service retrenchment under the SAP aiming to improve efficiency in public administration (Owusu, 2005:4) was also increasing poverty. UNICEF (UNICEF, 1986¹³⁴) observed rising unemployment and worsening conditions of the poor and vulnerable groups affected by SAP policies of price deregulation, subsidy removal and trade liberalization (World Bank, 1987:54-55). Additionally, food production suffered a significant decline following a glut in 1984 that had caused a price collapse and impoverished many subsistence farmers. From 1985, reduction in food production affected food supply to the urban centres in the subsequent years (World Bank, 1987)¹³⁵. In this context, UNICEF proposed that the implementation of SAP required “a human face” (UNICEF, 1986; Mosely et al, 1995) implying welfare considerations. The Programme to Mitigate the Social Cost of Adjustment (PAMSCAD) was designed to generate employment for and transfer skills to the retrenched workers in order to alleviate poverty and enhance their prospects for sustaining their livelihoods through private sector or self-employment. PAMSCAD was operationalised through the Priority Works Project (PWP), with housing as an instrument for the employment-generation and skills transfer goals. The design of the PWP concluded in 1987 and implementation began in 1988 with a credit facility of \$10.6 million from the World Bank – Credit 1874-GH, FY88 – to be executed in two years. The PWP had three sub-components – infrastructure upgrading and rehabilitation in selected communities similar to the ADRP, completing abandoned mass housing projects labelled housing consolidation, and the development of a site and service scheme for the poor. The public housing projects abandoned from the late 1970s (see Section 5.4 of Chapter 5) were identified as projects that would fulfil the goals of the PWP. It was

¹³⁴ UNICEF (1986) *Ghana: Adjustment Policies and Programmes to protect Children and Other Vulnerable Groups* (Accra: UNICEF)

¹³⁵ The drought and famine of 1982-1983 that affected the entire Sahelian region of Africa (see Section 4.5.3 of Chapter 4) spurred massive agricultural activities in Ghana resulting in bumper harvests in 1984. However the absence of efficient storage facilities and adequate post-harvest technology led to significant losses for the farmers in 1984. Consequently production fell in 1985 compounding the difficulties faced by the urban poor.

proposed that 200 of these abandoned properties initiated by the State Housing Corporation (SHC) for prospective clients would be transferred to the Bank for Housing and Construction (BHC) for completion after the payment of outstanding debts owed the original clients of SHC who had made full or partial payments for these properties. One hundred of the completed properties would be sold at market rates through mortgages supplied by the BHC whilst the other 100 would be rented to civil servants. However, the original price agreed between the prospective owners and SHC had significantly eroded through inflation thereby devaluing the initial payments made by the original clients. Yet, the compensation for expropriating these uncompleted developments did not take into account such inflationary effects. Consequently, a number of original clients of SHC whose properties were incorporated in the housing consolidation scheme, preferred to retain ownership after the completion of construction instead of accepting the compensation. Without resolving this impasse between the original owners, SHC and TSC, the incorporation of the properties into the housing consolidation programme was perceived as an illegal confiscation and increased subsequent litigation for SHC (personal interview of Directors of Planning and Finance, SHC; October 2006; and Chief Technical Advisor, Ministry of Works and Housing; September 2006). Thus, although funds were secured from the World Bank to pursue an agreed set of actions, the government failed to fulfil its side of the agreement in the process creating problems for SHC management. In reality half of the interventions aimed to satisfy the needs of the senior bureaucratic class, a practice mirroring the previous experience of the Low Cost Housing Programme as discussed in section 5.3.3 of Chapter 5. By providing funding to the public housing agencies to undertake direct housing development under this scheme, the desires of the Housing Ministry, expressed since 1985, were fulfilled. On the other hand, the limited number of housing units participating in this scheme reflected the wariness of the World Bank towards direct housing construction projects.

The proposed site and service scheme anticipated the development of 400 serviced plots¹³⁶ in Community 3 in Tema. The funds secured from the World Bank coupled with a further loan from the pension fund, SSNIT, was to be lent to BHC for construction loans required by the private developers. Subsequently, such loans were to be recycled as mortgage loans for the beneficiaries with a 25-year repayment period. These long term loans recognised the structural problem of finance in the country which had culminated in the minimal housing finance activities of the banks from the 1970s to the late 1980s, as noted in section 5.4 of Chapter 5. Evidently, persistent inflation had induced the commercial banks to substantially reduce their exposure to risk in long term lending in the 1970s. Thus, the proposed arrangement in the housing consolidation and site and service projects of the PWP, pointed the way to address the difficulties in construction and mortgage financing. Upon completion, the serviced plots were to be leased through BHC to private estate developers who would be supported with loans to develop low-income housing ownership and rentals units¹³⁷. The “site and services” scheme however, did not prescribe the participatory elements of incremental self-build or self-management conventionally associated with its application (see Section 3.2.1 of Chapter 3) that effectively reduced housing construction costs for low-income households (Turner, 1972; 1976; World Bank, 1975). On the contrary, the proposal to use corporate developers, standardised housing designs and conventional building technologies distorted the conventional “site and service” concept. This effectively precluded user participation aspects which had distinguished site and service from conventional approaches. The reality of this design was that its characterisation as “site and service” was a rhetorical device masking the underlying and enduring preference for a conventional housing approach

¹³⁶ The land for the site and service belonged to TDC and was to be ceded to TSC, which would undertake the servicing with “paved roads, bitumen surfaced lanes and footpaths, water supply, electricity, street lighting, public sanitary conveniences, paved market and a community centre and playing field” (PWP Agreement, 1988)

¹³⁷ The development of the site and services scheme would progress in two phases. The second phase would not start unless at least 100 of the envisaged 400 plots had been taken up by developers. TSC developed standardised plans though the developers could use their own designs on condition they conformed to the permissible standards of (and were developed in consultation with) TSC, BHC and TDC.

of building completed houses, albeit replacing the traditional public agency with private developers in this case. Eventually, even though the land servicing was implemented, for reasons which border on class considerations that are later discussed in Section 6.7 of this Chapter, the serviced plots were not released as planned to private developers.

The PWP project generated substantial employment through the construction sector including housing; creating 8,000 jobs purportedly to absorb retrenched civil servants, albeit falling short of the envisaged 10,000 positions. The majority of these jobs were entry-level, low-skilled and low-paying jobs. Besides the shortfall in achieving the target level of employment, the job opportunities were taken up by other people instead of those for whom these jobs were created. For example, in one of the major construction schemes in Nima, Accra, most of the new recruits were residents from neighbouring areas long unemployed before the structural adjustment reforms (personal interview of Project Advisor, Urban Project Support Unit; September 2006). The PWP was beset by many problems and generally failed to achieve their overarching objectives of mitigating the negative impacts of adjustment and reducing poverty (Aryeetey & Tarp, 2000; Aryeetey & Goldstein, 2000). This was partly due to the delayed release of donor funds¹³⁸, the complex administrative systems for its implementation, the urban bias and the inefficient targeting of the beneficiary groups, and the inordinate focus on organizational and logistics support (Harrigan & Younger, 2000:201).

It is noteworthy that the PWP coincided with the onset of decentralisation reforms that sought to devolve power from central to local government. This led to the reorganization of the 65 pre-existing local authorities into 110 District / Municipal / Metropolitan Assemblies¹³⁹. In the process, the responsibility for the development of physical and social

¹³⁸ Donors pledged up to US\$84 million or 6% – 8% of the annual expenditure of donors for the ERP in February 1988 but failed to deliver on time (Harrigan and Younger, 2000)

¹³⁹ PNDC Law 207 changed the title of the local authorities from Councils to Assemblies. Subsequent legislation differentiated these assemblies according to population; smaller sized Districts to medium sized

infrastructure such as waste management, drainage, markets and schools was transferred from the Housing Ministry to the new local governments supervised by the Local Government Ministry.

There is debate over the motives for the decentralisation reforms. Tanoh (1996) argued that the decentralisation reforms in Ghana were a politically necessary and rational choice made by the government at the time to alter the growing incidence of permanent social fragmentation. This situation arose from a corrosive relationship between a marginalised and disenfranchised majority segment of the society and a minority elite parasitic ruling class. The majority suffered from being under-served in respect of their access to socio-economic goods generated by the state with extracted resources from this majority segment culminating in their delinking from the state. According to Tanoh (1996) this is what ultimately drove the country to the brink of political failure in the early 1980s. In this regard, Tanoh (1996) argued further that as post-colonial economic crises evolved and generated highly discriminatory patronage regimes, the local government system suffered double delinking, with communities unhinging from them at the bottom and the state bypassing the local governments from the top. On that basis, Tanoh (1996) describes the decentralisation reforms as a pre-emptive initiative for re-engaging state-society relationship. The populist structures of the PNDC government, namely the People's Defence Committees (PDCs) and Workers Defence Committees (WDCs) and their successor Committee for the Defence of the Revolution (CDRs) were envisaged to be instrumental in this process. Thus, decentralisation was linked to the government's populist refrain of "power to the masses" (Zanu, 1997:355; Asante & Aryee, 2004:6).

The DAs (District Assemblies) are therefore a direct and appropriate outcome of the on-going experience of popular empowerment and a reversal of the top-down nature of local government. In this

Municipal Assemblies to the larger sized Metropolitan Assemblies. Further legislations culminated in the upgrading of some Assemblies and the re-configuration of others, creating a total of 238 Assemblies as at November 2008.

sense, the DAs represent both a progressive change and, given their roots in popular aspirations and activities, a legitimate and sustainable vehicle for development (Tanoh, 1996).

the underlying philosophy of the 1988 legislation was that the district assemblies would form a basis for a national system of indirect elections to regional and national level assemblies, on the socialist “democratic centralism” model.” (Crook, 1994: 345 cited in Devas & Korboe, 2000:125-126)

Another argument is that the motives for the decentralisation reforms derived from political legitimacy questions facing the PNDC military regime at both the global to the local scale. At the global level, the World Bank and other donors took advantage of the government’s need for resources to resuscitate the fragile economy and leveraged their substantial capital to push for political reforms premised on “rational” economic logic of reducing wasteful public subsidy and enhancing cost recovery of local service delivery. Locally, the decentralisation reforms were implemented to cultivate a new support coalition for the government, to compensate for the loss of the traditional support coalition of the PNDC government, dissolved because of the SAP reform-fuelled hardships. However decentralisation reforms lacked government commitment at the onset and were partially implemented with an inordinate emphasis being placed on administrative changes and only rhetorical support for the political component of the reforms (Ayee, 1994; Mohan, 1996; Ocquaye, 2001).

Stalling tactics were only reversed when the PNDC felt that its legitimacy was threatened because of the pressures engendered by austerity.....As Rothchild (1993: 15) observes: “with domestic and international donor community pressures building up for democratization, Rawlings, recognizing the need to establish a new support coalition, moved cautiously to link political reform with economic reform” (see also Herbst, 1993). The PNDC was being squeezed between the donors and key sections of Ghanaian society. Therefore, it had to placate two different sets of demands while retaining power. This it did through its decentralization programme.

Crucially, the candidates stood on a nonpartisan basis since it was argued that party politicking occluded 'genuine' politics. However, the pledge of the newly elected assembly members included the phrase 'I will uphold and defend the revolutionary objectives of the PNDC', which suggests that 'nonpartisan' meant anything except the PNDC (Mohan, 1996: 82, 84)

The stalling of the impetus for decentralisation thus suggests that the PNDC military government was not truly inclined to decentralise power until its legitimacy was under attack. This is buttressed by the subsequent manipulation of the process to generate a new political support coalition for the government after the adoption of the decentralisation reforms under duress from internal and external sources. This account of decentralisation reforms as a

response to political legitimacy imperatives partly explains the growing importance of the local governance interests. It is in the context of the evolving decentralisation process, embedded in the complex milieu of concerns of limited public finance, and the search for political legitimacy that the next phase of housing and urban reforms emerged.

6.3 The Intermission of Paradoxical Policy Narratives and Political Legitimacy

Whilst the government sought assistance from the World Bank for the housing sector, its pronouncements about resolving challenges in the housing sector barely materialised. The pronouncements were important for political effect. In 1986, community-led initiatives in housing appeared to be the favoured policy approach, with a budding cooperative self-help initiative of the Army set out as exemplary.

A key dimension of our medium term development efforts should therefore be the continued harnessing of community initiatives and, in particular, the demonstrated action of communities, including urban communities to contribute labour and other available resources to supplement Government's limited resources. This will be of tremendous importance in **the provision of housing at reasonable costs for working people**. The initiatives of communities themselves are required to generate new levels of activity to augment the housing stock and improve maintenance of existing facilities. In this regard it is worth noting that the Armed Forces have started a highly commendable housing scheme which other institutions will do well to emulate. Under this scheme, officers and men alike make voluntary monthly contributions and provide free labour using whatever materials are available to construct core design houses. Resources have therefore been allocated in the 1987 budget to enable infrastructural support to be provided to communities willing to undertake projects to house ordinary working people. Such infrastructural support will include land, equipment and water supply, roads, culverts and the basic sewerage system. (Budget Statement and Economic Policy, 1987: 29, 37; emphasis added)

However, nothing was done practically in this regard. This rhetorical device created the perception of pre-disposition to self-help initiatives. Arguably, such pronouncements were crafted to assuage core supporters disenchanted by the adverse effect of the neoliberal reforms. In this regard, the negative characterisation of landlords fits into the populist anti-landlord narrative discussed in Section 5.3.4 of Chapter 5.

The stock of houses on the housing market has not increased over the last several years while the demand for houses has increased tremendously. This has led to a situation where landlords are charging exorbitant rents. It is the aim of the PNDC to reverse this trend (Budget Statement and Economic Policy, 1987: 37)

Furthermore, the urban proletariat from whom the core support emerged were the only interest group mentioned directly – referred to as the “working people”. There was also an oblique acknowledgement of the bureaucratic – ruling class preference for state built housing in the reference to SSNIT, SIC and REDCO. Other proposed interventions allied to the structural adjustment goals served to pacify the World Bank. To stimulate local production, the government announced a reduction of import duty from 20% to 10% on pig iron to boost steel production and clinker for cement production. Sales taxes on key construction materials produced locally – cement, roofing sheets and paints – was also reduced to stimulate housing supply. Similarly, 20% of formal sector wages was made tax deductible as housing allowances to improve housing demand (Ministry of Finance and Economic Development, 1987). In 1988, more initiatives were announced to engender private participation and framed in the logic of neo-liberalism.

Government has decided that to stimulate investment in real estate development it is necessary to provide some incentive to estate developers. Consequently it has been decided that the corporate tax for real estate companies be reduced from the 55% to 45%. Additionally, companies and persons who invest part of their profits in real estate will be allowed to offset up to 50% of such investment against the following year’s tax liability. Real estate developers will be granted a five-year tax holiday and any loss incurred during the tax holiday period may be carried forward for another two years. Purchasers of houses from real estate companies are also to be exempted from payment of stamp duty as is currently the case with purchasers of houses built by the State Housing Corporation and the Tema Development Corporation. Sales tax on locally produced building materials have also been reduced to 10% from 20% (Budget Statement and Economic Policy, 1988: 16).

The incentives to induce private sector participation appeared to be aligned with the World Bank’s enabling housing principles. However, the policy was silent on the intended beneficiaries of these newly empowered private developers resulting in little regard for the housing needs of the poor. Generally, with such incentives for private developers, it would appear that government action synchronised with the enabling housing principles privileged by the World Bank. Yet, continuing the approach of mixed messages to different audiences, the government also noted its aims of channelling public funds in the direct construction of housing from the budget, as well as, the pension funds, SSNIT.

Government intends to spend over ₺ 2.6 billion (approximately equivalent to US\$12.8million) to provide these services as well as **provide financial support to the State's Housing Development Institutions to complete various projects already initiated by them**.....With the increase in the interest rates of SSNIT's funds from 6% to 16½%, the value of these Social Security Funds has been substantially increased. In addition, Government has already indicated in the National Program for Economic Development that the regulations governing the Trust will be amended so as to enable the investment of a substantial portion of these funds in the development of housing. The Trust is expected to invest these substantial resources to be provided by Government into productive investments in housing to help **secure the future of the people whose contributions have sustained the Trust**. Government is confident that the new management of the Trust will rise to these challenges. We also expect the Trade Union Congress, which is represented on the Board of the Trust, to provide the necessary support for these new initiatives of the Trust and to co-operate in the realization of benefits to ordinary workers. Central Government will on its part begin the renovation of all Government bungalows and complete on-going public housing projects up to a total cost of ₺1.25 billion (Budget Statement and Economic Policy, 1988: 16; emphasis added).

At this time, the national pension funds, SSNIT was under review as part of the structural adjustment reforms. Originally, SSNIT had been set up under National Redemption Council Decree 127 in November 1972, to manage a public social security scheme with compulsory participation for all organisations with more than five employees. At inception, SSNIT operated as a provident fund that made a single terminal payment of the total contributions of the participant upon retirement with an interest rate of 3% (Kumado & Gockel, 2003). Two key features of the SSNIT's operations reviewed under the SAP were the type and administration of benefits from the scheme and the conditions of investment of funds. The reforms under the SAP envisaged a pension scheme that made regular periodic payments up to the death of the participant instead of the single payment. Secondly, restrictions on the investments of SSNIT funds to only government securities and the regulation of the rate of return on such investments were partially lifted. Negotiations with the World Bank led to the government acceptance to deregulate the returns on SSNIT investments, increasing from 6% to 16½% (Ministry of Finance and Economic Planning, 1988). Historically, the restriction of SSNIT investments to government securities coupled with the low rate of returns on such investments enabled the government to obtain very cheap finance. Although the new deregulation measures increased SSNIT's operational funds substantially, the government's direction of a significant portion of the surplus proceeds to public housing, further

demonstrated the importance given to state-led housing within the decision calculus of the ruling class, at a time when the government was seeking to reconstruct its support coalition. Expectedly, the World Bank noted its disapproval of this, albeit to little effect.

The proposed pilot housing finance scheme provides an alternative to **more costly schemes that have been proposed. For example, the Social Security and National Insurance Trust (SSNIT) is now being encouraged to invest in relatively high standard and high cost housing at highly subsidized interest rates – a policy which apart from being ineffective will certainly decapitalize the Trust** (World Bank, Urban II Staff Appraisal Report, 1990: 7; emphasis added)

The World Bank's criticism of the direct housing option using SSNIT's funds and its submission of a housing finance alternative was in keeping with the corresponding juncture in the evolution of the Bank's enabling principles (Kalarickal, 2006). Consequently, government made statements backed by some actions to assuage the World Bank's concerns within the framework of Urban II's Housing Sector Reforms discussed in the next section.

The availability of funds for lending to builders has been restricted principally by lack of encouragement for the mobilisation of long-term funds. Government intends to improve this situation through the establishment of a Housing Finance Company which will mobilize funds through loans, bonds and equity contributions and channel them through primary lending institutions like the Bank for Housing and Construction to individuals and corporate bodies. It is expected that through this system individuals who have traditionally not had access to funds will be able to borrow at reasonable interest rates on long-term basis to build their own houses (Budget Statement and Economic Policy, 1989: 20)

6.4 The World Bank's Urban II – The Design

Urban II represented the formal inception of the Housing Sector Reforms oriented to the World Bank's variant of the enabling principles. This was prefaced by the fulfilment of two World Bank preconditions, namely the assertion of housing as a public policy priority and, secondly, an indication of the government's commitment to the housing reforms:

They (World Bank) said that before they could get into it (housing sector support) the government of PNDC would have to tell them in some way that this thing is important to them so that they can, you know assist (personal interview of Director of Policy, Ministry of Works and Housing, October 2006).

The Ghanaian government complied with statements of "prioritisation" and "commitment";

It is a matter of concern to government that housing continues to be unaffordable to the average Ghanaian. Serious initiatives will be taken to arrest this unsatisfactory situation (Budget Statement and Economic Policy, 1989: 20)

The improvement of housing conditions is a priority of the Government of Ghana. To this end the Government has already taken a number of steps to encourage the development of the Housing Sector. In order to accelerate the development of the sector and to strengthen housing institutions, the

Government has sought the assistance of the World Bank (IDA¹⁴⁰)..... The above policies will be implemented in consultation with the World Bank (IDA) and on the terms and conditions acceptable to the World Bank (IDA). Where necessary the government will, on a timely basis, promulgate legislation on other instruments to give effect to the above (Correspondence from Minister of Finance to Managing Director of the World Bank, 16th March 1990)¹⁴¹

It bears noting that such assurances of housing “prioritisation” and “commitment” to housing reforms were extracted from the government in ways that mirrored the mechanism by which the structural adjustment reforms were implemented. That is to say, these so-called government commitments were extracted through conditionalities. However, as latter events revealed, the government’s commitment to the housing reforms was questionable.

For reasons to be adduced later in this section, it is instructive that Urban II was designed as two distinct sets of interventions addressing the housing and local government sectors respectively. These distinct components were the “Housing Sector Reform” and the “Local Government Rehabilitation”. The Local Government Rehabilitation project is discussed in detail in Section 6.4.2 of this Chapter. The key concerns for the Housing Sector Reforms focused on the establishment of a market-based housing finance system to ensure full recovery of costs for investors and intermediary institutions, and importantly re-defining (and limiting) public sector activities in the sector. The housing reforms would:

initiate the development of a sustainable housing finance system; reform the housing parastatals, begin to relieve the acute housing shortage of affordable houses; improve the environmental conditions and provide essential infrastructure and services for the urban poor; and strengthen the MWH” (World Bank Urban II Staff Appraisal Report (1990); page 15-16)

Reforming housing finance was the principal intervention of this component of Urban II, with a proposed housing finance agency to run a secondary mortgage system that would finance mortgage loans for prospective home owners. The main public housing agencies, State Housing Corporation (SHC) and Tema Development Corporation (TDC), were to be restructured either by privatisation or, as a last resort, by commercialisation and thereby streamline the use of public subsidies in housing. Additionally, although the principal focus

¹⁴⁰ International Development Association. See Chapter 3 for the discussion of the IDA’s formation.

¹⁴¹ Ministry of Finance and Economic Planning Reference SEC / FP / 036.

was on reforming housing finance, it did not preclude the conventional menu of site and services, as well as slum upgrading. Lastly, the menu of reform interventions also called for improved management of the existing housing stock.

In these circumstances, IDA's "traditional" approach to the shelter sector in lower-income developing economies would comprise some combination of new low-cost site and services plots, improving land titles and registrations, encouraging slum upgrading, and improving the provision of and cost recovery for urban infrastructure. However by themselves they will not eliminate any of the litany of problems listed. It is not necessarily just more urban housing that is needed. More efficient and equitable utilization of the existing housing stock is needed as well". (World Bank Urban II Staff Appraisal Report, 1990:8-9)

6.4.1 The Housing Sector Reforms - Presumptions, Omissions and Paradoxes

Under Urban II, the Home Finance Company, (HFC) was established in 1990 under the Home Mortgage Finance Law, PNDC Law 329 with shareholding by the Government of Ghana and the public pension fund, SSNIT. HFC was set up as a secondary mortgage facility to provide long term financing to commercial banks for mortgage lending to fulfil the need for long term funds for housing. HFC was financed with \$8 million and \$16.2 million from the government, borrowed from the World Bank and the SSNIT respectively as part equity and part loan for working capital in the form of long-term bonds. These bonds provided resources for the requisite long-term (30 years) funds used by HFC to offer mortgage loans by selected banks serving as primary mortgage lenders. The lenders were responsible for generating the demand for mortgage loans from customers and ensuring that the loans were repaid to the banks on time and thereby to HFC. This activity referred to as "origination and servicing", was used to frame the participating banks as "Originating and Servicing Institutions (OSIs)". To ensure that the participating banks were adequately motivated to perform their designated role as OSIs, the mortgagee would pay the OSI an interest rate of 3.5% - 4.5% above inflation for the mortgage loans, of which the OSI would be due a real return¹⁴² of 1.5% to cover the administrative costs for the loans, as well as earning a little

¹⁴² Real returns imply the rates are adjusted for inflation. Since most interest rates were regulated and were below the rate of inflation, this was part of the attempt by the state to reform the financial sector in general and in particular under the Financial Sector Adjustment Programme (FINSAP) initiated in 1987.

profit. The remainder would be passed on to HFC, who would earn 1% - 2% above inflation as management fees and profit. Lastly, HFC would pay the bond holders, SSNIT and the government, a real return of 1% of each loan. The intention was to ensure that the loans were not overly expensive and thus unattractive to OSIs or to mortgagees. An additional incentive to the OSIs stipulated a progressive reduction of their liability for the risk of default by mortgagees from 50% at the start of a mortgage loan contract to 10% in the event of a long-term macro-economic decline. If economic conditions worsened, the government was expected to bear the rest of the risk of default on mortgage loans rising from 50% to 90%. In the event of inflation spiralling beyond reasonable limits, HFC would write off such debts with the state absorbing this loss completely. As a result, the World Bank recommended the establishment of a budget reserve to take care of non-performing loans. Thus, the government had an incentive to manage the economy appropriately to avoid significant long-term losses.

The new mortgage scheme introduced two novel approaches with the view to mitigating the challenges that the Bank for Housing and Construction (BHC) and First Ghana Building Society (FGBS) had faced previously. Firstly, the balance of the outstanding loan was indexed to inflation in order to protect the actual value of the loan. The repayment level of the loans was also indexed to a wage index in order to protect borrowers from excessive housing expenditure to the detriment of other critical needs. This design of loan and repayment indexation was known as the dual-index mortgage (DIM) concept (Guttentag, 2004: 58), which was first pioneered in Mexico in 1984 as part of the World Bank conditions for structural adjustment reforms (Zearley, 1993; Lea & Bernstein, 1996). Secondly, the Urban II scheme applied the Graduated Payment Method (GPM) by which the proportion of wages to be committed to repayment of the mortgage loans was graduated from a base initially lower than the requisite quantum, thereby making loans accessible to lower income workers. This concept was adopted on the presumption that incomes invariably grew and

people were able to increase loan repayments proportionally as their incomes grew. In the event of inflation seriously outpacing incomes the term of the loan would be adjusted up to a maximum of 30 years in order to ensure loan repayments did not exceed 25% of household income. It was claimed that this was the first time both DIM and GPM were implemented in Africa (Derkyi, 2002). Arguably, this claim is plausible and validates the experimental nature of the housing reforms. The World Bank appeared confident that these measures adequately addressed all the risks associated with this scheme;

The major goal of the pilot is to initiate the establishment of a system of financing and repayment and a mortgage instrument that will resolve the major barrier to housing finance, high volatile inflation rates It introduces a financial instrument capable of withstanding real and monetary shocks to the economy while not impairing the banking system or household disposable income. (World Bank Urban II Staff Appraisal Report, 1990: 14; emphasis added)

The risk that ERP will slow down significantly and that incomes will suffer a sustained period of decline cannot, of course, be ruled out. However, **while no project can ensure against such catastrophic risks, Urban II is designed to explicitly deal with this kind of problem. It builds on IDA's experience in other countries** in which repayment problems have created serious losses for mortgage lenders and provides for automatic rescheduling or repayments if real incomes falter. (World Bank Urban II Staff Appraisal Report, 1990: 37; emphasis added)

Lastly, the design of the new housing finance approach took account of the problems encountered in recovering mortgage loan in default experienced by BHC and the FGBS (see Section 5.3.3 of Chapter 5). As indicated, BHC and FGBS suffered additional costs and interminable delay because of the mandatory judicial procedures for recovering their loans in default. As a result, the Home Mortgage Finance Law 329 of 1990 was passed in which section 5 empowered HFC to recover their loans on demand or in default by repossessing and selling mortgaged properties to recover the full costs including administration costs, associated with the loan recovery exercise. Significantly, the pre-existing mortgage law, National Redemption Council Decree 96 Mortgage Decree of 1972, was not repealed with the passage of the new mortgage law. The new law rather restricted its application to HFC and properties developed by HFC funds. Although this was paradoxical it also demonstrated, in spite of contrary claims, the very limited objectives of the World Bank.

In principle, the reforms aspired to enhance the capacity of the private sector to assume a leading role in housing and substantially reduce the dependence of public housing agencies on the public purse. However, in this pursuit, a critical choice was made by the World Bank to exclude construction finance from the financial support provided under Urban II. Rather, the Bank preferred to offer its funds for the mortgage loans to be offered by HFC. Given the history of consistent lack of construction finance and its adverse effect on the public housing agencies, this decision by the World Bank was a curious one. Furthermore, the private real estate developers as the ultimate beneficiaries of the reforms had only just emerged and were arguably in need of direct funding as construction finance. The World Bank presumed that the combined effect of HFC's finance, the new mortgage and foreclosure laws would assure commercial banks of reliable funding to acquire properties developed through HFC's mortgage scheme. It was envisaged that the commercial banks would therefore be confident about the scheme to offer construction loans to private estate developers. Without providing new funds, the presumption that a guaranteed market would induce the commercial banks to provide construction finance was overly optimistic and severely limited the goal of empowering private developers.

In respect of institutional change, the Urban II reforms aimed to address two key problems namely "*incompetent and technically insolvent public enterprises in housing estate development; and absence of a vibrant private sector*"¹⁴³. The housing consolidation sub-component of Urban II proposed the public housing agencies to be privatised or their operations commercialised to ensure their viability. It was further proposed that part of HFC's funds would provide mortgage loans for 3,000 houses, 2,000 of which were expected to be developed by the private sector, and 1,000 for properties developed by the public housing agencies. The public housing agencies were to be subjected to operational and

¹⁴³ World Bank Urban II Staff Appraisal Report, 1990 page 52

financial reviews as a prelude to their divestment of public ownership and de-linkage from state management. The 1988 tax waivers for real estate activities would further consolidate the security of investing in real estate for the private sector.

- (e) Restructuring of Housing Parastatals and AESC: In order to strengthen the performance of the public sector, improve the housing delivery system and improve resource utilization, **the Government will restructure the State Housing Corporation (SHC) and the Tema Development Corporation (TDC),**
- (f) Measures to Encourage the Private Sector: In addition to the tax and other incentives recently instituted to encourage the participation of private developers in the provision [*sic*] of affordable housing, **the Government will take steps to facilitate, inter alia, the timely access by legitimate private developers to land suitable for housing development and to development finance** (Ministry of Finance and Economic Planning letter to the International Bank for Reconstruction and Development, Ref SEC/FP/036; Date 16th March 1990; emphasis added).

6.4.2. The Local Government Rehabilitation Programme

As noted earlier, Urban II separated the Housing Sector Reforms and the Local Government Reforms. The Local Government Rehabilitation Programme sought to “*help rehabilitate and improve essential infrastructure, services and environmental systems; and to strengthen the technical, financial and managerial capacity of local government*”¹⁴⁴. The interventions included upgrading¹⁴⁵, land administration, municipal revenue mobilisation, institutional support to the Ministry of Local Government and Rural Development (MLGRD), and, lastly, institutional support to allied agencies.¹⁴⁶ The infrastructure and environmental systems rehabilitation and maintenance duplicated similar interventions under the Housing Sector Reforms. The MLGRD upgrading component comprised rehabilitation and new construction of roads and drains, and the establishment of solid waste management and environmental sanitation systems in the five primary cities of Accra, Kumasi, Tamale, Sekondi-Takoradi and Tema. It also included the rehabilitation of the sewerage system in Tema. However, the beneficiary cities operating in the new decentralised system, (see section 6.2.2 of this chapter), were bereft of the requisite project management capacity. A Local

¹⁴⁴ World Bank Urban II Staff Appraisal Report, 1990 page 15-16

¹⁴⁵ Referred to as rehabilitation and maintenance of infrastructure and environmental systems in all five primary cities of Accra, Kumasi, Tema, Sekondi-Takoradi and Tamale

¹⁴⁶ These included the Department of Urban Roads; the District Roads Units as well as the Technical Departments of the Assemblies, and the Environmental Protection Council.

Government Project Support Unit (LGPSU) was thus designed to support the MLGRD to manage these projects, playing a similar role as the Technical Service Centre under the Housing Ministry. In the interim, Urban II used the TSC to assist MLGRD to manage the upgrading projects. Effectively, TSC's operations would cover both Housing and Local Government Ministries until such time as the proposed LGPSU became fully functional. Staff recruitments for senior positions in the LGPSU were advertised internationally, bypassing the traditional public service recruitment procedures. It is noteworthy that as a result of this recruitment process, the conditions of service varied from their counterparts in the Ministry. However, the World Bank-sponsored reforms did not make any effort to provide support for the improvement of policy making in the Housing Ministry although identified as a critical deficiency in the Ministry. Rather, the World Bank noted the linkage between the Urban II that it was supporting and activities of other multi-lateral and bi-lateral organisations¹⁴⁷ to construe its role in the support for policy making in the Housing Ministry as complementary. It thus ceded the primary role of funding and technical assistance for policy making in the Housing Ministry to the UNDP (see Section 6.6.2);

The most important (project / studies in preparation) is (sic) (a) UNDP assisted: Shelter Sector Project FY 90/91; about eight studies on various aspects of housing, and the establishment of a policy unit in MWH [Ministry of Works and Housing]. This project is being closely coordinated with Urban II and should greatly strengthen and assist MWH to prepare Urban III (World Bank Urban II Staff Appraisal Report 1990: 45)

MWH itself is quite weak. However, efforts are now being mounted to strengthen its policy, programming, and monitoring capability through a UNDP financed Shelter Sector Project. This project is expected to begin by June 1990. The Bank has cooperated closely with UNDP in formulating the project and will help monitor its implementation (World Bank Urban II Staff Appraisal Report 1990: 135)

The distinction between the Housing Sector Reforms and the Local Government Reforms missed an obvious opportunity for synergy and led to inevitable duplication. Arguably, this duplication was prompted by competing interests between the Housing Ministry and the

¹⁴⁷ The West German government through GTZ and KfW – the Accra Waste Management Programme (1985-86); the East German Government – the Kumasi Roads Project (1986-87); the UNDP – the Accra Planning and Development Programme (APDP) since 1985, the Accra Structure Plan (ASP) from 1988-1989, the Kumasi Domestic Sanitation Project (KDSP) in 1988-89 and the Mobile Training of Planners project (MTP) in 1987-88.

Local Government Ministry. Grounds for this assertion can be found in the institutional and operational changes following the decentralization reform of 1988. The responsibility for developing municipal infrastructure including secondary and tertiary roads and drains, communal sanitation and solid waste management facilities was transferred from the housing ministry to local authorities supervised by the Local Government Ministry. This transfer was seen as a reduction in the influence and importance of the Housing Ministry¹⁴⁸. The World Bank's resources therefore became a site for competing interests to assert influence and relevance through project activities between the newly empowered Local Government Ministry and the Housing Ministry. The decision by the World Bank to implement upgrading projects in both Housing and Local Government reform components of Urban II was thus an attempt to placate these competing interests. The advantage of this duplication was the expansion in the coverage of the upgrading interventions. Under the Housing Sector Reforms, upgrading was implemented in Kumasi and Tema whereas upgrading under the Local Government Rehabilitation Programme comprised similar interventions implemented in all the five primary cities of Accra, Kumasi, Tema, Takoradi and Tamale.

6.5 The abortive Local Housing Strategy of 1987

As identified previously, a locally generated housing policy trajectory emerged after 1985 when the government felt frustrated with the World Bank's reluctance to provide support to housing after the initial request. This locally driven policy initiative ran in parallel with the first World Bank intervention, the Accra District Rehabilitation Project (ADRP), and occasionally intersected albeit to minimal effect. As the World Bank appeared to delay in its decision to support the housing sector, the Housing Ministry was instructed by the PNDC

¹⁴⁸ This was seen as a continuation of the reduction in the influence of the Ministry of Works and Housing. In 1974-75, the Ministry of Roads and Transport was created to undertake the construction of roads which had also been the function of the Ministry of Works and Housing.

Chairman of the Committee of Secretaries¹⁴⁹ to develop a national housing policy¹⁵⁰. This decision was taken partly in response to the pressure put on the government by civil servants and organised labour, due to the shortage of accommodation and corresponding effect of high housing costs and rents¹⁵¹ (Hutchful, 2002; Bawumia, 1998:55). In response to the directive, the Ministry set up a committee drawn from stakeholders with the exception of private sector developers. The draft policy entitled “The National Housing Policy and Action Plan: 1987 – 1990” was published by the Ministry in November 1986 and it detailed a work programme for the period. In addition to consultations with local stakeholders, the draft policy was also presented to an international audience at the Nairobi meeting of the UN in April 1987 commemorating the 10th anniversary of the establishment of Commission on Human Settlements. The goals for presenting and drawing attention to the government’s efforts at resolving the housing problems of the country at that meeting was achieved with the UN indication of its desire to support the efforts. The discussions identified opportunities for the UN’s participation in the implementation of the policy and a pledge was made in that respect. Furthermore, the UN indicated its support for the involvement of the World Bank and offered to join efforts to convince the World Bank of this need (personal interview of former Deputy Minister of Housing, August 2006). However it must be noted that this presentation at the Nairobi conference did not permit a thorough review of the draft policy document by experts and the discussions held over it were on the basis of what had been presented.

The draft housing policy attempted to establish the scale of the housing challenges facing the country estimating an annual need of 70,000 and an accumulated delivery deficit of 250,000” (Ministry of Works and Housing, 1986: 3). The draft policy also pointed to the

¹⁴⁹ The committee of secretaries comprised the sector ministries with administrative powers which was directed by the PNDC Council wielding full political authority (Rado, 1986; Sandbrook and Oelbaum, 1997).

¹⁵⁰ Memo from Office of the Chairman of PNDC Committee of Secretaries to Secretary for Works and Housing dated 2nd of June 1986.

¹⁵¹ Housing costs in Ghana was relatively very high, assessed to be one of the highest in the world, with the ratio of house price to annual income estimated to be 12:1.

correlation between national development priorities and the government's increasing residualisation of housing as economic conditions worsened. Furthermore, the lack of growth in the housing sector was attributed to limited finance:

The lack of adequate funding has been identified as a major constraint to housing development in the country. Budgetary allocations towards housing have never been sufficient and due to the current economic circumstances housing has tended to be considered as a low priority and has for a long time been relegated to the background in national development planning." (Ministry of Works and Housing, 1986:9)

In pursuance of the goal of rapid housing development, the committee determined that the private sector presented a more effective agent to achieve the aims of the policy. For the first time, the private sector, instead of government agencies, was placed in the lead position and at the same time the state's limited capacity to directly meet the housing need of the country was also recognized. This new posture aligned to both the tenets of the broader economic aspirations set out in the SAP, as well as, the emerging paradigm of "enabling housing markets". The 1986 draft housing policy emphatically laid out the pathway to achieving the reform goals through "*a shift in emphasis by the government from the construction of houses to the provision of infrastructure and serviced sites*" and also "*ensuring easy access to housing land, security of tenure and effective land use management*" (Ministry of Works and Housing, 1986: 14). On this foundation, a number of strategies were outlined to achieve the policy aims within the period 1987 to 1990. Among the initiatives was the establishment of a National Housing Board with a secretariat run by an Executive Secretary seconded from the public service. The proposed Housing Board would administer a dedicated fund, the National Housing Fund, to finance its operations. Contributions to the proposed National Housing Fund was expected from multiple sources – mandatory annual government budget allocations, and mandatory 5% deduction from formal sector wages, a 5% tax on the gross profits of a consortium of financial institutions and mostly multinational manufacturing

enterprises¹⁵², and revenue from the sale of some public housing built under the 1972 Low Cost Housing Programme (see Section 5.3.3 of Chapter 5). It was expected that the mandatory annual allocations from the budget would consolidate whatever the government already spent on housing and infrastructure through various ministries and public agencies. It was also proposed that levies be charged on building materials – primarily cement, roofing sheets and paints. However, as such materials were imported and were relatively more expensive than local materials, this strategy would compound the problem of high costs of construction, thus contradicting the goal of lowering costs. Lastly, contributions were expected from proceeds from a proposed lottery scheme, “Own a house”, by the Department of National Lottery. The draft policy projected that between 1987 and 1990 a total of 115,000 units would be produced in the proportion of 9:7:2 for low, middle and high income households respectively. Of this number, the public sector would provide only 2% and the remaining 98% would come from private sector. However, the public sector would finance the development of the requisite infrastructure for all new housing from the annual budget allocation. It was envisaged that there would be two streams of funding – one-time contribution of ₵800 million (equivalent to approximately \$8.8million) and a recurrent contribution of ₵2,330 million (equivalent to approximately \$25.9million) with the government’s total budget contribution expected to be ₵200 million (equivalent to approximately (\$2.2million).

¹⁵² These included Bank of Ghana (the central bank of Ghana); Ghana Commercial Bank; Social Security Bank; SSNIT; State Insurance Corporation; BHC; National Investment Bank; and National Savings and Credit Bank. At the time the central bank was allowed to undertake commercial banking, a practice that persisted until the implementation of the Financial Sector Adjustment Programme (FINSAP) in 1987. Private sector organisations included multinationals – Shell; Mobil; Texaco; UAC Group and Kumasi Breweries (local subsidiaries of Unilever); Pioneer Tobacco Company (subsidiary of British American Tobacco); and VALCO Fund (the corporate social responsibility arm of Volta Aluminium Company, the local subsidiary of Kaiser Aluminium). Parastatals included the Volta River Authority; Ghana Oil (GOIL) Ltd.; GHAIP Oil Company; and the Department of National Lottery. The only indigenous private sector were Achimota Brewery and International Tobacco Ghana Ltd which had been seized by the government from their owners on charges of tax default.

However, the Housing Ministry's draft housing policy was not well received by some strong elements within the government, particularly in the Ministry of Finance, because of the obligation to commit public funds annually from the budget to a Housing Fund that was not exclusively managed by these agents of the state. The opposition to the Fund was also based on the argument that there would be difficulties in raising contributions from other designated agencies. Opposition to the National Housing Fund proposal was highest from the small circle of technocrats and functionaries of the Ministry of Finance who managed the structural adjustment reforms (see Section 4.5.4 of Chapter 4). Given their level of influence as managers of the SAP agenda, they held significant clout in the government. The World Bank, as external advisors of the government on the overall adjustment programme, was also not keen on the establishment of a fund that would be (partly) dependent on government finances. Inevitably, this opposition to the National Housing Fund by the influential operatives of the Ministry of Finance was adopted by the government machinery and stalled the implementation of the draft housing policy. Thus the policy was not formally adopted or backed by any legislation to give it effect. From interviews of some participants in the housing policy committee and other senior housing policy advisors, reasons for this stalled housing policy can be catalogued under three headings: residualisation of housing in government priorities, World Bank opposition based on fear of inflation, contradictory effect on housing costs.

There were some provisions in that policy that government even at the draft stage from the feelings we were getting, were not going to probably work. One of the key issues or suggestions was the setting up of a national fund because that was going to be the engine to drive any housing reform or let us say any attempt to increase the stock and it played around contributions from workers and a whole lot of other suggestions. At that time government felt that this was very sensitive and such an idea will not fly. It will also grow things like taxes and building materials; I mean cement and iron rods and a whole lot of things which we thought could bring in money. The argument was that these will go to increase the cost of the houses. So eventually it was found out that the national housing fund that we were suggesting will not be sustainable apart from finance it will not be able to take off (personal interview of Chief Technical Advisor, Ministry for Works and Housing, September 2006)

The problems that were identified and solutions that were thrown up I don't think were taken seriously beyond the documentation (personal interview of former Deputy Minister for Works and Housing; August 2006)

The idea was to establish a national housing authority so the board would be the overall overseer of all housing programmes, activities in Ghana. Under board certain institutions were to be established and the board was to see to the establishment of national housing fund. The national housing fund could have been sought from local or foreign to build up a fund which can be accessed by banks or by individuals or private developers not only to buy houses or get mortgage but you have construction finance from it where individuals or real estate developers could get access to a short term credit to build their houses. We could also have developed other portfolios like home improvement where we have a short term credit either to add one room to your house or to buy doors or windows or to refurbish your house or that sort of thing. But that one could have done a lot of things *but at the same time World Bank was thinking that once you establish this fund it means that you will create more avenues for people to get access to funding and therefore money in circulation will increase and that will always fuel inflation*. I think that was the argument but also restricted funding in the housing sector (personal interview of former Director of Housing, Ministry of Works and Housing, emphasis added; September 2006).

Generally, the stalling of the locally developed housing policy was a reflection of the uneven power relations within the state, in particular, between the technocrats in the Housing Ministry and the economic management team at the Ministry of Finance in charge of the structural adjustment reforms backed by the World Bank. The World Bank thus contributed to distorting the balance of power in local policy setting. It further points to the superficial relationship between policy sectors; in this case between state housing policy aspirations and the broader goals of the macro-economy. A former Deputy Minister of Housing notes this disjuncture between housing and the broader macro-economy thus,

When PNDC came there was just that, for about three years not any serious attempt to look at housing as a major policy especially **because I think under the economic recovery programme housing was not considered a priority there were looking at the infrastructure, structure of the economy and so on** (personal interview of former Deputy Minister, Ministry of Works and Housing; emphasis added).

I don't think the housing sector reform was part of the national economic reform programme. That is the mistake advancing on our policy and the economic reform.The reform was looked at as a project under Ministry of Works and Housing. The Ministry Of Finance was just to supervise the resources which were given to the ministry to implement the programme. It wasn't part of the economic programme. If it were to be part of the economic programme, at any point in time we could have seen its linkage with other sectors of the economy and even could have seen what was happening in the construction sector especially the importation of building materials. Ministry of Works and Housing was just collaborating with ministry of local government. And as a functional role ministry of finance was being mandated by government to oversee the usage of the resources so that they report back for accountability purpose. Whatever they did was to find out that if 'A' was allocated to say 'B' they make sure the resources are in actual fact utilized to get 'B'. (personal interview of former Director of Housing, Ministry of Works and Housing, September 2006)

This shows different layers of interests and sometimes conflicting motives at play in the context of the implementation of the enabling principles. Certainly, the state's posture towards the enabling principles can be characterised as ambiguous and conflicted, further

complicated by the World Bank's own subjective priorities. The reasons for opposing the National Housing Fund belied the government's purported commitment to housing. The demise of the locally produced housing policy coincided with the rise of the UN and the national pension funds, SSNIT, into the mainstream activities of the housing sector. In the next sections, these experiences are presented, starting with the UN efforts, to further review the decision calculus underlying policy choices and actions in housing during the reform era.

6.6 The UN Involvement in the Housing Reforms

The UN entered into the housing reforms in Ghana by proffering its technical assistance to the government in a series of planning and later housing projects. This approach differed from the process adopted by the World Bank. In the case of the latter, the government took several actions canvassing the World Bank to secure funds for the housing sector, which evolved into a reform programme. In the following section I discuss the proactive approach of the UN in the context of the overarching housing reforms and the strategic calculation of local policy agents.

6.6.1 The Accra Planning and Development Programme (APDP) and the Accra Structure Plan (1985 – 1994)

Following the inception of the structural adjustment programme in Ghana in 1983, the UN offered its services to the government in 1984 through a United Nations Development Program (UNDP) technical assistance programme (Hutchful, 2002). Subsequently, different departments of the UN partnered the government in different roles. The UN Centre for Human Settlements got involved in 1987 after the Nairobi meeting (discussed in Section 6.5). The offer of assistance was extended to the housing and urban sectors and generated a number of studies on the state of planning in Accra (see Annex 3). This ended with the signing of a technical assistance agreement in 1987 between the UN and the Government of Ghana for the purpose of supporting the city in the preparation of a long term development

plan, the Accra Planning and Development Programme (APDP –Contract UNDP/GHA/87/005). The ADPD project would plan for the growth of the emerging Accra-Tema conurbation on a sustainable basis taking into account social, economic and environmental aspects. Even though the World Bank’s Accra District Rehabilitation Programme (ADRP) preceded the UN’s APDP project, opportunities for synergy between the ADRP and APDP emerged as both focused on the (then) Accra City Council, and worked with some common departments in planning and engineering. However, collaboration was minimal. Even though I could not ascertain the reason for this lack of collaboration directly from the officials from these two agencies who were engaged in these two projects, I can proffer an explanation based on reference to the general relationship between the World Bank and UN in a personal interview and another interview from secondary literature:

UNDP initiative was mainly towards getting the policy document .But at the same time World Bank also had its own set, indeed there was actually in those days very serious conflict between the World Bank and UNDP as to the approach to development in the Third World. In fact they almost clashed at the conference so it took quite a while before they started working together in the housing sector (personal interview of former Deputy Minister for Works and Housing, August 2006)

We got a little upgrading project going on there. It was a local government development project. We did that in Ndirande area, in Blantyre which is the biggest slum area in Malawi. We put the basic ring road in and a few improvements. **The UN were also doing a bit there. We managed to persuade the government to do an upgrading project because the UN had done one in Dar es Salaam.** (World Bank, 2000; emphasis added)

Whereas the first quote speaks to the absence of collaboration between the two agencies in Ghana, the second quote draws attention to the sense of competition held by some staff of the two agencies. Given the indications of institutional rivalry alluded to by Cohen (2005) and McAuslan (1997) – see Section 3.8 of Chapter 3 - these further comments above reinforce the issue of rivalry and competition as the underlying rationale for the lack of collaboration between the UN and World Bank. The UN’s APDP aimed to establish a framework of inter-governmental collaboration in planning through an integrated approach to local development. The APDP conceptualised the metropolitan conurbation of Accra and the neighbouring districts of Tema and Ga as a coherent administrative region it labelled the Greater Accra

Metropolitan Area (GAMA)¹⁵³. General guidelines were proposed for land use planning in GAMA and a subsequent programme was envisaged that would generate studies and consultations for the formulation of specific guidelines. This quest evolved into the design of the Accra Strategic Plan project to succeed the APDP. The thrust of the Accra Strategic Plan was the development of a 20-year plan for the city to be implemented in 5-year phases. The Accra Strategic Plan aimed to reform an outdated master planning framework established in the colonial era and undertake a comprehensive study of the existing land use and the urban sprawl in Accra. By 1990, the average density of the metropolis was 65 persons per hectare occupying a total area of 26,350 hectares. This was equivalent to an average of 8 dwellings per hectare. This average masked the imbalance between different residential zones with high-density areas recording 18 dwellings per hectare compared to newly developing areas with 5 dwellings per hectare densities. The dominant feature of the peripheral developments was the single dwelling houses adopted by middle and upper classes. There was vacant and under-utilized land resulting, in part, from the absence of regulatory restrictions on land speculation, a situation which barely existed in other countries where land use laws taxed vacant land especially in central locations (Angel, 2000).

Large areas of the inner city are held in small holdings by private, corporate business, government and state corporations. Much of this land is underutilized or surplus to need (MLGRD, 1992:38)

The studies of Accra revealed that by 1990, 6,000 plots of land within the Accra metropolis were vacant or under-utilized. At the same time, land development at the fringes of the city was intensifying. Larbi (1996) estimated that land use change at the periphery of the city was occurring at the rate of 2,100 hectares per year¹⁵⁴ between 1990 and 1993 (cited in Maxwell et al, 1998). The Accra study by the UN projected that maintaining the prevailing sprawl growth would lead to the incorporation of 50% of the land in the metropolis under

¹⁵³ This entity was not conterminous with the local government administration and was a creation of the APDP project with no legal basis, administrative structure or financial resources. Personal interview – K. D. Osei

¹⁵⁴ It is noted that this peri-urban land use change grew to 2,600 hectares per year between 1993 and 1997.

development by 2010. The combined effect of speculation in central locations of the city and the middle class-fuelled sprawl developments in the peripheral locations restricted housing opportunities for the low-income to the pre-existing inner city areas and pockets in middle class neighbourhoods. Consequently, the primary concern for the Accra Strategic Plan was addressing the city's sprawl. The Plan's alternative strategy targeted a density of 90 persons per hectare by 2010 which translated into an average of 20 dwellings per hectare¹⁵⁵. This would generate a potential reduction of 32% from the projections based on the prevailing growth rate. To achieve this target, the Accra Strategic Plan identified tools such as infill development, urban consolidation, redevelopment and upgrading, as well as new developments in green areas. The Plan project also advocated the creation of land banks through acquiring under-utilized or surplus land held by the state and other groups¹⁵⁶. It is instructive that the Accra Strategic Plan identified the existence of 13,600 "illegal residential developments". Given the frequency of incomplete land expropriation transactions, due to the non-payment of compensation, a significant proportion of such illegal residential developments were on "public" lands that had been "repossessed" and resold by the original owners (see section 5.3.3 of Chapter 5). Buyers of such "repossessed" lands often did not undertake titling and building permits as they were bound to encounter difficulties reconciling their "ownership" with records in the public registries. Indeed, some indigenous claimants who re-sold such lands were known to use coercion including threat of re-sale to ensure that buyers would undertake quick construction. On several occasions, this was done in concert with some officials in the land agencies. The reason for employing coercion was the belief that the state would not demolish a completed house for fears of being sued. Some traditional authorities and families privately employed surveyors (who worked for the Survey Department and other land agencies) to undertake the mapping and planning of their land.

¹⁵⁵ Strategic Plan for Greater Accra op cit pages 23 and 45

¹⁵⁶ These were lands acquired under Act 123 that empowered land expropriation by the state as well as other lands not used for the original purpose that were to be repossessed.

There was evidence of some land owners using some public officials to fraudulently amend public records or create false documents such as indentures and titles to authenticate the resale of such lands (personal interviews of Director and Regional Director, Lands Commission; and senior policy advisor, Ministry of Works and Housing). Admittedly, non-payment of compensation was not always the case for land repossession claims. Sometimes, repossessions occurred in spite of compensation payment, with fraudsters taking advantage of the chaotic land markets. As a result, the land market was characterised by litigation, with 17,300 cases affecting lands in GAMA by 1990 (MLGRD, 1992: 32-42). Although the studies generated significant volume of information on Accra, nothing practical was done beyond the publication of the research work. The entire process took 10 years to conclude and yet had only documentation to show. The government's expectation that the UN would commit resources to implement the designed interventions did not materialise. This project, which produced significant research prior to designing the requisite interventions, provided the context in which the UN engaged in the housing reforms which followed next.

6.6.2. The National Shelter Strategy and the UN

Successive studies under the Accra District Rehabilitation Programme, the Priority Works Programme (see sections 6.2.1 and 6.2.2), and the Accra Planning and Development Programme noted the weakness in housing policy-making and implementation at the Ministry of Works and Housing that resulted in the lack of a coherent policy framework. This was in spite of the policy work by the local network of technocrats between 1986 and 1987 (see section 6.5). Conflicting accounts are provided to explain the nature of the UN's entry into the housing sector reforms. Some respondents indicate that the UN injected itself into the reform process during the 1987 Donors' Conference¹⁵⁷, after the presentation of the locally

¹⁵⁷ The Donors Conferences were annual events that brought together the government and donor agencies from mostly Western countries as well as the multi-lateral countries to review the progress in the management of the

developed strategy at the UNCHS meeting in January 1987 in Nairobi (see section 6.5). According to these respondents, the UN joined the government's efforts to induce the World Bank to support the sector, which it did during the 1987 Donor's conference. On that basis, the government agreed for the UN to review the locally developed housing policy to make it relevant and workable in the light of the government's misgivings. Other respondents interviewed note that the UN entered the housing policy reforms after being formally invited by the government. This view posits that as a result of the initial reluctance of the World Bank to engage directly in housing and the unwillingness of the government to implement the locally developed housing policy, the government invited the UN in 1987 to assist in the development of a new housing policy and the building of policy expertise in the Housing Ministry. However, this invitation masked the real motive for attracting the UN, namely to secure funds to continue public housing. Be that as it may, there is agreement that the review of the 1986 locally developed draft housing policy, earlier presented at the UN conference in Nairobi, gave the UN the platform to engage in the housing sector in Ghana. Even though well received at its presentation at the conference in April 1987, the locally developed housing policy was later criticised by the UN in its review of the policy after it had formally initiated supporting the government to develop a new policy. As noted in Section 6.5 the discussions of the locally developed policy at the Nairobi conference was limited and on the basis of what had been presented only. Thus the subsequent review of the policy between April and November 1987 afforded the UN the opportunity to thoroughly assess its content and basis for its design. After the review, the UN opined that the policy's prospects for making a positive impact were poor although the language of the critique discussed actual instead of envisaged impact.

The 1987-1990 programme ended with very little impact and indeed non-measurable performance evaluation (Ministry of Works and Housing, 1993:36)

economy and seek funding commitments of donors to planned programs. These events were part of the monitoring controls established during the implementation of the Structural Adjustment Programme.

The locally developed housing policy was deemed unsuccessful by the UN team because the policy failed to elicit government's commitment to funding the designed actions. This failure was attributed to the high cost of the proposed actions and the disproportionate quantum such allocations would command from the public budget. In this regard, the requisite actions to enable the implementation of the policy were curtailed.

The public sector – policy makers – commitment to the programme in ensuring that the necessary institutional and regulatory support systems were put in place were never met to any appreciable extent (Ministry of Works and Housing, 1993:37)

Secondly, the locally developed housing policy was criticised based on its methodology:

Richard Acquah Harrison, member of the UNCHS team on the Ghana housing policy project asserts that “*the policy and action plan were not based on a housing sector study and needs assessment*” (Acquah-Harrison, 2004:31). Further, it was noted that the locally developed policy

did not incorporate measurable input-output targets that could facilitate effective monitoring or performanceThere was no comparison of the estimated resource needs with that of projected input resources that could be effectively mobilized (during the planned period) in establishing the size, quantity, quality and cost of housing facility output under the programme” (Ministry of Works and Housing, 1993:36).

The condemnation of the locally developed housing policy on the basis of methodological weakness affirms the UN's penchant for methodological compliance. Thus, in spite of the fact that the locally developed policy and action plan was comprehensive in its coverage of the problems and the proffered solutions for the housing sector, the methodological reliance on anecdotal evidence¹⁵⁸ was viewed by the UN as its undoing.

After the review of the locally developed policy, the UN fielded an Institutional Needs Assessment Mission from November to December 1987. The mission advocated as a pre-requisite, a number of in-depth studies in constituent sectors of housing – building materials, construction, finance and land markets as the basis for developing a new housing

¹⁵⁸ During the UN mission of 1987 requests by the team of experts for evidential basis for the policy choices could not be answered by the local team. It became obvious that the evidential basis for the locally developed housing policy was weak (Personal interview of former deputy Minister of Works and Housing).

policy, building policy capacity in the Housing Ministry and formulating a pilot programme to test proposed policy interventions. It is instructive that the mission was categorical that the studies leading to the formulation of the housing policy had to conform to the outline of the generic policy framework, the Global Strategy for Shelter.

In-depth studies to be carried out by Ghanaian sub-contractors in conformity with issues identified under the Global Strategy for Shelter” (UNCHS, 1988: 4)

The findings and recommendations made by the Institutional Needs Assessment Mission led to the formulation of the project for developing a national shelter policy framework and the building of institutional capacity of MWH – “Institutional Development Training and Operational Studies for the Shelter Sector (Contract Number GHA/87/023)”. These studies were conducted in parallel to those that were being done by the UN for the Accra Strategic Plan and those undertaken by the World Bank prior to Urban II (see section 6.4). The UN’s emphasis on conformity to its normative methodology generated a different process and outcome from that adopted by the local housing policy network that had developed the 1986 draft housing policy. The draft housing policy by the latter group took less than a year to complete using extrapolation methods to generate estimates of housing needs. This approach of the local network of technocrats was developed with minimal consultations until the end of the drafting. On the other hand, the UN sponsored policy process was very elaborate using the results of multiple surveys and comprehensive literature review to develop a profile of the national housing demand. The overall housing deficit was estimated to be 2,480,400 made up of 894,100 units in urban areas and 1,586,200 units in rural areas. This data was disaggregated into those which required de-crowding (546,300 urban and 651,700 rural), replacement of completely degraded existing housing stock (22,957 urban and 149,280 rural), and upgrading of partially degraded dwellings (171,409 urban and 599,903 rural). However, the quest for accuracy in the UN approach was achieved at the expense of timely completion as it took five years to complete the policy development exercise. The policy development

process that started in late 1987, concluded in 1993 with the launch¹⁵⁹ of the National Shelter Strategy, albeit not as a formal policy document but rather to mark the end of the exercise and present the outcome. Following this meeting, the report was to be submitted to cabinet for assent; this never happened but a five-year action plan was developed for 1993 to 1997. However, like the locally developed housing policy of 1986, this action plan was never implemented and only referred to for effect, to create the impression that the government was engaged in the sector.

6.7 The Rise of the State Pension Funds, SSNIT, in Mass Housing

As has been indicated in section 6.5, the demise of the locally developed housing policy did not hinder the quest for alternative sources of funding for the housing sector. This underlined the government's declaration in the 1988 budget statement to commit resources from the pension funds, SSNIT, which had been enhanced by the deregulation of its investment portfolio (see Section 6.3), to housing. Although SSNIT had been involved in housing in the 1970s, this had been largely limited to staff housing needs which had been abandoned by the end of the 1980s with 910 units at different stages of completion (see Section 5.3.3 of Chapter 5). The re-entry of SSNIT in housing and the substantial resources it held, generated by the improved terms of its investments, created new dynamics in the housing sector. SSNIT's new financial means elevated it to the position of a power broker in the housing sector. The negotiations with the World Bank over the terms of SSNIT's investment (see Section 6.3) had ensured a degree of management independence for SSNIT. In the context of the overarching structural adjustment reforms that aimed at curtailing state activities in production in favour of the private sector, the choice to use a state agency and public funds to directly construct houses, and not private developers, contradicted the ethos

¹⁵⁹ The Ministry of Works and Housing organized a national workshop and seminar from March 3rd to 4th 1993 at the Golden Tulip Hotel, Accra at which the draft report was discussed among a cross section of invited stakeholders (Owusu, 2005:12-13)

of the structural reforms. However, this decision also elevated SSNIT strategically in its relationship with the government. Given the pressures encountered by the government from organised labour for housing, SSNIT's developments and the associated powers of allocation made it susceptible to political influence for the purpose of appeasing critical political constituencies and maintaining patronage networks, notwithstanding the so called management "independence" of the SSNIT. In total, SSNIT developed 7,923 housing units in a mix of low-rise apartment blocks, detached and semi-detached single family houses across the urban centres of the country with nearly 80% started after 1988 (personal interview of Senior Project Manager, SSNIT; October 2006). Most of the mass housing schemes that SSNIT started in 1988 were located in peripheral urban locations¹⁶⁰. The peripheral locations of the SSNIT developments often tasked them to develop infrastructure from primary to tertiary level and extend connections to the municipal networks that had yet to reach these new locations. SSNIT's post-1988 housing developments were initially only rental units and were mostly allocated to public ministries, departments and agencies, as well as parastatals. SSNIT also rented a few of the housing units to private sector agencies and directly to individuals. Whereas the housing consolidation under the Priority Works Project (PWP) (see Section 6.2.2) claimed to be oriented towards poverty reduction and therefore targeted low-income households in its limited interventions, SSNIT's housing programme rather focused on "workers" (personal interview of Senior Project Manager, SSNIT, October 2006). The poverty reduction goals under the Priority Works Programme (PWP) – *"the demonstration of appropriate and cost-effective approaches to providing shelter for the urban poor"*¹⁶¹ – transformed into a concern for an amorphous conception of "workers" housing:

The Trust is expected to invest these substantial resources..... to help secure the future of the people whose contributions have sustained the Trust in the realization of benefits to ordinary workers (Budget Statement and Economic Policy, 1988 :16)

¹⁶⁰ Annex 4 lists SSNIT's housing developments and their locations across the country from the 1970s to 2000.

¹⁶¹ World Bank Urban II Staff Appraisal Report (1990: 34)

under the PWP a pilot site and services scheme was initiated in Tema to deliver 400 serviced plots for workers' housing (Budget Statement and Economic Policy, 1990 :21)

In the light of the type of households that actually benefited from these developments, this reference to “workers” was in reality a euphemism for middle class formal sector households predominantly engaged by the public service.

Highlighting the underlying class differentiation and bias in the decision calculus of the policy makers, the site and services scheme initiated under the PWP was curtailed in 1989 after the servicing had been completed and redesigned under circumstances that are undeniably class-based. As has been indicated in Section 6.2.2, the PWP earmarked a site in Tema Community 3 for a low-income housing scheme using the site and service approach. However, after the inception of SSNIT's housing programme, TSC was instructed by the Chairman of the PNDC Committee of Secretaries, the de facto Prime Minister, to release the serviced plots financed by the World Bank's PWP to SSNIT for a “workers” housing scheme. By this time in 1989, 230 of the envisaged 400 plots had been fully serviced¹⁶². The argument was that the location of the site and service scheme was deemed very strategic as the gateway into Tema. Furthermore, it was felt that the image of the city as a “modern harbour city” would be tarnished if low-income households occupied that site as a result of their perceived lifestyles. This perception of low-income households held that they had relatively larger household sizes, favoured out-door activities, practised poor maintenance, and served as entry for new migrants from rural areas. All of this combined to make low-income settlements unacceptable for this particular location (personal interviews of Chief Technical Advisor and Director of Housing, Ministry of Works and Housing; September 2006; and Project Advisor, Urban Project Support Unit; September 2006). After the land re-allocation, SSNIT developed 15 medium rise blocks, housing 156 apartments at this location in the first phase in 1990. In the subsequent phases, SSNIT resorted to single family housing, building 336 units in

¹⁶² PNDC Budget Statement and Economic Policy (1990 :21)

(starting in 1993) and 380 units (starting in 1996) in phases 2 and 3 respectively. The developments were allocated to the public ministries, departments and agencies and some of the better performing parastatal organisations such as the Volta River Authority and the Ghana National Petroleum Corporation. Within these agencies, the accommodation was given to staff in management positions first even though some occupied their own privately developed properties. Further underlining its elite character, this newly created neighbourhood did not have public transport terminals typically patronised by the urban poor, yet had sports facilities for games such as badminton, squash and tennis, traditionally aspirational middle class activities.

6.7.1. Expanding from “Workers” to Upscale Housing

The government’s decision to host the thirtieth anniversary meeting of the Non-Aligned Movement (NAM) in September 1991 induced SSNIT into upscale housing developments. Following the decision to host the conference, the government agreed for SSNIT to pre-finance high quality residential properties in a former colonial-era expatriate residential neighbourhood in Accra, to house presidents and heads of governments expected to attend the conference. This area had a low residential density of approximately one house per acre and was occupied by mostly civil servants (Ministry of Works and Housing, 1993). The land was transferred from the state to SSNIT without compensation on the premise that the properties would be transferred to the state after the conference, and SSNIT would be reimbursed for the pre-financing. Under a neighbourhood redevelopment scheme, a total of 75 high class properties were constructed in this area. However, after the NAM conference in 1991, the government failed to reimburse SSNIT for the pre-financing and agreed for SSNIT to sell the developments on the open market for the reimbursement (personal interview of Director of Housing, Ministry of Works and Housing, September 2006). The 75 houses were offered on the open market in 1992 and were all bought within two months of the initial sale.

The buyers included diplomatic missions, multinational corporations and some Ghanaians resident abroad. The rapid acquisition of these upper scale developments drew attention to the pent-up demand for such properties and the capacity of the market to afford them. SSNIT subsequently expanded its investments in upscale residential developments in high class neighbourhoods of Accra (personal interview of Senior Project Manager, SSNIT; October 2006). Thus, SSNIT's involvement enabled a break from the past practices in which the state deployed rhetorical devices to mask its privileging of upper class housing.

6.7.2. Political Patronage, Interest Groups Competition, and Corruption

The scale of housing developments by SSNIT from 1988 (of over 7,000 dwellings) created opportunities for corruption and political patronage in procurement, and allocation subjecting SSNIT's decision-making to interest group competition and manipulation. SSNIT chose to procure building materials for the housing projects through bulk suppliers which made economic sense, but increased the stakes for corruption and patronage being competed for. Although state corruption is difficult to establish, contextual evidence raises doubts about the transparency of such transactions. The case of SSNIT's Sakumono development in Tema is a case in point. In 1989, the contract for supplying sandcrete blocks for the project comprising 1,778 houses was awarded to Azumah Nelson, Ghana's second world boxing champion¹⁶³, although he had no prior experience in the production of these materials. It was not uncommon for beneficiaries of such supply contracts to set up their production plants only after contracts had been awarded. According to a Quantity Surveyor Consultant with SSNIT (personal interview, October 2006) such awards to inexperienced suppliers were rife and were often "*orders from above*" inferring the government.

¹⁶³ His boxing activities had galvanised nationalism when he won the world title in 1985 at a time when the PNDC military government was negotiating legitimacy in transiting from Marxism to neo-liberalism (see Section 4.5.3).

SSNIT's development of large estates, averaging 230 houses per construction phase, made land also attractive for corruption and patronage. Inevitably, a variety of interests, including land speculators and politically-connected associates of government members in liaison with "land brokers" frequently engaged SSNIT in dubious land transactions. Several instances of such fraudulent practices later came to light in the late 1990s. For example, in the late 1990s, one of SSNIT's Directors who was also a major financier of the ruling party from 1992, had acquired 570 acres of land for \$3,000 and induced SSNIT to acquire the same property for \$150,000 in the same year without any enhancements of the land. Public enquiries¹⁶⁴ revealed that members of SSNIT's Board agreed to this deal under coercion (Ghanaian Times, 2001; RSA, 2005; Daily Dispatch, 2000)¹⁶⁵. Two facts strengthen this suggestion of the culpability of the government – firstly, almost all board members of SSNIT were appointed by the government and secondly, the activities of SSNIT fell under the sole jurisdiction of the Ministry of Finance. The subordination of SSNIT by the Ministry of Finance over SSNIT's decision-making in questionable deals manifested frequently. In one instance, SSNIT was compelled by the Ministry of Finance to bail out a private entity, International Generics Ltd, in a hotel project that failed to materialise after a loan from the Royal Bank of Scotland guaranteed by the UK Export Credit Guarantee Department had been misapplied by the borrowers. In this instance, it came to light that the founder of the borrower company, Sir Leon Tamman, was the godfather of Ghana's First Lady at the time (Hawley, 2003; Murray, 2009). Another example of interest group manipulation and corrupt tendencies of SSNIT in housing was the "Obotan Garden of Eden", a 29-unit executive housing development in Accra in 1998. SSNIT paid \$2.244 million as equity to the promoters of this

¹⁶⁴ By the Serious Fraud Office (SFO) and the Commission for Human Rights and Administrative Justice (CHRAJ) similar to the Office of Ombudsman

¹⁶⁵ A similar conflict of interest arrangement reported was the appropriation of some of SSNIT's developments in the Ridge Residential Area with two Board Members including the same one implicated in the first deal, being the main beneficiaries. The Director General who was retiring was also given a share of the largesse (The Ghanaian Chronicle, October 09 2000). Anecdotal evidence suggests links between the said Director instigating this corrupt practice and leading members of the government, particularly the Minister of Finance.

project, who also acted as investment advisors to SSNIT. An audit report later found the Director-General of SSNIT fraudulently complicit with the promoters and recommended their prosecution (Ghanaian Chronicle, 2002; Gye Nyame Concord, 2003).

Similar problems of political patronage and corruption pertained in the allocation of SSNIT's workers' housing. Some interest groups used all sorts of means to manipulate the allocation process to their own advantage. From the onset, the rents for the "workers" housing were set below market levels in pursuit of the government's quest to make housing affordable. As inflation spiralled in the 1990s, SSNIT was initially restrained by the government from making corresponding upward adjustments in rents which adversely affected SSNIT's finances. However, SSNIT continuously pressed the government until it yielded to the suggestion to sell these rental units to the sitting tenants (personal interview of Senior Project Manager, SSNIT; October 2006). To maintain affordability, sale prices were set below open market prices. However, this was met by vehement protests from various worker groups of mostly residents arguing that the selling price was exorbitant (Ghana News Agency 1999). Sitting and former members of parliament who occupied some of these flats also joined these protests and lobbied extensively for the inclusion of their residence in the sales, although originally they had been excluded. The premise for the exclusion was the peculiar nature of housing need in which the parliamentary election cycle generated the need to provide members of parliament duty stations in the capital, Accra every four years. In this regard, the Office of Parliament had been allocated a total of 40 flats in 1993. However, parliamentarians defeated in the 1996 elections and entirely from the ruling party, failed to vacate the flats citing relocation difficulties. As a result, they lobbied SSNIT through the government to allocate official houses as duty posts for members of parliament in order to acquire the existing duty posts as private property. Subsequently, SSNIT gave the Office of Parliament 160 apartments in 10 new residential blocks in 1996. SSNIT sold the 40 flats to the former

and some sitting parliamentarians for approximately \$6,750 for a two-bedroom flat that was selling on the market in 1997 for \$12,500. Within six months of sale, evidence emerged that beneficiaries re-sold these flats at prices ranging from \$13,500 to \$15,000 (Free Press, 29 November, 1997). SSNIT's price remained fixed even when open market prices rose to \$17,000 in 1998. This practice of exerting group pressure to acquire SSNIT's properties cheaply followed by private extraction of profit on the open market was rife. Through this practice, SSNIT suffered significant losses and curtailed its workers' housing investments by 2000. After 2000, the government tried to induce SSNIT to re-engage in mass housing, but this did not progress beyond discussions.

6.7.3. SSNIT and the Growth of the Private Sector

As has been noted in Section 6.3 and 6.4.1, one of the key objectives of the World Bank's support for the housing sector was the increased participation of the private sector in housing delivery resulting in the announcement of incentives¹⁶⁶ for private sector investment in the housing sector in the 1988 Budget. Consequently, the Housing Ministry held a meeting in February 1988 to mobilise all private "developers" for the purpose of formalising their role in housing. The majority of private developers at the time were building contractors venturing occasionally into real estate housing on an insignificant scale (Tweneboaa, 2006). Among the few who were bona fide private developers, the majority were businesses owned by Arabs, reflecting the novelty of the private real estate in the indigenous Ghanaian society¹⁶⁷. This culminated in the launching of the Ghana Real Estate Developers Association (GREDA) in July 1988 with 40 members. GREDA's emergence in 1988 reinforced the World Bank's

¹⁶⁶ These incentives included a five-year tax moratorium for private real estate developers on incomes generated from sale or letting of residential real estate with the possibility of a further two-year extension in the event of the developer incurring losses during the five year period. Additionally, private developers were granted permission to fully repatriate all profits earned from their real estate investments.

¹⁶⁷ The Arab community in Ghana, beginning from the 1940s and 1950s were known for their presence in commerce in Accra and the timber industry in the forest zones. They established construction divisions to their enterprises which evolved into real estate operations. The main private real estate companies had been set up in the 1970s and included the likes of Zagloul Group of Companies, Dakmak Group of Companies, Kuottam Construction and CS Construction and their principals originated from Lebanon and Syria.

reluctance to provide funds for public housing development agencies as desired by the government. As a result of the World Bank's advocacy for enhancing the role of the private sector in housing development, an expectation was built up among GREDA members of financial support through construction finance loans from the World Bank for private sector housing activities under Urban II (personal interview of former Project Director, and Project Advisor, Urban Project Support Unit; September 2006). Chronologically, GREDA's formation preceded the conclusion of the design of Urban II in 1990 (discussed in Section 6.4). It can be inferred that the limited support given to the private sector under Urban II was not due to a lack of time for such consideration.

Following GREDA's set up, SSNIT's housing initiatives significantly facilitated GREDA's growth by the decision of pioneer GREDA members, to locate their developments close to SSNIT's housing estates to take advantage of SSNIT's investment in municipal infrastructure networks. Through this arrangement, GREDA members reduced their own investment in infrastructure. However, this further compounded SSNIT's financial challenge as it was unable to recover its investments with no contributions from the public utility agencies, the local authorities, or land owners that leased out the land to SSNIT.

As a result of the GREDA co-location decision, the sites where SSNIT's housing estates were located, mostly in the peripheries of the city, were rapidly populated. Table 6.1 and Table 6.2¹⁶⁸ provide an analysis of the "neighbourhood growth effect" of some of SSNIT's housing estates arising from GREDA's co-location choices and population increase. Table 6.1 presents the results of an observational survey conducted for this dissertation on the largest SSNIT estate, Sakumono Estate in Tema to identify the extent of private sector co-location. A demographic growth analysis extrapolated from the published data of the last

¹⁶⁸ As noted in Chapter 2, the observational survey of these estates was necessitated by the need to examine the effect of SSNIT's developments on the emerging private sector developers who were just emerging. SSNIT's development in Sakumono was the first mass housing scheme carried out in the course of the housing sector reforms although its link to the reforms were tenuous. The survey in Table 6.1 shows how important SSNIT's investment in infrastructure was in determining the location of the private real estate developers.

population census in 2000 is presented in Table 6.2. In lieu of a housing count to establish the extent of private sector co-location, as a result of the inaccessibility of some of the properties built on privately sub-divided land, I extrapolated the population growth in the SSNIT housing estate neighbourhoods as a proxy estimate in Table 6.2.

Table 6.1: Developments adjoining SSNIT Developments in Sakumono environs

Name of Estate	Name of Developer	Development	Year	Location
"SSNIT Phase I"	SSNIT	Block of Flats	1989	Comm. 13
"SSNIT Phase II"	SSNIT	Semi-detached	1990	Ditto
"Ghacem Estate"	Individual staff	Semi-detached	1992	Ditto
SSNIT Phase 3	SSNIT	Semi-detached/ Block of Flats	1996	Comm. 14
GSB Estate	Individual staff	Semi-detached	1992	Ditto
TDC Serviced Plots	Individual developers	Detached	1991	Ditto
NTHC Estates	NTHC Properties Ltd.	Detached /Terrace	1995	Ditto
Regimanuel Phase 1	Regimanuel-Grey Ltd.	Semi-detached	1993	Ditto
Buena Vista Homes	Buena Vista Homes	Detached	1999	Ditto
N/A	Parakuo Ltd.	Detached	1992	Comm. 15
Regimanuel Estates	Regimanuel-Grey Ltd.	Detached	1992	Ditto
Regimanuel Estates	Regimanuel-Grey Ltd.	Detached	1997	Comm. 18
Regimanuel Estates	Regimanuel-Grey Ltd.	Detached	2001	Comm. 19
"Chinese" Estates	TDC	Detached	1997	Ditto
Regimanuel Estates	Regimanuel-Grey Ltd.	Detached	1997	Comm. 20
MDCL Estates	Medium Dwelling	Detached	1998	Ditto
NTHC Estates	NTHC Properties Ltd.	Detached	1997	Ditto
N/A	Optimum Shelter	Detached	1998	Ditto
N/A	Winipak Ltd	Detached	1997	Ditto
N/A	Parakuo Ltd.	Detached	1997	Ditto
HFC Estates	HFC-ISL	Detached	1999	Ditto
HFC estates	HFC-ISL	Semi-detached	1999	Ditto
HOS Estate	TDC	Detached	1995	Ditto
N/A	Edgegate Realty	Detached	1994	Ditto
Devtraco Villa	Devtraco Ltd	Detached	2002	Ditto
Boye Villa	Bonsu Brothers Estate	Detached	1999	Ditto
Tieso Homes	Tieso Homes	Detached	2002	Ditto
Lagoon View Estates	Emefs Development	Detached	2000	Lashibi

Source: Author Survey (April 2007)

Table 6.2: Impact of SSNIT housing on populations of peripheral locations

Neighbourhood	Population			Dwelling units (2000 Census)	SSNIT houses	Houses built by others
	1970	1984	2000			
Adenta Housing	55	587	43,629	6,885	1,272	5,613
Ashongman Housing	0	0	4,640	1,069	627	442
Sakumono	724	1,386	20,172	3,082	1,778	1,250
Tema Community 3	0	0	5,516	1,212	1,008	204
Tema Community 5	0	7,404	14,305	1,749	144	1,605

Source: Extrapolated from 2000 Housing and Population Census (GSS, 2005); and Sarfoh (2002)

Two issues emerge from this analysis on the effect on the private sector and the demographic change in those neighbourhoods of SSNIT's estates. After the inception of SSNIT's estate in Sakumono, 25 estates were built by 16 developers in the following ten years, clearly demonstrating the effect of SSNIT's developments in incubating the private sector estate developers. Again, SSNIT's housing developments led to the substantial growth of their neighbourhoods.

6.8 GREDA and the “Diaspora” Market

Persistent dependence on imported materials challenged the prospects of the local building industry and was further worsened by inflation¹⁶⁹ and devaluation of the local currency. These increased costs inevitably affected housing projects by all providers – public housing agencies, SSNIT and the private sector. With incomes not matching the rise in prices, the capacity of the local market to afford privately developed housing reduced and substantially constrained the returns on the investments by the private sector. The Housing Ministry in partnership with GREDA sought new markets elsewhere for the newly built houses as the local market declined. Subsequently, the Housing Ministry initiated an investor drive in 1993 to source new home buyers. Some private real estate developers were mobilised to accompany senior officials of the Housing Ministry in a series of “Housing Road Show” events in several western countries. The first events took place in London, Amsterdam, Hamburg, and Atlanta. These cities had very high concentrations of Ghanaians in Europe and North America. Hitherto, such foreign-based Ghanaians (also referred to as the “Diaspora market”) used informal channels to remit funds to relatives to build houses on their behalf. Such channels had increasingly proved problematic, with widespread incidence of fraud by family members and local associates in respect of location, costs and quality of the houses (Tipple et al, 1998; Peil, 1995; Smith & Mazzucatto, 2003; Grant, 2005). The emergence of

¹⁶⁹ The cause and effects of inflation on housing in the 1990s are discussed in later sections of this chapter.

GREDA and the Diaspora market thus created a synergised relationship for both parties. Non-resident Ghanaians obtained a more reliable agent for the construction of their desired houses whereas private developers were able to build upmarket developments without difficulty in selling. Subsequently, houses were priced in foreign exchange with a local equivalent that changed in tandem with devaluation of the local currency (Konadu-Agyeman, 2001; Yeboah, 2001). The housing road shows by the private sector became annual events expanding to other cities with high concentrations of Ghanaian populations such as Toronto, the Hague, Manchester, Paris, and New York. Furthermore, GREDA took over the organisation of these road shows and only occasionally included the Housing Ministry.

As Grant (2005) has noted, the activities of private developers targeting the Diaspora market grew considerably from the 1990s with premium increasingly placed on exclusivity. This has led to the phenomenal growth of gated residential enclaves in the post-millennium. For example, as of June 2004, Grant (2005: 669) identified 23 gated communities in the Accra metropolis alone with one located in Cantonments and three in the Airport Residential Area. In April 2007, a similar survey I undertook of the Accra metropolis revealed 64 gated developments (see Annex 5). In the aforementioned neighbourhoods of Cantonments and Airport Residential Area surveyed earlier by Grant (2005), I found that gated communities had increased to thirteen in Cantonments and ten in the Airport Residential Area. The rise of the upscale market promoted diversification among the private developers, increasingly drawing in operators originating from foreign countries. My field survey revealed an emerging presence of foreign owned real estate developers which is presented in Table 6.3 below. Although nascent, this trend in international participation in local housing development is a pointer to the penetration of global capital into the local housing market. The presence of the international estate developers is impacting the dynamics of the housing sector with their access to global sources of capital for construction finance; coupled with

their exclusive focus on upscale housing which gives them an upper hand against local developers. Given their enhanced access to financial resources, the case was made that the international real estate companies adversely influence the land markets by acquisitions at highly inflated prices thereby fuelling speculation.

Table 6.3 Emerging trend of International housing development companies

Name of Developer	Origin	Structure of business
Royal PF Construction	U.K.	Foreign direct investor
Taysec	U.K.	Subsidiary of Taylor Woodrow
PW Ghana	U.K.	Subsidiary of PW Group
Royal Estate Group	USA	Joint venture with local developer
Regimanuel-Grey ¹⁷⁰	USA	Joint venture with local developer
Srithru SDN BHD ¹⁷¹	Malaysia	Foreign direct investor
Jude Estates	South Korea	Foreign investor
Red Sea Housing	Saudi Arabia	Free zone operator ¹⁷²
99 China Construction Company	China	Foreign direct investor
ACP Estates	India	Acquired majority shares of local developer
Ghana Libya Arab Holding	Libya	Joint venture with Ghana government
D’Afrique	Nigeria	External shareholders-local management
Y. Kummey	Nigeria	External shareholders-local management

Source: Author Field survey, December 2007; validated by GREDA focus group, January 2008

For example, “local” developers were of the view that the practice of land acquisition by “foreign” developers in prime neighbourhoods of Accra at prices exceeding US\$500,000 per acre was ‘abnormal’ and affected land owners’ dismissal of negotiated settlements preferred by local developers (personal interview of GREDA President; October 2006). Yet, “foreign” developers appear unfazed by such speculative prices as the market for developments on such prime land remains very high (personal interview of former Regional Director of Lands Commission). Evidence suggests that the market for such developments include the local high income households besides the “Diaspora” market. Whereas Grant (2005) found that 70% of Regimanuel’s properties were acquired by non-resident clients, my survey of

¹⁷⁰ Started out as a local developer, Regimanuel at the inception of the reforms and changed to Regimanuel – Grey after going into partnership with US investor.

¹⁷¹ This company originally ventured into the Ghanaian market as part of a consortium of Malaysian firms, Metro Ikram SDN BHD, entering into a joint venture partnership with SSNIT for the development of a housing estate – Meridian Housing Project. Even though the joint venture deal fell through Srithru SDN BHD remained and has completed a 30 flat apartment block.

¹⁷² Began operations manufacturing demountable housing components from shipping containers for export but is gradually turning to the local market as well.

properties developed by British-owned Taysec, one of the three leading developers of high end market (personal interview of GREDA President; October 2006) revealed that 90% of their clients were resident Ghanaians (See Table 6.4 below). Furthermore, 95% of these properties were acquired outright and the remainder bought with mortgage loans. This contrasts with Grant’s (2005) finding of 59% and 74% direct purchases of developments by Regimanuel-Grey Ltd and Trasacco Ltd, respectively, the other two leading prime property developers (personal interview of GREDA President; October 2006).

Table 6.4: Snapshot of emerging local upper class

Estate	Year Completed	Type of Development	Units	Selling Price	Outright Sale	Mortgage Sale
Alema Court	May 2001	3-bedroom	12	\$ 180,000	10	2
		2-bedroom	12	\$ 150,000	11	1
Cantonments Gardens	December 2003	3-bedroom semi-detached	20	\$ 300,000	19	1
Palm Court	December 2004	3-Bedroom Flats	24	\$ 250,000	24	0
Cedar Court	July 2005	3-Bedroom Flats	18	\$ 250,000	17	1
Orchid Garden	January 2007	3-bedroom semi-detached	36	£ 180,000	35	1

Source: Estate Department, Taysec Ltd.

6.9 Capacity Building Aspirations and Contradictions, Ministerial Tenure and Policy Consistency

As has been noted in Sections 6.4.2 and 6.6.2, the weakness of the Housing Ministry in policy design and implementation had been noted by both the World Bank and the UN. The UN tried to address this within the “Institutional Development Training and Operational Studies for the Shelter Sector (GHA/87/023)” programme noted in Section 6.6.2, and established a new directorate, the Policy Planning Evaluation Unit (PPEU) in the Ministry of Work and Housing. Staffing the new directorate was constrained by a freeze on public sector employment instituted under the structural adjustment reforms (discussed in Section 4.5.4 of Chapter 4). A singular exemption from the recruitment freeze was obtained to recruit the head of the PPEU culminating in the appointment of a policy expert in 1990¹⁷³. The other

¹⁷³ Dr. Thomas F. Agyapong had just concluded his PhD on housing policy in 1990.

PPEU staff were recruited by exploiting the finding of an organisational audit that the Architectural and Engineering Services Corporation (AESC) was under-staffed and needed bolstering¹⁷⁴. In all, four additional staff with backgrounds in civil engineering, development planning and sociology were recruited by AESC and assigned to the Housing Ministry. To sustain the policy capacity in the PPEU, staff periodically participated in international courses on housing policy. The UN agreed with the government to provide financial bonuses to supplement the low wages¹⁷⁵ of the PPEU staff in order to ensure that the staff stayed at post, and the Housing Ministry sustained its policy capacity. A similar arrangement pertained for Technical Services Centre (TSC) staff sponsored by the World Bank under the Accra District Rehabilitation Project (ADRP) as discussed in Section 6.4.1. However, the salary support from the UN's was relatively lower than the World Bank's.¹⁷⁶ It was noted;

UNDP was very modest in the incentives they gave for those (staff from Housing Ministry) engaged in their work. Of course some of our people (the bureaucrats) who were required to do some work for them (UN) were not too keen. We were aware of how much the World Bank was paying for those (from TSC, Housing Ministry; and Local Government projects) working on their projects. The UNDP's incentives did not match what the World Bank was paying. Also the (UNDP) work was entirely focused on just policy work whilst SSNIT and the World Bank were implementing (construction) projects (personal interview of former PPEU staff; explanations inserted in parenthesis; October 2006).

The differences in salary support also generated different effects on the public servants' approach to their work with greater incentives induced by the World Bank than the UN. The salary support differences thus generated unequal power relations between the Housing Ministry and the Local Government Ministry, on the one hand. On the other hand, there were unequal effects between TSC and PPEU, all within the Housing Ministry. The effects of the uneven power relations were also complicated by the personal disposition of political appointees heading the housing and local government sectors. Political appointees' disposition affected the pace of policy design and implementation, including reforms. The

¹⁷⁴ AESC was a public agency for architectural and engineering services reviewed under the SAP.

¹⁷⁵ In 1988 the difference between public and private sector wages ranged between 28% and 41% (Merode and Thomas, 1994:164).

¹⁷⁶ One staff member left in 1994 to work with Danish International Development Agency (DANIDA) because the salary supplement was discontinued. Others worked with private firms to supplement their salaries.

personal disposition of political appointees became even more critical when their tenure was taken into consideration. The longer a Minister stayed on, the higher the chances of a particular policy remaining dominant. This relative power of the political heads is attributed to the structure of governance in Ghana;

I believe it has to do with our structure of government more than politics because it leaves so much (power) in the hands of whoever is leading the ministry at that point. After some work is done and (the appointee) leaves, another person comes and does not continue. So it is the structure of government that I think there's something faulty about. Policies are not taken through parliament, even if they went through parliament, and became some act or bill then the next person, no matter who he is, will have to go by that way (personal interview of former Deputy Minister of Works and Housing; August 2006)

The discretionary power of political office holders was complicated by their varying motives and the respective influence of their security of tenure. Tables 6.5a and 6.5b present the record of the tenure of the political and administrative heads of the housing and local governance sectors involved in the reforms. It shows that in the period of the housing reforms from 1988 to 2000, the Housing Ministry had eight Ministers and five Chief Directors, whereas the Local Government Ministry had two Ministers and one Chief Director. Significantly, one of the Local Government Ministers had a twelve-year tenure. One effect of this frequent change in leadership in the Housing Ministry was the quest for short term goals. As a result of the rapid turnover, each political appointee sought quick results to demonstrate competence and foster longevity. Political survival thus underpinned decision making in the Housing Ministry with a minimal tolerance for long-term policy choices that did not deliver the desired results.

For politicians the new physical thing coming out is more visible, for them is something like... 'this is what I did' but if you are really taking about the realistic level of addressing this I think I will imagine that part of the funds going into all these houses some portion of it ought to go into slum upgrading, improvement but as I said a politician wants you to be able to see that he built so many houses, 'go and see, it show it' he will prefer to sweep this one under the carpet but it's there. But it doesn't necessarily have to be. If the politician at the top is sufficiently aware of the other problems down there and prepared to confront them there is no need for that, there wouldn't be any need for any disconnection. Is just that he is addressing a whole range of issues that's what I'm saying. In the case of Works and Housing maybe it is because of the transitory tenure of these people. You find that if you had somebody there who stayed in the place for four years for instance, then you can actually educate him. He will not be in a hurry to tackle the situation and enforce. If a guy comes there...he forgets that planning is crucial to any, you have to plan before you move on. But when people are there knowing very well that this thing that I'm putting in there is not going to take too long and I'd not be there for a year or that issue comes in, then they don't have time; they don't listen to anything. But where they have time to really study the situation then you will agree. But when they come in personally there is so

much in front of them. Most of them come with their own ideas; ‘how do I make a good impact’ he doesn’t want to know about what will really happen. I mean that is the whole thing; but there are sometimes some people who don’t have any idea of what to do as managers so they just sit there and do not have a clue as to what to do (personal interview of Chief Technical Advisor, Ministry of Works and Housing; September 2006)

Table 6.5a MWH – Tenure of Ministers and Chief Directors (1985 - 2008)

Minister	Period	Chief Director	Period
Dr. Kofi Sam	1985 – 1987	W.K. Alomatu	1984 – 1993
Appiah Korang	1987 – 1988		
Dr. Charles Boadu	1988 – 1989		
Naval Captain Butah	1989 – 1992		
Sq. Leader Clend Sowu	1991 – 1992		
David Amankwah	1992		
Kenneth Ampratwum	1992 – 1993		
Ebenezer Kwabena Fosu	1993 – 1997	Victoria Oku	1993 – 1997
Isaac Agyei Mensah	1997 – 2001	Dr. J.K.A.B.A. Atta	1997 – 1999
		S. Q. Barnor	1999 – 2000
Kwamena Bartels	2001	Ohene Okine	2000 – 2003
Yaw Barima	2001 – 2003		
Alhaji Mustapha Idris Ali	2003 – 2005	Rebecca Beecham	2003 – 2004
Hackman Owusu Agyeman	2005 – 2007	K. A. Gyarten	2004 – 2008
Boniface Abubakr Saddique	2007 – 2008		

Source: Compiled from Human Resource Directorate, MWH

Table 6.5b MLGRD – Tenure of Ministers and Chief Directors (1985- 2008)

Minister	Period	Chief Director	Period
F. A. Jantuah	1984 – 1986	R. Ampah	1985 – 1986
Kofi Acquah Harrison	1986	S. Y. M. Zanu	1986 – 1987
Dr. E. A. Ayirebi Acquah	1986 – 1987		
W. H. Yeboah	1987 – 1988		
Kwamena Ahwoi	1988 – 2000		
Cecilia Johnson	2000 – 2001		
Kwadwo Baah Wiredu	2001 – 2003	Addae Kyeremeh	2001 – 2003
Kwadwo Adjei Darko	2003 – 2005	Francis Andoh	2003 – 2005
Charles Bimpong Bintim	2005 – 2006	E. P. Ansah	2005 – 2006
Stephen Asamoah Boateng	2006 – 2007	Daniel Nyankamawu	2006 – 2008
Kwadwo Adjei Darko	2007 – 2008		

Source: Compiled from Human Resource Directorate, MLGRD

This penchant for short-term goals in turn generated a culture of sycophancy, as some staff conducted themselves only in ways agreeable to politicians. In the event of disagreement between politicians and bureaucrats, technocratic expertise was no guarantee for continued stay in a ministry with very high risk of transfer to isolated and inconsequential assignments.

Because of the high turnover (of political heads) bureaucrats acted on survival instincts. A lot of my colleagues were seeking to ingratiate themselves with the (new) Secretaries. This promoted a culture of political correctness. It did not matter how competent one was (personal interview of former staff of PPEU Ministry of Works and Housing; explanatory comments inserted in parenthesis; October 2006)

Following the removal of the Secretary (and his Deputy) for Works and Housing in 1987, a number of staff transfers took place upon the appointment of the new Secretary. These changes were attributed to the new appointee, even though there was no evidence of this. The transfers reinforced the claim of political vindictiveness as a consequence of disagreements with political appointees¹⁷⁷ that arguably could influence the attitude of some bureaucrats to favour expediency above candour.

Another demonstration of differential power within the state creating peculiar outcomes in the housing reforms materialised in the PPEU's evolution after the staff recruitment when they, like all civil servants, were placed under the management of the Office of the Head of Civil Service (OHCS¹⁷⁸). This contrasts with conditions enjoyed by TSC staff, managing the World Bank-sponsored housing and urban projects. The latter were shielded from control of the OHCS by the World Bank's agreement with the government. As a result of this centralised arrangement affecting PPEU staff, the OHCS effectively neutralised the capacity building goals by transferring two PPEU staff members to other ministries without corresponding replacement. The transfers manifested the non-coherence of state power in the housing sector reform (see Box 6.1). The policy planning capacity of the Ministry of Works and Housing, promoted by the UN was thus nullified through non-converging actions of the political and bureaucrat classes, as well as the effects of the differential power relations of the international agencies. This outcome is similar to Hutchful's (2002) findings and conclusions regarding the broader adjustment programme's aims in undertaking labour reform thus, "*while there was progress in redeployment and in capacity building, actual efficiency gains seem to have been limited*" (Hutchful, 2001: 108).

¹⁷⁷ A member of staff of MWH was transferred to the Kadjebi District, an extremely remote and poor district after being accused of instigating the dismissal of the Secretaries of the MWH. This followed the staff member's protest to the PNDC Head of State regarding the allocation of state built houses which was under the control of the Under-Secretary of Housing. The dismissal took place when the Secretary and his deputy had both travelled outside the country.

¹⁷⁸ The OHCS manages the entire civil service, a role reinforced by the SAP (Haruna, 2001).

Box 6.1: Contradicting Capacity building aspirations –The Case of Yaa Osei-Brimpong

Yaa Osei-Brimpong completed her Bachelor's programme in Planning at the University of Science and Technology (now called Kwame Nkrumah University of Science and Technology), in Kumasi, Ghana. She entered into private practice and worked in consulting firms as a professional planner. Under the auspices of the capacity building for policy development project in the Ministry of Works and Housing sponsored by the UN, she was recruited by the Architectural and Engineering Services Corporation (AESC) and seconded to the Ministry of Works and Housing. She was placed in the newly created Policy Planning and Evaluation Unit (PPEU) of the Ministry as an Assistant Director. In 1990, she was sponsored to the Institute for Social Studies in The Hague, Netherlands where she read a Master's course in Development Studies. Her focus in this programme including her long essay was on public policy with emphasis on housing. Following her completion of the course she returned to work with the PPEU unit on the ongoing UN-sponsored policy reforms. As part of the continuous professional development, she also attended a short course at the Institute for Housing and Urban Development (IHS) in Rotterdam, Netherlands, again focusing on housing policy. In 1997, the Office of the Head of Civil Service transferred her from the Ministry of Works and Housing to the Ministry of Communications. The OHCS rationalized that civil servants were supposed to be administrators and not policy experts and therefore could fit anywhere within the service. Mrs. Bimpong was sent to the Ministry of Communication as part of the broader reorganization in the civil service that had become necessary due to the creation of the new Ministry of Communications and Technology carved out of the former Ministry of Transport and Communication. As a new ministry, there was urgency in staffing at all levels which validated the transfer. In so doing, the OHCS discounted the sector-specific training in policy making that the UN assistance had engendered. Further reflecting the nonchalance towards the UN-supported capacity building, no replacement was sent to the Ministry of Works and Housing. The situation was worsened further by the freeze on recruitments in the civil service except with the express permission of the Minister of Finance, a condition set by the SAP arrangement.

Personal interviews of Chief Technical Advisor and Director of Housing, Ministry of Works and Housing; Habitat Programme Manager, UN-Habitat Ghana Office, September 2006

6.10. Reforming the Public Housing Agencies–The Tenants, the Colonel and the Inertia Effect of Residualised Housing Policy Prioritisation

The implementation of the reforms of the public housing agencies – State Housing Corporation (SHC) and Tema Development Corporation (TDC) – as required under the World Bank-sponsored Urban II was also complicated by local elements. In April 1991, the government commissioned an organisational review of TDC by Coopers and Lybrand

Deloitte¹⁷⁹. Before the completion of the review, the government acquiesced to TDC's pressure for rents to be raised. Against serious protest from tenants, rents were raised by 350%. The proposed rent increases however, galvanised a section of the aggrieved tenants to mobilise into a group – TDC Tenants Association – that subsequently secured a court injunction against the implementation of the rent increase. The court's judgment was premised on TDC's failure to maintain the properties as required in the rent agreement. Additionally, TDC's departure from its original social basis as a non-commercial public housing agency was cited¹⁸⁰ (Acquah, 2001; Djokoto-Asem, 2003: 189). TDC tried to leverage state power to induce the tenants to withdraw the case from court thus:

There are a lot of external controls on us. There are a lot of things we do not have absolute control over. For instance, we have houses, rental houses and we have tenants who have come together calling themselves tenants association and they can decide (how much rent they want to pay and under what conditions. We can't even sell our own property..... Based on expert advice (our houses) were valued so much. Anybody who wants to buy will have to buy it at this price... For certain reasons we can not even collect our rent from tenants. Courts can also put an injunction on our actions and it can delay us. You send cases to court and the courts will never dispose of the case and once the injunction still stands you cannot act..... We have even gone to report to our sector Ministry and the Minister concerned is taking steps to try to resolve the problem out of court. But we have to agree with the tenants association that we are going to do this and that..... but we have not agreed with the tenants association yet (Djokoto-Asem, 2003: 188-189)

However the government's resistance to TDC's instigations, left TDC feeling "*isolated and abandoned in implementing a major restructuring objective*" (Djokoto-Asem, 2003:191). Djokoto-Asem (2003) further argues that the government was politically motivated in its actions given the imminence of the 1992 elections in which the PNDC military regime was contesting as a political party. She viewed the actions of the Tenants Association as a form of resistance to the hegemonic power of the World Bank (Djokoto-Asem, 2003). This hegemonic power materialised through the neo-liberal discourse of structural adjustment employing rationalisation of organisational efficiency, commercial viability and managerial autonomy to discipline the state into conformity. On one hand, this argument is too optimistic of the goal of the tenant's resistance. As noted by Asabere (2007:

¹⁷⁹ A Joint venture of the two international management companies.

¹⁸⁰ The latter claim was backed by the conventional practice of rent control (Malpezzi, Tipple and Willis, 1989).

1931), the tenants' actions were a manifestation of the concept of "tenant lock-in" behaviour which emerged in reaction to an unresponsive housing market. Long periods of extremely low rents generated "*complete immobilisation of tenants, to the extent that there is practically no turnover or vacancies available*". A proposed out-of-court settlement in 1996 failed although TDC re-offered to sell the properties to the sitting tenants (Acquah, *ibid*: 11) (see Annex 6).

In the case of the SHC, the proposed organisational review was not well received, especially by the Managing Director, Colonel Seth Obeng. The PNDC military regime (1981-1992) maintained the practice of appointing serving military officers to head SHC. Prior to his appointment in October 1989, the Colonel was Chief Staff Officer at the Army headquarters, a position which made him very influential among the military class¹⁸¹, a critical constituency of the military government. The Colonel's disapproval of the review affected the implementation and outcomes of the proposed reform of SHC:

The man (Managing Director) had no time for all these studies. All he wanted to do was build houses since we had a backlog to meet. Because of his stature in the military, the releases from the Ministry of Finance were much better than before and we also had the new clients giving us new deposits still coming in. So we kept building whilst the studies were on-going (personal interview of Director of Planning, SHC; explanatory comments inserted in parenthesis; October 2006)

Brigadier (then Colonel) Obeng was not someone to be toyed with. We (TSC) just made our proposals and left it to them (SHC) to decide if they will take our advice or not. Initially they (SHC) worked with us (TSC) well but after some time they appeared not to be interested any longer. This happened after the initial assessment of State Housing had been completed. Alternative arrangements we (TSC) put in place did not seem acceptable to him so eventually we (TSC) concluded the Urban II project without finishing the rationalization of SHC. It all boiled down to the M.D.'s preference (personal interview of Director, TSC; explanatory comments inserted in parenthesis; September 2006)

As a result, although SHC management agreed in principle to host three experts to help rationalize its operations, they were generally ignored as SHC focused exclusively on reducing the backlog of depositors, partly through new deposits. Not surprisingly, the Colonel's tenure in SHC experienced growth in housing production compared to the earlier

¹⁸¹ Colonel Obeng's appointment to head SHC was in part an attempt by the PNDC regime to diffuse his personal influence among the military. During his tenure at SHC, he was compelled to undertake a Master's degree in India for a year after which he returned to head SHC in December 1992 (personal interview of Director of Planning, SHC). In December 1993 he was recalled to the Army Headquarters and re-assigned the ECOWAS Force Commander in Liberia in August 1994.

periods when SHC was producing fewer than 200 units annually (see Table 6.6 below). This steady rise in housing production during the tenure of the Colonel can be attributed to his personal influence within the existing political regime, which made it easy to gain access to public resources in the budget and also foreign exchange (personal interview of Director of Planning, SHC). However, after the Colonel was recalled to the Army Headquarters in December 1993, SHC's production gradually declined once more.

Table 6.6: SHC post-reform housing production activities

Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
No. of Houses	450	593	537	768	607	548	348	153	142	159

Source: SHC, 2000

Another setback experienced by SHC was the bloated staff roll and the challenges encountered in attempting to address this problem. As noted in Section 5.3.3 of Chapter 5, the resistance by staff to proposed reforms significantly contributed to its indebtedness. However, given the government's interminable deferment of its responsibility for making the redundancy payments of the SHC staff, the management of SHC was left to grapple with an issue that it was inadequately structured to address. This occurrence during the implementation of the structural adjustment reforms from the late 1980s into the 1990s, when many public agencies were being successfully divested, points to a deeper-lying rationale. To account for this anomaly, Appiah-Kubi (2001) rationalises that SHC's failed divestiture arose from the negative image of the agency created by the institution of its divestiture:

Notwithstanding these positive effects, the long process of divestiture has had negative effects on some enterprises and has not helped to increase their value. In some cases it has made them un-saleable. Owing to the negative connotation associated with divestiture, enterprises find it extremely difficult to conduct normal business once put on the divestiture list. Banks become unwilling to offer credits to such firms, workers become insecure and de-motivated, and normal business is disrupted, since implementation of corporate plans becomes uncertain and conditional upon divestiture. As the divestiture process drags on, such enterprises begin to lose their best employees, and those who remain decide to 'manage' themselves through corrupt business practices and the enterprises become run down. Examples of such practices can be found in the once largeState Housing Corporations, which have had to be liquidated at reduced value (Appiah-Kubi, 2001: 214 – 216)

However, this argument is problematic in the light of other aspects of the divestiture process.

Firstly, some public organisations in the mining and cocoa sectors were characterised as

“primary” and “competitive”, which commanded top priority in the divestiture process. Further, although virtually all public organisations had accrued debts before the onset of the divestiture programme in 1988 (Appiah-Kubi, 2001), SHC’s debts were neither the largest nor the most inflexible and yet the government chose to defer payments of some of the debts including the proposed redundancy benefits for the staff.

The government’s failure to expedite action on the World Bank proposed options to rationalise SHC – privatisation, commercialisation or liquidation – coupled with its other actions that adversely affected SHC, such as the incomplete land compensation payment and the inconclusive land title documentation as discussed in Section 5.3.3 of Chapter 5, point to another rationale for the specific problem facing SHC. However, coupling the disposition of the government to this specific problem of SHC with the government’s reaction to TDC’s solicitation for assistance in its problems with its tenants discussed earlier in this section, reflects a state of inertia. Arguably, this state of inertia was an effect manifesting the underlying residualisation of housing in the government’s priorities. This disposition had been earlier noted by the technical committee that locally developed the 1987 draft housing policy discussed in Section 6.5. However, this disposition was not obvious to all, including the World Bank in its account of the challenges of SHC’s rationalisation:

The uncertainty with regard to GOG’s intended divestiture of the Corporation continued to adversely affect SHC’s ability to implement its 1995 planned projects. The payment for rental units offered for sale to legal sitting tenants continued to be slow..... SHC continued to face problems in obtaining head leases from Lands Commission Secretariat despite relentless efforts of Management over the past several quarters (Ghana Urban II Project–Aide Memoire October 1995 Item 62 Page 14).

Eventually, funds were made available for the retrenchment of 1,251 SHC workers at a cost approximately equivalent to US\$1.46 million in December 1994. This was set against the finances of SHC significantly impacting their working capital and their divestiture prospects. Although SHC was converted from a public corporation in July 1995 to a limited liability company, its prospects for divestiture remained poor as a result of frequent legal suits by uncompensated land owners, depositors owed long-held advances and dissatisfied customers:

There were a lot of court cases when we were running the place (in the 1990s). There were times that bailiffs were just sent to us because somebody had won a case in court or CHRAJ and they just [sic] come and collect all the vehicles away. That is [sic] happening so people felt that if you came in as a strategic investor or partner put funds into this and build [sic] houses the next day they are [sic] taken over by debtors, what do you do? (personal interview of former Board Member, SHC; explanatory comments inserted in parenthesis; October 2006)

Therefore, the government's assurance of its commitments to the divestiture of public housing agencies, SHC and TDC, to the IMF in 1998 and the indication to accelerate the process in fulfilment of the conditions of the Enhanced Structural Adjustment Programme (ESAF) – another phase of the structural reforms – was in reality a rhetorical sleight of hand.¹⁸² The conclusion of Djokoto-Asem (2003) is pertinent in that with respect to the proposed reforms of the public housing agencies, the evidence points to local contextual factors combining to distort the ethos of structural adjustment and the hegemony of the multinationals. Certainly, the conclusion that “*hegemony is more unstable, vulnerable, and contested than previously thought*” (Djokoto-Asem, 2003: 192), holds true in Ghana's experience of housing reforms.

6.11. The implementation of the housing finance reforms

The proposed housing finance reforms, expected to enhance access to mortgage finance and indirectly construction finance and contribute to the creation of a vibrant housing market, also experienced outcomes differing from what was planned. The key outputs such as the establishment of the Home Finance Company (HFC¹⁸³), the passage of the foreclosure laws and the emergence of the private sector as a significant player in housing development were all achieved. However, the implementation of the housing finance reforms also encountered challenges which affected the other goals of the reforms.

Shortly after the inception of the HFC's secondary mortgage operations in 1991, challenges emerged from the general macro-economic context to question the presumptions

¹⁸² By 2000, SHC estimated that outstanding debts were owed to 500 depositors and equivalent to US\$700,000.

¹⁸³ Home Finance Company, (HFC) was established in 1990 under the Home Mortgage Finance Law, PNDC Law 329.

underlining the design of the housing finance reform. As has been noted in Section 4.5.4 of Chapter 4, the imminence of the 1992 elections precipitated excessive government spending on public sector wage increases to garner political support during the elections. This triggered a downward spiral of the economy in the years that followed, labelled as the “oscillating” phase of the structural adjustment reforms (Tsikata, 2001; Mensah et al, 2006). The trends in inflation and devaluation as a result of the government’s policies from 1991 are presented in Table 4.2.

In response to the economic challenges, the government borrowed substantially from the financial market to finance public expenditure using treasury bills. The central bank, Bank of Ghana, also put on the financial market a number of high-return financial instruments to attract excess supply of money in the system in order to address inflation (Aryeetey, 1996). Inevitably, the rise in public borrowing through treasury bills induced banks, public parastatals and individuals to react in ways that contradicted the presumptions underlining the housing finance reforms. Rather than participate in mortgage loans, virtually all banks, including those selected to participate in the Urban II mortgage scheme known as “Originating and Servicing Institutions” (OSIs), invested in the treasury bills:

Treasury bills became an important instrument for saving by the private sector as the government and the monetary authorities attempted to mop up high levels of liquidity from the system using high rates on Treasury bills and other stocks. After the previously low share in the decade prior to 1989, their share shot up to an average of 18% of financial savings. Other government and Bank of Ghana stocks also became important.” (Aryeetey, 1996: 17)

Treasury bills had less risk yet paid higher returns than returns from mortgages and other conventional financial instruments as shown in Table 6.7. According to Bawumia (2007), the commercial banks developed an aversion to lending. In 1989, twice as much of the total assets of the commercial banks (24%) were invested in these treasury bills as were channeled into lending operations (12%). McKay and Sowa (2005) noted that, “*On the money market Government of Ghana Treasury bills offer the easiest opportunity to hedge against inflation.*” (McKay & Sowa, 2005: 8)

Table 6.7 – Financial sector indicators 1991 - 2000

Year	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Treasury Bill rate	18.0	25.4	32.0	29.5	40.5	42.8	42.5	26.8	31.5	38.0
Savings	15.5	13.5	18.3	18.1	26.3	27.0	27.3	16.5	13.0	18.0
Average lending-construction	26.2	26.1	33.5	33.25	43.25	44.25	45.25	38.75	37.5	47.0
OSI interest on mortgage loan*	22.0	14.1	29.0	28.9	63.5	50.6	31.9	25.1	27.7	33.6
Yield on Treasury Bill investment**	3.5	11.9	11.7	11.4	14.2	15.8	15.2	10.3	18.5	20.0

Source: Constructed from Annual Reports, Bank of Ghana 1994 – 2000, (Sarfoh, 2002);

* - Extrapolated from proposals to limit return on HFC mortgage funds of average of 4%

** - Extrapolated from difference in savings and Treasury Bill rate

Although construction finance yielded relatively higher returns, lending for this purpose was very limited due to perceived risks. The views of a senior bureaucrat interviewed for this thesis align with those of Ansah (1999) who was the Chief Executive of HFC from inception:

One of the reasons was that there were other (financial) instruments which were more lucrative on the market so they (the commercial banks) felt that this was a crazy deal. As a result, for a long time HFC did not have a lot of customers; people to take up the mortgages. That assumption and its outcome showed that there were other things that had not been considered in the decision (personal interview of Chief Technical Advisor, Ministry of Works and Housing, September 2006)

A few banks give construction finance to developers at the highest interest rates on the market, with the excuse that this is a very risky business despite HFC's undertaking to issue checks in the joint names of the developer and the bank extending the credit (Ansah, 1999: 3)

Whereas the proposed returns on mortgage loan origination and servicing activities was fixed at 1.5%, the earnings from investing in Treasury Bills changed with the fortunes of the economy. As shown in Table 6.9 above, from 1991 to 2000 the commercial banks stood to earn substantially more from investing depositors funds into government Treasury Bills than from mortgage activities, with yields rising from 3.5% in 1991 to 20% in 2000. Clearly, the proposed 1.5% return on investment in mortgage was an inadequate incentive from the commercial banks' perspective:

The other expectation which did not materialize again was that the assumption or observation was made that long term credit for mortgage purposes was not very available in Ghana at the time. Because [*sic*] if you remember in those days the longest dated instrument you could buy was about two years. Bank of Ghana didn't go beyond two years because the financial system was so volatile that no one was prepared to project beyond a certain length of time. So the assumption was made that if HFC will provide long time funding to the banks, then they the (commercial) banks, having the certainty of whatever (interest margin) quote HFC will be giving for its long term fund, would be happy and slap on a reasonable margin and provide housing finance to Ghanaians. *Unfortunately the margin was predetermined for them.* I think it was 2.5% margin of whatever the cost of money HFC was providing will be. It did not again happen in a sense that banks were not interested in doing business with HFC.

From what maybe I gathered I think that essentially it was case of the banks wanting to have a margin that was greater than the 2.5 that was prescribed. *A survey that we did we realized the margin the banks would have preferred ranged between 5% to as high as 12% from bank to bank over and above what we employed. Because indeed that was the kind of margin they were making on the profits that they were raising. So it was simply not attractive to them to accept HFC at that price.* There had been other similarly designed schemes such as the EDIF fund which effectively was of the same basis as the whole HFC scheme was structured. EDIF is a fund manager which as it were warehouses a certain percentage of government revenue from I think from custom revenue or whatever and in turn lend to banks. I think they lend at 2.5 and the banks have a margin of close to 7.5 and less than 12.5 maximum and that will work. With that knowledge I am inclined to believe that the margin issue was very key to the failure of the (HFC) scheme to attract a level of patronage from the banks resulting in HFC eventually having to operate as a quasi-primary lender and to be directly with the borrowers as against passing credit through other banks (personal interview of former Deputy Managing Director, HFC, emphasis added, parenthesis inserted for clarification; October 2006).

The presumptions underlying the World Bank's setting of the return on investment in mortgage lending and the contrary reaction of the local operators, reflect the uneven power relations and the complex dynamics at work in the design and implementation of the housing finance reforms. The resulting actions of HFC reflect a self-preservation response of local agents to the outcomes of the uneven power relations. In the face of the commercial bank's unwillingness to lend for construction, the "Diaspora" market, discussed in Section 6.8, became an alternative source of construction finance through the advance payments made by prospective clients for proposed developments. However, the resources from this source were inadequate for the needs of the private developers. The constrained access to funding risked substantial reduction in the construction of middle-income properties, targeted under the HFC mortgage loan scheme, thus threatened the viability of HFC. HFC was compelled to set up a construction finance scheme to lend directly to private developers in order to sustain the agency through continued downstream mortgage lending activities.

Management of HFC recognized very early in the life of the HFC project that a strict adherence to the intended structure would lead to failure.the concept of HFC being a secondary mortgage finance company providing long-term liquidity to commercial banks (primary market) was not feasible because the primary market was not developed and the commercial banks at the time did not consider the margin of 1.5% offered by the scheme attractive enough to commit resources to it (Akuffo: 2006: 10)

HFC's decision to lend directly to private developers ran against the World Bank's principled disapproval of applying its funds to finance housing construction, communicated during informal discussions with the HFC management (personal interview of former Deputy

Managing Director, HFC; October 2006). Yet, when HFC applied formally for approval from the World Bank for the purpose of lending directly to private developers, the World Bank did not object. It is arguable that the World Bank's acquiescence was a concession in favour of goal of greater priority. However, in spite of these changes, HFC's experience in construction finance was not entirely successful. Initially, private developers were able to borrow from HFC because of the relatively cheaper funds. However, the rise in inflation in subsequent years, as shown in Table 4.2 coupled with the indexation of HFC loans to inflation made borrowing from HFC increasingly expensive. Inevitably, lending for construction finance by HFC also waned.

There was further departure from the presumptions of the housing finance reforms at the demand side of the mortgage activities. As the commercial banks declined to participate in the mortgage origination, some insurance companies were approached to take over that activity. Potentially, the origination of mortgage loans was a lucrative business for the insurance companies as it also gave them access to sell prospective borrowers property insurance mandatorily linked to the HFC mortgage loan. However, only three insurance organizations¹⁸⁴ accepted to participate in the mortgage origination business but they were constrained by their low capacity in credit appraisal and loan administration to be effective as primary mortgage agencies. Again to maintain their operational viability, HFC's management decided to undertake mortgage loan origination directly to borrowers. Similar to the construction finance experience, HFC got approval from the World Bank in spite of the disquiet verbally communicated by the World Bank (personal interview of former Deputy Managing Director, HFC; October 2006). By 2001, HFC was the highest originator of mortgage loans, directly providing 47% of mortgage loans whereas 30% had been originated

¹⁸⁴ State Insurance Corporation (SIC), Ghana Union Assurance and Vanguard Insurance Company.

by State Insurance Corporation (SIC), and 14% by the Social Security Bank¹⁸⁵. The rest of the loans (9%) were originated by other commercial banks initially designated as OSIs, as well as, other insurance companies (Sarfoh, 2002).

The same conditions that obstructed the commercial banks from participating in the designed housing finance reforms also threatened SSNIT as the main investor in the bonds floated to finance HFC. The real rate of return of 1% was too low compared to the returns from other instruments such as government Treasury bills, and SSNIT risked very poor performance on this investment in HFC. As a result, HFC was faced with the double jeopardy of loss of business at the mortgage loan level and loss of capital through disinvestment by SSNIT. HFC had to devise actions to forestall this potential calamity. As inflation exceeded 35%, the management of HFC agreed with SSNIT, to a “cap and floor” arrangement to ensure that its funds were not too expensive for borrowers and at the same time that the return on investment by SSNIT remained viable. By this arrangement, a cap was placed on the interest on bonds and loans during peak inflation periods, and a floor interest rate was set as inflation fell to allow for the recovery of earnings lost during the peak inflation periods. This arrangement was set in motion beginning in late 1995 when inflation exceeded 60% and the cap was set at 38% (HFC, 2001). As a result, during the periods from 1997 to 1999 when inflation rates declined (refer to Table 4.2), HFC was obliged to retain relatively higher interest rates on its mortgage loans in order to recover and repay the deferred earnings on bonds. Although these actions were deemed to be prudent business practices, they nonetheless had other unintended consequences.

When financial products from commercial banks were experiencing declining interest rates as a result of reduction in inflation, HFC persistently had high interest rates. This created the perception of HFC’s loans being inordinately expensive. In this regard, it was

¹⁸⁵ The Social Security Bank was the only commercial bank, initially selected to participate in the secondary mortgage scheme that continued to do so after inflation started spiking from 1994.

inevitable that the reputation of HFC was significantly undermined. The introduction of the novel approaches of dual indexed mortgages (DIM) and the graduated payment method (GPM) that has been discussed in Section 6.4.1 in this Chapter, further exacerbated HFC's reputation problem. The indexation to inflation affected the outstanding balances on the principal of the loans, increasing the length of the repayment period. Partly as a result of the perception fuelled by the statements of government officials and partly because of the misunderstanding of how the new mortgage system worked, borrowers had difficulties in fully appreciating the design of the new mortgage system:

There's another culture issue that is even more serious and has to do with buying on commercial terms to own a house. You realize that Ghanaians have not been used to that. We came face to face with that difficulty when on one occasion I was confronted at one of these companies' plant at Takoradi where the employees who took the loans were lamenting the rate of interest and wanted us to come and explain to them why the rate was like that. Even before I would settle and begin, somebody just raised his hand and asked 'Sir don't come and convince us, all that we want to know is that is your scheme the same as the State Housing one or not?' You know they have been used to buying a house with a loan at fixed interest rate, fixed unreasonably low such that after a couple of years the monthly instalments become peanuts and they literally take the house for nothing (personal interview of former Deputy Managing Director of HFC, October 2006)

The lack of comprehension of the differences between the new mortgage system and the former systems for mortgage loans affected even the middle class targeted by HFC's operations. Although HFC makes an oblique reference to the misconception of the of the inflation indexation, the point is made explicit in an interview of the former Director of the Housing Ministry through the narration of a personal experience as exemplary of the difficulties borrowers faced participating in HFC's mortgage scheme:

Due to issues of risk and affordability, the introduction of indexed mortgages has experienced problems of acceptability by both existing and potential mortgagers. (HFC: 1999)

If only government had mobilized the seed capital locally right from the beginning those people accessing the loan from HFC would not have paid very expensive mortgages for it. For example I took a mortgage in 1992 from HFC. I bought one of the small houses that was being built at that time. The full cost for the building was Eighteen million Cedis (¢18,000,000¹⁸⁶). I paid Eight million (¢8,000,000¹⁸⁷) as down payment and I took a loan of Ten million (¢10,000,000¹⁸⁸). Now I ended up paying fifty million (¢50,000,000¹⁸⁹) for the ten million loan that I took. At a point I had twenty

¹⁸⁶ Equivalent to approximately US\$ 39,500.

¹⁸⁷ Representing 45% and equivalent to approximately US\$ 17,500.

¹⁸⁸ Representing 55% and equivalent to approximately US\$ 22,000.

¹⁸⁹ Representing an increase of 500% of the original outstanding debt.

million left as my balance to pay but this balance again grew by almost ten million because of the interest rate. My total debt with HFC amounted to about Fifty-Eight million. So at a certain point I decided to look for a loan from somewhere else to just pay off my debt which was becoming unbearable. So I found a loan somewhere from the private sector to pay it up (personal interview of former Director of Housing, Ministry of Works and Housing; September 2006)

There was the indexed-linked mortgage thing. People (who were) served said they were not good enough and a lot of people were always criticizing but I don't think it really stopped people from going for it. Because I know there were many cases where they really needed the housing. People (however) complained that you never finish paying but all the same they took them (personal interview of Chief Technical Advisor, Ministry of Works and Housing; September 2006)

Inevitably, this misconception fuelled animosity towards HFC from existing and prospective clients, feeling cheated by HFC and culminating in abortive attempts, to secure legal redress:

There was an attempt at mobilizing our customers in order to institute some court proceedings against us. It began with the formation of an association of HFC borrowers by some of the customers. You may not have heard of it as it was not a formally registered organization. They had the first meeting at Sakumono at the new estates. We got wind of this meeting and also the proceedings of the meeting. It was clear these people were disgruntled and would cause us some problems. And so at the second meeting we also turned up to attend so that we could explain any misunderstanding of our products. When we got there it was total pandemonium. The convener of the meeting did not want us in the meeting and ordered us out on the grounds that it was for customers only. We defended our right to participate on the grounds that all of us from the management who were there were also customers of HFC and so had every right to be there. Some people did not take kindly to our presence and left. But more people stayed anyway. We eventually got the opportunity to address them and you know at the end one of their members just got up and left the meeting without complaints about our operations. They could see we were not out to cheat them. That's how we managed to survive (personal interview of Deputy Managing Director of HFC; October 2006)

Besides the effect of the economic downturn, the government also had a direct hand in fuelling the misconceptions that undermined HFC's reputation:

A lot of wrong publicity was made by politicians when they mounted platforms as though HFC has come to solve A-Z housing troubles in Ghana. HFC [sic] focus was on the middle income group, those in regular earning employment, a regular income that could be assessed and against which a loan could be expected. There were no interventions for those below the middle income (personal interview of Deputy Managing Director of HFC; October 2006)

This confirms Tipple et al (1998: 404) position that "*Policy-makers, on the other hand, have often advertised HFC as the long-awaited solution to the problems of low-income housing finance*". Arguably underlying the fuelling of the misconception by the government was a cynical view characterised as a lack of good faith towards HFC:

The company did not have the "good faith" of the Government behind it directly or indirectly. In fact the Government sold its entire equity holdings on the Ghana Stock Exchange in 1998. Also HFC did not receive any regulatory concessions from the Central Bank." (Akuffo 2006:11)

"We were shocked to hear that the government's shares were being offloaded without being given a prior hint. I can only guess that some people in the government were not too keen about our activities" (personal interview of Deputy Managing Director of HFC; October 2006)

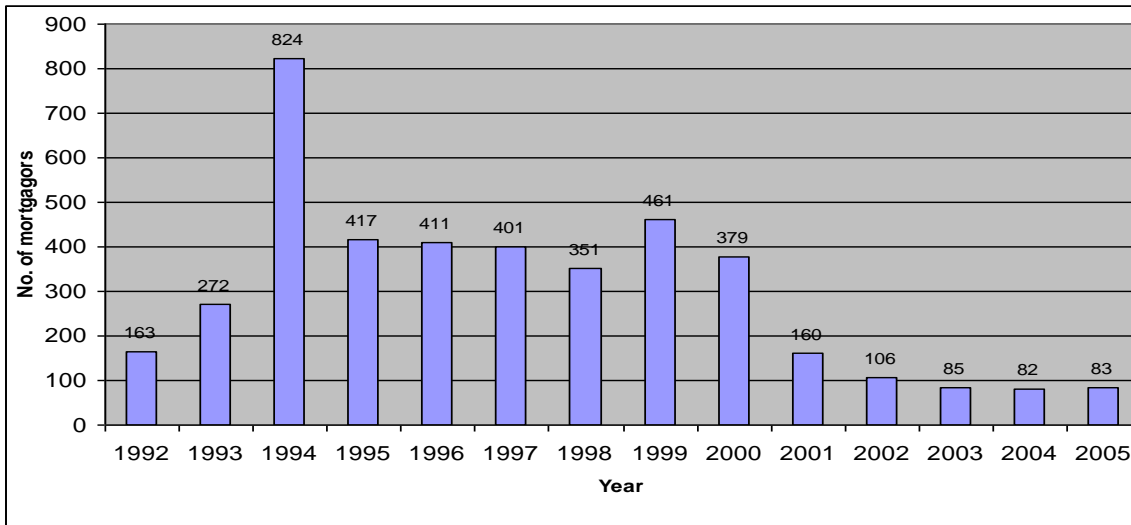
Although it is difficult to establish why the government would be accused of losing faith in HFC, it is arguable that HFC and the issues compelling the reforms had lost the urgency it earlier carried. In the light of the other developments in the housing sector after the inception of the housing reforms, such as the emergence of SSNIT and the private sector discussed in previous sections of this chapter, the conditions necessitating the reforms from the government's perspective had changed and therefore lost the priority accorded it. In the context of the power relations constructed through the implementation of the enabling principles in housing reforms, the divergence in motivations between the international agencies such as the World Bank and the UN on the one hand, and the government on the other, manifested in the expected and actual experience of the commitment to the reforms. Clearly, the priorities differed between the government and the international agencies.

Given all of the foregoing, it is not surprising that HFC's performance in mortgage has not been impressive providing only 4,195 mortgages from 1992 to 2005 and characterized by sharp decline in client numbers as shown in Figure 6.1 below. HFC's performance rose steadily in the first three years, peaking at 824 new clients, after which the demand stabilized over the next six years, averaging a little over 400 new clients annually. In the subsequent five-year period, HFC's activities declined considerably fuelled by public pessimism, high cost and alternate mechanisms for accessing housing.

Inevitably, HFC's management took a radical yet rational decision in order to remain viable.

In November 2003, HFC obtained a banking license to operate as a universal bank, undertaking other banking activities such as commercial and investment banking in addition to the mortgage business. These other banking businesses are growing significantly in the business portfolio of HFC. Two years after its inception, commercial lending and investment banking grew by 400% and 50% respectively, whereas mortgage activities did not change.

Figure 6.1: Number of mortgages from HFC between 1992 and 2005

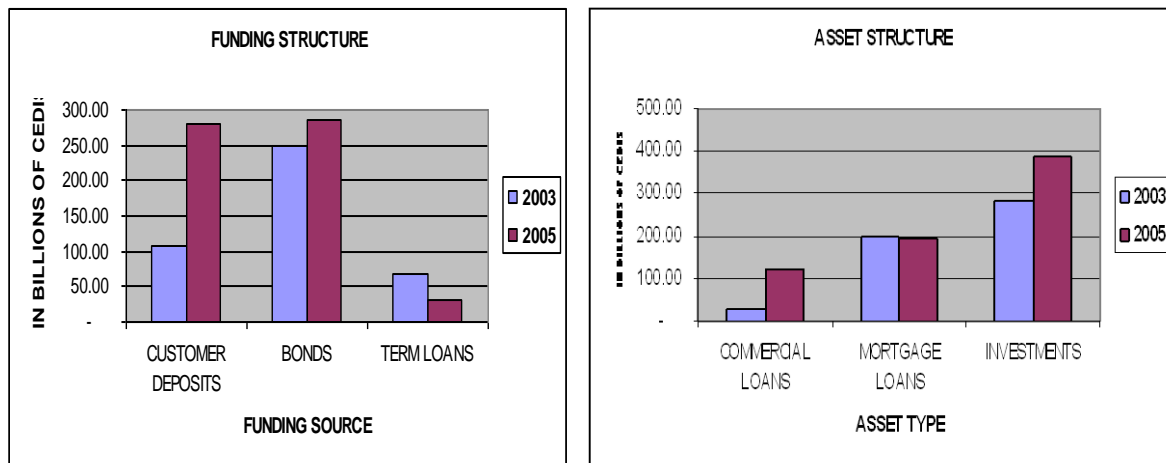


Source: Abstracted from HFC Annual Reports (1996-2002), Akuffo (2006) and Mahama and Adarkwa (2006)

At inception, mortgage activities exceeded commercial lending activities in a 6:1 ratio but this changed by 2005 to a ratio of 5:3. Again, in respect of contribution to HFC's funds, whereas mortgage activities contributed the equivalent of \$33.3 million compared to \$13.3 million by commercial lending activities in 2003, this gap reduced substantially in two years with both types of activities contributed \$ 36.7 million respectively, reflecting a tremendous growth in the deposits by clients. This growth in deposits enabled HFC to grow significantly in investment banking, significantly outstripping mortgage activities from the onset, with the gap widening further in two years which are shown in Figure 6.2 (a) and (b) below. The customers who made up the base that substantially increased the funds of HFC were fairly balanced between individual depositors and corporate organisations. This trend in funding and asset growth demonstrated above thus reflected the declining interest in mortgage activities and the preference for assessing more favourable investment instruments including government Treasury bills. Thus, similar to the experience of the pre-reform era of the 1970s and late 1980s, the structure of the macro-economy created conditions destabilised mortgage activities in spite of the role of international agencies such as the World Bank and the resources including finances and "expert" advice. That the design of the housing finance

reforms was led by the World Bank and yet its implementation was reshaped by forces outside the control of the World Bank is demonstrative of the dynamics within the uneven power relations.

Figure 6.2(a) HFC Funding Structure and (b) Asset Structure



Source: Adopted from Akuffo (2006:16)

In spite of the contrary outcomes as narrated above, the World Bank expressed satisfaction with the housing finance reforms in its Implementation Completion Report (World Bank 2001). The structural constraints to the housing finance reforms were partly underestimated by the World Bank and partly instigated by government's actions and reactions. Furthermore, the changes to the designed interventions were occasioned by the ingenuity of the management of HFC in their pursuit of organisational survival. Clearly, the technocratic motivations for the reform were not embedded in primary concerns of the government. The housing finance reforms were invariably driven by individuals whose own livelihoods depended on its sustainability:

By 1998, when the Urban II project officially closed, HFC was confronted with declining mortgage applications (because of the precarious financial situation of the country). The management resorted to various strategies to remain in business and this led to the eventual expansion of the business from a dedicated mortgage business only to universal banking as they are presently. They still have a lot of houses on their portfolio but as you can see they are doing other banking business as well. Selection of such innovative practices was the only way the management was able to continue the mortgage business as they would have otherwise collapsed and it is to the credit of Stephanie, Derkyi and Asare Akuffo [the management] that this did not happen (personal interview of former Director, TSC; September 2006; explanatory comments inserted in parenthesis)

The change of the underlying principles of the housing finance reforms during implementation was a response to the reality of government's changing priorities. Thus, in the housing finance reforms pre-existing structural constraints to the enabling principles persisted and remained the true drivers of reforms. The World Bank support for the housing finance reforms ended in 1999 and with it ended the formal engagement of the World Bank in the housing policy reforms as it expanded its interactions in the local governance sector.

6.12. Diverting the World Bank from Housing Reforms to Local Governance

Prior to the inception of Urban II, the intention was expressed to use Urban II as a precursor to a comprehensive housing sector reform initiative in a follow-up programme referred to as the Urban III project (World Bank Urban II Staff Appraisal Report, 1990):

“The housing objectives under Urban II are quite limited. The strategic objective is to begin to lay the foundation for a more comprehensive approach in Urban III which would be a fully fledged housing project. However in keeping with the complex nature of the housing problem, the foundation would be properly laid. An integrated approach will be taken in the related areas of parastatal reform, land administration reform, urban upgrading and housing consolidation, housing finance, private sector development and regulatory reform” (World Bank Urban II Staff Appraisal Report, 1990:11)

Urban III was expected to be the conclusive change from the previous public sector-led and patronage-ridden isolated sector to a private-sector led and market-determining integrated sector functioning on the ethos of neo-liberalism. However, by the time of the design of the Urban III project, these considerations had been subsumed under the weight of new priorities generated by political legitimacy imperatives. In particular, by 1992 the priority of the state was on decentralisation and democratic elections because this focus guaranteed further donor aid in the structural adjustment process. As has been discussed in Section 6.2.2, the government found decentralisation to be a critical instrument through which it was able to cultivate a new support coalition and secure political legitimacy even as it transformed itself from an autocratic military entity to a democratically elected political party. The apparatus of decentralisation including the implementing agents and advocates therefore commanded high regard from the top echelons of the government. The rise in the government priority accorded

to local governance also underlined its success to garner public resources in the context of the inter-sectoral competition with the housing sector agents and advocates. Eventually, when Urban III was initiated in 1994 its focus on local governance was reflected in its title, the Local Government Development Project (LGDP). Urban III was designed to expand urban infrastructure and also address critical institutional gaps of the decentralization programme that had been identified in a preceding urban sector study:

The proposed project, the third urban operation, reflects GOG's **strong interest** in two objectives: (a) to extend urban infrastructure investment and institutional development to the next “tier” of the urban hierarchy and (b) to build institutional capacity at the central and local levels to support its new decentralization program (Local Government Development Project, Staff Appraisal Report, 1993:9; emphasis added)

The indication of the government’s “strong interest” is instructive in the context of the competition for World Bank resources between local government interests and housing sector interests. As noted earlier in Section 6.4.2, this competition between the housing and local government interests led to the duplication of the upgrading activities under the Urban II project or the two sectors. Furthermore, following the inception of Urban II, the Housing Ministry had been bedevilled by frequent changes in the political and administrative leadership whereas conversely, the Local Government Ministry experienced a stable political and bureaucratic leadership during this period as has been shown in Table 6.5 (b). This relative stability gave an opportunity for Local Government agents to deliver a consistent message in the encounters with the World Bank which was not the case for the Housing Ministry. This was instrumental in drawing the World Bank to local government activities. In as much as the influence of the Secretary (or Sector Minister), Kwamena Ahwoi appears to be catalytic, it begs the question of how such personal influence accrued to the extent of derailing the World Bank’s articulated intent to expand the Housing Sector Reforms. In order to understand the power wielded by Ahwoi as Secretary, cognisance has to be taken of his role in the antecedent “revolutionary” PNDC regime (1981 to 1992), as well as that of his brother, Ato Ahwoi. During that era, Kwamena Ahwoi was the Coordinator for

Investigations, Revenue and Tribunals¹⁹⁰, a position that made him one of the leading prosecutors of people and organisations perceived as “saboteurs” of the revolution because of (purported) tax evasion. In the early days of the revolution, this was extremely crucial as the PNDC military government needed funds urgently in the face of the accumulated economic crises of the 1970s and early 1980s discussed in Section 4.5.3 in Chapter 4. Kwamena Ahwoi’s image as an influential person within the government was bolstered by his role as one of the key thinkers providing intellectual validation of the non-democratic regime, having been drawn into the government from the Law School of the University of Ghana. Lastly, his political influence was consolidated by the role of his brother, Ato Ahwoi, who was the PNDC Secretary in charge of the National Revenue Secretariat. Their positions evolved from their respective roles in the former National Investigation Committee (NIC), and the Citizens Vetting Committee (CVC), instruments of “revolutionary justice” set up to examine corruption and tax evasion cases respectively (Gocking, 2005: 190; Agyeman-Duah, 1987: 625 – 628). Commentators note,

Energetic tax collection provided the key element of continuity between the three phases of Jerry Rawlings' rule, from the AFRC to the "radical phase" in 1982-83 to the phase of macroeconomic reform. Under Ato Ahwoi, one of the "revolutionaries" in the regime, the enthusiasm of the former Central Revenue Department (now the National Revenue Secretariat) was almost legendary, and it came to be feared for its tax raids. (Hutchful 1995: 309)

These citizens’ committees, reflecting the ideological radicalism of the early Rawlings years, identified citizens of conspicuous wealth who were suspected of tax evasion. Where that wealth could not be accounted for and/or taxes had not been paid, the CVCs enforced tax compliance in a somewhat *ad hoc* and extra-legal manner, collecting not only annual taxes, but also substantial tax arrears, which accounted for the dramatic surge in revenue from 1983–85. While many elites resent the events of this period, and the methods employed to pursue these revenues, there is no question about the short-term effectiveness of the strategy. (Prichard, 2009: 12)

This underlines the views of a former colleague Minister, as well as a senior bureaucrat who discussed the power of the Secretary and the Chief Director of MLGRD thus;

“Now the government did not have the funds (for housing) and when they went to where funds could be obtained they had different views on (how) the housing sector should be handled..... I don’t know how much money UNDP put in this, but they all remained documents with recommendations for implementation and the (World) Bank decided this is the way they will go about it. In our (MWH) case

¹⁹⁰ Agyeman-Duah (1987: 627) refers to the position as the Coordinator of Vetting, Investigations and Tribunal (COVIT)

it was even a more fundamental thing. Appiah Korang stayed there for only one year (as Minister) and also Brooke (as Deputy). I remember the one who took over from him was Dr. Boadu. (He) was in (the Ministry of) Health before he came. Boadu had handled the health sector and at some point he was handling a lot of donor (funds and projects) and they were all up against him So when Boadu came back to Works and Housing he decided that as for World Bank project he didn't want to touch them. So eventually I think Kwamena (Secretary for Local Government) managed to move most of the projects to local government. So he managed to move most of the emphasis to local government. So in fact the urban projects which were silent (not prominent) under TSC and under Works and Housing actually moved practically to local government. If Kwamena (Secretary of Local Government) wasn't such a strong minister it (the World Bank support) would probably not have gone to local government at all (from the Ministry of Works and Housing) (personal interview of former Deputy Minister for Works and Housing; explanatory comments inserted in parenthesis; August 2006)

Yes, he was such a powerful man; he was the Chief Director of Local Government. What happened was that most of the Chief Directors that I've come across; Roads and Highways, Works and Housing, Transport and Communication, at that time and even at Finance, this was one powerful person who understood project very well and coordinated everything singlehandedly. So he had a way of steering the project and he also had a very powerful secretary, Kwamena Ahwoi. Kwamena Ahwoi also understood the project very well and gave him all the support. So between (the Chief Director) and his minister, because he was able to direct affairs, he could say they want this, they want that. It was very difficult to change Zanu's desire or demand but Zanu was powerful, he understood the project well and coordinates it very well (personal interview of Project Advisor, Urban Project Support Unit; September 2006)

Urban III (1994 to 2003) and successor urban programmes sponsored by the World Bank can be described as a capitulation to local government interests in their capture of the World Bank resources. Under Urban III the government aimed to “*replicate the lessons (of ADRP and Urban II) for the development of 11 District headquarters that were next in the order of size and economic importance*¹⁹¹”. The designed interventions addressed infrastructure rehabilitation, improvement of environmental sanitation systems, property revaluation, revenue mobilization and institutional strengthening. The infrastructure projects included the rehabilitation of old and construction of new solid and liquid waste disposal sites, public toilets and domestic toilets¹⁹², access roads and car parks, the rehabilitation of sheds and markets.

At the start of Urban III in 1994, the Local Government Ministry did not have the requisite project management capacity, in spite of the commitment made under the Urban II discussed in Section 6.4.2. As a result, the Technical Services Centre (TSC) under the

¹⁹¹ LGDP - Implementation Completion Report (IDA – 25680). Accra and the other four primary cities were omitted from this project.

¹⁹² Households were required to make down payments as contributions to the construction of domestic toilets.

Housing Ministry was mandated to assist the Local Government Ministry to manage the Urban III projects, even though TSC worked under the Housing Ministry. The World Bank maintained the enhanced conditions of service for the TSC staff instituted in the first urban intervention discussed in Section 6.2.1. Eventually, the Local Government Project Support Unit (LGPSU) was set up in 1996 for the purpose. Three of the core of the professional staff of TSC of seven, voluntarily joined the LGPSU after the transfer of the project management responsibilities. The new head of LGPSU was an engineer recruited from the World Bank office and had been part of the team working on the Ghana projects. Thereafter, the salary enhancements for TSC staff ceased and its influence declined considerably (personal interview of Director of Housing, MWH). On the other hand, the LGPSU staff enjoyed conditions of service far above the civil service and supplemented by the World Bank. Clearly the resources of the World Bank determined the survival of these institutions.

After the inception of Urban III in 1994, the government and the World Bank jointly undertook a comprehensive urban sector review. The Urban Sector Strategy Review (1994) agreed that the waste management and sanitation situation in the country required urgent attention. As a result of the Urban Sector Strategy review, the Urban Environmental Sanitation Project (UESP) was formulated, which was implemented in two phases starting from 1996 with support from the World Bank and other donors and focused once again on the five primary cities. The UESP addressed drainage improvement, domestic and public sanitation for low and middle income households, solid waste management, upgrading of community infrastructure and lastly strengthening key institutions at the local and sectoral level. The second phase of UESP is still ongoing in various cities and the World Bank has not returned to housing in a direct way as it did under the Housing Sector Reforms of Urban II.

6.13. Conclusion

Similar to the experience in the pre-reform era of the 1970s and late 1980s discussed in Section 5.3.3, the conditions within the economy coupled with the competing interests between different sectors and overlaid by the uneven power relations between the multiple parties to the reforms were critical to the trajectory of the reforms. Yet, it is evident that individual agents such as the management of HFC, the colonel in State Housing, the Tenants of the Tema Development Corporation, and long-serving Local Government Minister during the reforms proved significantly instrumental in this trajectory. The tensions between the strategic calculations of individual agents and the structural constraints of the state's residualised priority accorded to housing point to the duality of both structure and agency as compelling conditions for the trajectory of the Housing Sector Reforms.

From the foregoing, it is obvious that within the ambit of the structural adjustment reforms, housing, planning and urban development became a policy site attracting local and international interests and agencies. However, the motives, rationale and actions of the various actors and interests at this site did not always converge, sometimes running in parallel and at other times contradicting each other. The actors converging at this policy site had different socio-political backgrounds, conceptions, ideologies and praxis and brought such divergent contexts into the discourse on the Housing Sector Reforms. As has been discussed the actors such as the government and the World Bank were themselves undergoing significant political transformation that determined their respective priorities, which were then brought to bear on their actions in the housing reforms. Besides the political dynamics at the executive level, inter-sectoral competition between the Housing Ministry and the Local Government Ministry further complicated the issues. This complex policy milieu is far different from the perspective of uncontested acceptance of the enabling principles in the

implementation of the housing sector reforms as presented distinctly by the World Bank and the UN.

Decision making is determined by a set of complex variables such as: the personal disposition of political office holders to particular ideas, the coherence between the political office holders and their bureaucrats, the conjunction between the objectives of a particular sectoral interest and the broader goals of the state, and the motive and relative power of interest groups in framing policy actions. Additionally, the extent of bureaucratic competition, clarity of institutional powers in overlapping sectors with dual controls, and the relative latitude of political appointees within the governing structures, all contribute significantly to decision-making outcomes. The interactions of these variables create multiple loci of power with the potential to produce different outcomes. Concurrently, whereas the normative ideological and methodological principles framing the actions of global actors such as the UN and the World Bank are important factors in shaping reforms, they are not sufficient to assure the achievement of pre-designed goals as has become evident from Ghana's experience. It is clear from the foregoing that the existence and ease of access to the technical and financial resources of these multilateral institutions shape the relative priority accorded by local actors. The juxtaposition and inter-penetration of the local and global interests produces even more complex decision making arrangements that further distort the predictability of outcomes. It is in such a complex field of actors, interests, actions and resources that the enabling framework was conceived and implemented. It is important therefore to appreciate this nuanced field of interests that forge the paths of state power. In this respect, the evidence of the parallel implementation of facets of the enabling principles materialising in the housing finance reforms as well as the operational reforms of TDC and the evidence of reversionism characterised by SSNIT's engagement in direct development attests to the heterogeneity of the state.

In the following chapter, I will discuss how public housing has come full circle with the Affordable Housing Program initiated in 2005, and raise issues with how differential power was articulated in the implementation of housing reforms in Ghana and how that influenced the present state of housing policy.

Chapter 7 – Repeating Patterns in the Post- Reform Period

7.1 Introduction

The narration in Chapter 6 has drawn out the material conditions and the strategic actions through which the housing sector reforms were designed and implemented. It has been observed that the reforms as implemented in Ghana were complicated by the structural framework and context of decision making within the housing sector as well as the overall macro-economic framework. At the same time the direct influence of the agency of strategic individuals and interest-group competitions were evident. The structural relations between the housing sector and the macro-economic framework were very critical in shaping the choices of the various actors in housing and other competing sectors. The same conditions affected the nature of the decision making of the commercial banks and the private developers. In addition, the dialectical relationship between the actions of local actors and the material conditions regulating the terms of engagement of important actors such as the World Bank and UN portrayed a complex milieu in which policies were shaped and implemented. As has been discussed in Chapter 4, the housing reforms officially concluded in 2000 when the World Bank assistance for the Urban II ended¹⁹³.

This chapter presents the post-reform housing policy activities culminating in the Affordable Housing Programme. In this chapter I pay attention to the material conditions affecting decision making in housing and the broader macro-economic framework as well as the strategic actions of the key actors. As has been noted in Chapter 4, the end of the implementation of the housing sector reforms coincided with the change in government in 2000. At that time, Ghana underwent a significant political change as a national election in December saw the removal of the National Democratic Congress (NDC) administration - which had ruled in different guises, first as a military and later as civilian regime, since

¹⁹³ The focus of Urban III was exclusively on local governance omitting housing interventions.

December 1981 – and the installation of the New Patriotic Party (NPP) administration. The NPP government, in principle, was ideologically a centre-right party favouring markets and the private sector, a position that was reiterated at the inauguration of the new President when he announced that the advent of his administration heralded “a golden age for business”.¹⁹⁴ This begs the question of how a market-oriented administration would resort to anti-market public housing strategy to contradict its espoused philosophy.¹⁹⁵ This chapter deals with this question by reviewing both the context and the actions of key policy actors. It is observed that earlier attempts by the previous NDC government from 1997 to induce the public pension funds, the SSNIT, back into housing development continued under the new administration from 2001 at a time when the SSNIT was curtailing its investment in the housing sector. This action by the new government, which appeared to contradict its advocacy of a market philosophy, mirrored the reform era experience of various government actions contradicting the enabling principles. Such contradictions derived from the enduring disposition of the political class to the notion of the government’s frontline role in housing development and occurred despite professed philosophical preference for the private sector and market-led housing solutions. This deeper lying class disposition preferring a frontline role for government in direct housing development is evident in the housing discourse prevailing at the time. The chapter proceeds to outline and discuss the discourse utilised to validate the NPP government’s contradictory stance. Referencing several public pronouncements, I find that the government made a case for state intervention by alluding to specific numbers of housing units to be developed thus framing the “housing problem” and policy agenda as one of inadequate numbers. Interwoven in this discourse of numbers, I find rhetorical moves in the identification of causes for such inadequate numbers: principally the

¹⁹⁴ President John. A. Kuffour, Inaugural speech on 7th January 2001.

¹⁹⁵ This claim has been opposed by some, with Killick and Abugre (2002:5) citing an unnamed NGO official whose reaction to this claim by the NPP as being pro-markets and pro-private sector was that this was only “a bias not a dogma”.

lack of finance to develop the requisite number of houses and the house pricing by landlords and private developers. In this respect, I also observe the use of public announcement of secured funds for housing to create the perception of government engagement in finding solutions to the housing problem, conceptualised as one of inadequate numbers. Additionally, it is observed that the post-reform discourse of housing is littered with the rhetoric of “blaming others” for the persistence of the housing problem, particularly landlords and private developers. In elevating these issues to the fore, it is clear that the rhetorical moves in discourse –focusing on inadequate numbers, promising funds for housing, blaming landlords and private developers – aim to persuade the society of the government’s engagement and responsiveness to the housing challenges of society and to neutralise criticisms.

The chapter establishes that in spite of the solicitations by the NPP government to induce the public pension funds, SSNIT, into direct housing development, the initiative collapsed as a result of the political calculations of a Malaysian investor, Metro Ikram Sdn. Bhd, who was invited into a housing joint venture project headed by the SSNIT. It emerges that the sense of insecurity felt by Metro Ikram Sdn. Bhd could not be assuaged by the acquisition of a political risk guarantee from the World Bank, consequently leading to the withdrawal of the investor from the joint venture arrangements. It is observed that the Metro Ikram Sdn. Bhd subsequently, albeit paradoxically, undertook a housing project without any partnership with state institutions. It is thus rationalised that the action of the investor in withdrawing from the housing joint venture project in spite of the availability of a political risk guarantee reflects the decision calculus that translated the investor’s perception of the hierarchies of power into subsequent action of withdrawing from the joint venture. It is also deduced that the subsequent sole investment by Metro Ikram Sdn. Bhd in the development of a housing project was a response to the positive investment climate in the country which had also drawn other international investors into upscale housing, as shown in field survey

findings presented in Table 6.3. Thus the economic context of the country at this time was critical in influencing the actions of the investor, further consolidating the evidence of a dialectical relationship between structure and agency.

Having briefly discussed the design of the Affordable Housing Programme in Section 1.2 of Chapter 1, this chapter goes further to elaborate on the precedent activities that led to this programme and the implementation activities that followed. In doing so it is observed that a significant amount of personal power and leverage accrued to the Housing Minister, which he used to forge the Affordable Housing Programme, especially from 2005 onwards. The power of the Housing Minister is found to have derived from the earlier extension of his personal fortune to finance the ruling party during their earlier decade in opposition. With such clout, the Housing Minister was able to subsequently extract resources from the state to initiate the Affordable Housing Programme. Furthermore, he secured approval for procurement activities, in the recruitment of consultant and contractors and the bulk purchase of critical materials, such as cement and sand, that created the potential for extracting personal gain, although direct evidence for such gains were not available. Notwithstanding the absence of evidence of corruption, the subsequent use of the Affordable Housing Programme as the cornerstone of the Housing Minister's campaign for presidential candidature of the ruling party is examined to explore the use of state policy actions to pursue personal political goals in the post-reform era. The chapter also notes how the design and implementation of the Affordable Housing Programme evolved in the context of worsening personal relations between the Minister and the bureaucratic class of the Housing Ministry. This worsening relationship helped to neutralise the prospects for opposition to the Affordable Housing Programme and its underlying principle of state re-engagement in direct housing development by the bureaucrats given their training in the enabling principles. The chapter concludes that the post-reform era in general and the Affordable Housing Programme

in particular displayed the dialectical relationship between structure and agency ; a dialectic that reflects the dynamism of the power relations in housing policy making in Ghana and makes a compelling case for accommodating that perspective in interpreting policies and researching housing in developing countries.

7.2 Contextual Changes in the Politico-Economic Framework at the End Stage of Housing Reforms

The long stay in office of the military government of the Provisional National Defence Council (PNDC) and its successor political party National Democratic Congress came to an end in December 2000 when a new party, the New Patriotic Party (NPP) was voted into office. The NPP traced its roots from the colonial era anti-Nkrumah forces made up of Ashanti cocoa farmers, the intelligentsia, the domestic business class and other elite groups which had continued after independence as the political opposition in the first administration (see Section 4.5.1). As has been shown in Section 4.5.2, it is this opposition coalition that benefitted most from the overthrow of the first post-independence government of Kwame Nkrumah and ultimately coming into power from 1969 to be terminated in 1972 by another military uprising. This coalition espoused market-liberal ideologies although their shortened reign was affected by such significant national debts that their market-liberal credentials barely materialised in their policies. After nearly thirty years out of power, this market-liberal coalition was inaugurated into office from January 7th 2001. However, whereas the previous stay in office of the liberal-market coalition occurred in the context of a pervasive socialist ideology following nine years of pseudo-Marxism in the first post-independence administration of Kwame Nkrumah (see Section 4.5.1), the coalition's new term from 2001 was situated in a more conducive political context. The NPP came into office at a time when neo-liberalism had taken root through the implementation of the structural adjustment reforms by the former Marxist-military-turned-democratic-capitalist regime of

1981 – 2000. In this context, the liberal-market ideology had an opportunity to manoeuvre in the political space. However, by 2000 the country was going through significant financial distress. As Table 4.2 shows, the country experienced worsening conditions with inflation growing from 21% in 1998, 23% in 1999 to 29% in 2000. At the same time, the value of the country's currency went into serious decline, falling by 33% in 1999 and a further 49% in 2000, as compared to the US dollar (US\$). The country's debts stood at US\$ 7.5 billion of which US\$ 5.8 billion represented debts owed to international organisations and foreign countries, with US\$1.7 billion owed to domestic creditors. Significantly, 43% of the domestic debts derived from obligations to holders of government Treasury bills (2001 Budget Statement and Economic Policy, Item 58 and 59). The new government characterised the state of the economy thus:

The crux of our economic difficulties is that our expenditures are more than our revenue with debt service being our single largest expenditure item. Personnel expenditures and debt service alone eat up about 75% of our revenue. Huge foreign and domestic debts stare us in the face. This means we have very limited financial wiggle room... As you are aware, Mr. Speaker, the situation we inherited was a fragile economy, which manifests itself in excessive domestic and external debt, high inflation, weak currency, excess liquidity in the system and high unemployment.Mr. Speaker, the new administration has inherited economic and financial crises of serious dimensions. The actual order of magnitude still eludes us. There is a critical lack of adequate and reliable data on the state of the national economy. Public finances are in chaos. Over the past two years, the NDC government failed systematically to meet performance benchmarks and policy requirements agreed upon as conditions for collaboration with our international development partners. In order for the NPP administration to put together a realistic action programme for attaining the national quest to re-establish macro-economic stability and re-establish credible and sustainable policy framework for co-operation and development, it is imperative that we be given room to operate. (2001 Budget Statement and Economic Policy, Items 6, 8 and 12)

Parallel to these economic developments, the initiatives conceptualised as the housing sector reforms supported by the World Bank under Urban II, and by the UN in the development of a comprehensive policy, had concluded with varying degrees of success as discussed in the previous chapter. Similarly, the initiative of the NDC government (1992 – 2000) in using resources of the public pension funds, SSNIT, was also drawing to an end as a result of the decision to terminate its loss making venture (see Section 6.7.2). Thus, the political transition at the end of 2000 was characterised by a significantly weakened economy, closure of World Bank programmes of reforms for the housing sector, failure to implement UN sponsored

housing policy, and withdrawal of public pension funds from housing development activities. This is the context of the administration of the New Patriotic Party's housing interventions.

7.3 The Enduring Discourse of Numbers and Public Initiatives

A typical approach by all governments, especially in developing countries, is to frame housing policy within a discourse of numbers or quantitative measures thereby generating an impetus for public sector intervention in housing provision. Historically, such actions derive from political motives to fuel perceptions of an effective and engaged government through the tangible symbolism of the housing projects, irrespective of their actual impact.

Public housing projects are politically useful as tangible proof that the government is doing something (Hardoy & Satterthwaite, 1989:37)

Impact and visibility are the yearning of all practitioners and politicians. To be seen to be effective politicians and professionals must produce tangible results. The word 'tangible' is here defined in the most literal sense, to mean something that can be seen and touched.....Numbers on the other hand are easily grasped even by the most thick-headed and impossible of the electorate." (Kamete, 2006: 992)

Kamete's (2006) comment above is instructive in pointing to the underlying political calculations and considerations for this fixation on quantitative measures in public housing policies. The tangibility of such housing policies and interventions is deemed to engender a positive image for the government. As discussed in Chapters 5 and 6, this rationale pertained in the Ghanaian government's housing policy during the pre-reform period. Indeed, the situation persisted during the reform period with the use of public pension funds, SSNIT, in housing production. It is significant that this quest for public housing persisted at a time (from mid-1990s) when SSNIT was disinvesting from public housing because of the poor returns on the investments. Furthermore, in spite of the reality, politicians were making pronouncements of new housing targets based on SSNIT's continued housing activities. For example, President Rawlings in his 1997 Sessional Address to Parliament promised the delivery of 15,000 units with SSNIT as the primary agent, a claim reiterated by the Minister for Works and Housing during a visit to a SSNIT financed land servicing scheme (Modern

Ghana News, September 18, 1997). The New Patriotic Party (NPP), then in opposition, was also engaged in the discourse of numbers and quantitative measures as they engaged the ruling NDC government in debates on the requisite numbers to solve the housing problem. In a follow-up debate on the 1999 Presidential Sessional Address to Parliament, the opposition party's ranking member on housing criticised the government thus:

Since 1997, the government's policy on Works and Housing, has been characterised by a total lack of definitive focus, substance and honesty. Indeed, the government of the NDC, headed by President Rawlings, has fed this honourable House, through the medium of the Sessional Address, nothing more than empty promises....Mr. Speaker, 1997 has come and gone, 1998 has come and gone. Where are the 15,000 housing units or part of them which were planned for Accra? If SSNIT with all the resources available to it has been able to deliver only 6,228 units over these years, then, the housing problem is quite enormous and it requires very drastic but pragmatic measures to address, not promises which are forgotten (Hon. Kwamena Bartels, NPP Ranking Member on Works and Housing; **"Government's housing policy lacks focus"** Daily Graphic 22nd January 1999)

In this discourse of quantitative solutions, minimal consideration was given to qualitative measures that could improve housing conditions of the society. Furthermore, the discourse on quantitative solutions focused exclusively on state activity in spite of the contributions of private sector initiatives. When the NPP administration took office in 2001 it also resorted to this preference for quantitative measures of state-led housing albeit at the rhetorical level until 2005, when the Affordable Housing Program was initiated. Prior to this initiative, government pronouncements at different fora promised impending state-led housing programmes with expected outputs ranging from 3,000 to 450,000 housing units¹⁹⁶. This quest saw the new government attempt to induce the public pension funds, SSNIT, to re-engage in public housing¹⁹⁷. The political considerations underlying the push to induce SSNIT into public housing crystallised in 2004 when the opposition party used the

¹⁹⁶ Minister for Works and Housing – 3,000 units – 16th August 2001 (GNA, 2001); Minister for Finance and Economic Planning - 20,000 and 90,000 units – 21st February 2002, (2002 Budget Statement and Economic Policy, page 37); Director of Policy Planning, Budgetary Monitoring and Evaluation of the Ministry of Works and Housing – 450,000 – 13th November 2003 (GNA, 2003); President Kufuor – 10,000 and 100,000 units – 3rd February 2005 (2005 State of the Nation Address); Minister for Finance and Economic Planning – 5,000 and 5,000 units – 24th February 2005 (2005 Budget Statement and Economic Policy, page 111).

¹⁹⁷ **"Gov't directs SNNIT to invest heavily in housing delivery"** Ghana Review International on 6th May 2004.

government's lack of actual results in housing as part of the election campaign and consequently kept up this critique of government¹⁹⁸.

Housing in the country is a big issue, especially in urban areas and even rural areas too, and is it not out of place that the President did not find it worthy to address¹⁹⁹.

Thus in the post-reform era the discourse of numbers and quantitative measures of state-led interventions was maintained and reinforced, notwithstanding the reality of the minimal actual interventions, and occasionally engendered rhetorical debates in the context of the partisan political arena.

7.4 Rhetorical Moves in Discourse - Finance, Landlords and Private Developers

In addition to the focus on the discourse of numbers, the public policy discourse on housing had another aspect to it – namely the identification of the causes for the housing problem. In this regard, two issues were identified as the main generative causes that justified the government's direct interventions in housing development through the Affordable Housing programme. These were the lack of finance for mortgage loans and the high cost of houses developed by the private sector. Hardoy and Satterthwaite (1989: 38) note that generally, governments' approach is to "*often reduce the problem of building and managing cities to one of lack of funds for projects. Money is seen as the universal solution – money to build more houses and infrastructure*". Mirroring Hardoy and Satterthwaite (1989), Ghana's Ambassador to Canada was the most explicit in labelling the lack of finance as the housing problem. In a meeting of property developers and prospective clients in Toronto during an investor drive he noted that "*housing is a social service which baffles all governments around the world. And in Ghana, housing Ghanaians has frustrated successive government since independence. **The problem lies with money.***" (H.E. Odoi Sykes, address to GREDA Housing Road Show, 26th July 2003; source www.ghanaweb.com Diaspora News of 10th

¹⁹⁸ The Palaver, 17 May 2005.

¹⁹⁹ John Mahama, NDC Opposition Spokesperson on Communication, 23rd January 2004.

August 2003; date sourced 15th April 2007). The solution was to look for funds to undertake the direct investment in public housing. This typical solution applied in the case of Ghana, exemplified by the address of the NPP's Minister of Works and Housing to the UN on the nature of the problem and the requisite solutions:

In the case of Ghana, our commitment to meeting our objectives of sustainable human settlements remains at the centre of our national planning objectives. We remain committed to the efforts that have been made of the past five years to improve access to housing and better living conditions in human settlements through direct investment and by facilitating and promoting partnerships with the private sector. **Since the houses built by the formal private estate developers are largely out of the reach of many Ghanaians, the Government is addressing the main contributory factors to the high cost of housing; namely, the high cost of land, building materials, lack of long-term construction finance and the multi-layered title to land.**

The country is also exploring various sources of long term concessionary funding to support low-income housing and service delivery and, so far, over US\$250 million has been obtained to deliver over 20,000 housing units within the next 3 years. We are working towards extending access to infrastructure and basic services, especially water, sanitation and electricity, by all of our citizens.

Our ability to monitor the implementation of the Habitat Agenda has also suffered from inadequate resources. My Ministry is, however, systemically building data on the key indicators identified under the indication Programme.²⁰⁰

The government's statement was vague as to how the funds would be appropriated, whether directly by the state or through the private sector. As shown in Table 7.1 below, the quest for finance appeared to be an ongoing pursuit of the government with numerous announcements of funds secured for housing although none of these proved fruitful. The continued attempts to secured finance for housing signalled the limited ability of the state to realise the rhetoric of delivering public housing. Yet, it also enabled the government to expand the rhetoric and fuel the perception in society of the government's continual engagement in devising solutions. This expanded rhetoric helped the government to deflect criticism whenever called upon to account for its poor performance in housing. It is important to note the site of majority of the pronouncements was parliament, where the government's critics (the main opposition NDC party) had equal access to the media. Thus the floor of parliament represented a site of conflict in the rhetoric of government actions in housing. Implicit in the

²⁰⁰ Speech at The Plenary Of The Twenty-Fifth Special Session Of The General Assembly, Review And Appraisal of the Implementation and Outcome of The United Nations Conference On Human Settlements (Habitat II) On June 8 2001, New York. Emphasis added.

governments' justification for public housing is the embedded discourse of blaming "others".

As noted at the start of this section, private developers and landlords, identified as a second reason for the housing problems of society, were used to validate the public housing aspirations by the government.

Table 7.1: Government policy rhetoric focused on finance for housing

Date	Speaker	Amount	Source of funds	Audience
09/03/2001	Minister, Finance	US\$100 million	Not indicated	Parliament – Budget
30/04/2001	Vice President	US\$100 million	Not indicated	GREDA, HFC
06/06/2001	Minister, Works and Housing	US\$130 million	EURO-AM Corp. Delaware, USA	Parliament
08/06/2001	Minister, Works and Housing	US\$250 million	Not indicated	UN General Assembly
09/07/2001	Minister, Works and Housing	US\$50 million	USA Bank	Public Exhibition
20/12/2001	Minister, Works and Housing	US\$41 million	Czech Developer	Parliament
10/01/2002	M.P. (NPP)	US\$126 million	No indication	Seminar
27/03/2003	Director, PPBMEU, MWH	US\$ 120 million	Czech Government	Press interview
27/03/2003	Minister, Finance	US\$ 41.35 million	Slovakia Construction Company	Parliament – Budget
05/02/2004	Minister, Finance	MoU for sourcing funds	USA, China, UK, Slovakia, Korea, Switzerland, Australia	Parliament – Budget
05/02/2004	Minister, Finance	US\$200 million	Capital Market	Parliament – Budget
14/05/2005	M. P. (NPP)	US\$ 12 million	Japanese Government	Constituency

Source: compiled from surveys of Daily Graphic, Ghanaian Times newspapers, Hansard of Parliament

The political rhetoric painted these agents as adversaries of the housing interests of the "people". In particular, landlords were viewed as extortionists, extracting inordinately high rents from tenants, a situation that could only be corrected through the use of rent control legislation. However, studies had proved that rent control generally was an ineffective tool for regulating rents or improving access to, and quality of, housing (Malpezzi et al, 1990; Mayo et al, 1986; Rakodi, 1995). It is for this reason that both variants of the enabling principles of housing reforms supported by the World Bank and the UN aspired to remove such legislation that constrained new investments by the private sector in rental accommodation. The history of rent control in Ghana is well catalogued by Malpezzi et al,

(1990). Although no specific action was taken during the housing sector reforms, the rigid application of rent control laws gradually declined with time. However, at the rhetorical level landlords were continually lambasted in spite of the decline in the application of the rent control law. The critical rhetoric against landlords persisted in the post reform:

During the NDC's next term of office, attention will be given to a re-examination of rent policies, including the obligation of landlords to provide basic amenities in rented premises, whilst we continue to pursue our 1992 housing objectives. Those objectives include making truly affordable housing a reality, encouraging the production of more rental units, providing tax incentives for estate developers catering for urban low income units and forming housing cooperatives in the rural areas.²⁰¹

It has become increasingly clear that, the practice of landlords/landladies demanding two to three years rent advance is a problem for ordinary workers as well as prospective foreign investors. **Government has, therefore, decided that the Rent Law should be updated and enforced to protect workers and also to promote business in this country.** In this regard, proposals will soon be presented to this House for consideration.²⁰²

Laws governing accommodation and rents in the country are outmoded and needed to be reviewed to instil some discipline among housing agents, tenants and landlords. Litigations, double sale of lands and double house rentals, dubious landlords and tenants as well as crook housing agents coupled with outmoded rent control laws have given the housing sector a bad image that needs to be redeemed.²⁰³

The Ministry will continue with the process initiated to revise the existing rent law by submitting a draft bill to Parliament later in the year. In addition the Ministry of Works and Housing is making strenuous efforts to increase low income housing supply, in order to make housing more accessible, and affordable to the workers of this country; **and force down or eliminate the high rent advances currently being demanded by landlords.**²⁰⁴

I personally think that the rent control division is continuing to let prospective tenants down in the capital. **What the landlords do is that seeing the weaknesses on the part of people who are in need of accommodation they play on their weaknesses and take a lot of money from these people by taking the rent in advance.**²⁰⁵

Rent is the most difficult problem of the ordinary Ghanaian and other investors because they have to pay huge sums of money as advance to home owners before they can acquire a decent place of abode. If the review of rent control law is before cabinet as they make us believe, then I am appealing to them to send it quickly to this House for it to be passed.²⁰⁶

This pillorying of landlords led to calls for stricter rent control which in substance was a punishment of landlords and was contrary to the commitment to the enabling principles²⁰⁷. In

²⁰¹ National Democratic Congress, 1996 Manifesto Page 40.

²⁰² 2003 – Budget Statement and Economic Policy for 2003, Presented by Hon. Yaw Osafo-Maafa, Thursday 27th February 2003 page 115, emphasis added.

²⁰³ “Review Rent Control Laws – Minister”, Ghana Review International 26 September 2003, emphasis added.

²⁰⁴ 2004 – Budget Statement and Economic Policy for 2005, Presented by Hon. Yaw Osafo-Maafa, Thursday 27th February 2004, page 87.

²⁰⁵ Nana Amoakoh, NPP MP for Upper Denkyria East, Parliamentary debates 26/01/2006.

²⁰⁶ John Mahama, NDC Ranking Member for Communication, Parliamentary debates January 23, 2004.

²⁰⁷ “Rent advance and Ghana’s golden age of business”, Accra Daily Mail April 14 2003; “Address housing needs of the people- Mahama” Ghana News Agency, January 23, 2004; “Ghana’s Housing Sector – Who

2004, the Minister of Housing sought the assistance of the Centre for Housing Rights and Evictions (COHRE), an international non-governmental organization, to assist in the review of the rent control regulations²⁰⁸. The review of rent control regulations was expected to lead to the new rent guidelines. However, COHRE's work did not lead to any change in the rent law. The attempt to review the rent control regulations can be attributed to the immediate political gains this action engendered as it helped to deflect opposition criticism.

Additionally, given the effort required to complete a legislation review cycle, the subsequent lack of enthusiasm for concluding the review of the rent regulations reflects the relatively low political priority accorded to the housing sector²⁰⁹.

As noted above, to justify public re-engagement in direct housing, private developers were also cast as villains in the political rhetoric of blaming "others". Whereas some commentators, especially with neoliberal beliefs, blame the imperfections of the market for the poor performance of the sector (World Bank, 1993; Angel, 2000; Ball, 2005), the political rhetoric of the new NPP government prominently features the activities of private developers as one key identifiable agency obstructing the housing aspirations of the "people". In the discourse of blaming others, the reasons given for the private sector's behaviour ranged from non-incorporation of local building material²¹⁰, non-cooperation with other stakeholders²¹¹, inordinate profit motives²¹² and sometimes even for no identifiable tangible reason²¹³. It is

cares for the poor", Public Agenda, September 20 2004; "**MPs want rent laws reviewed**" Joy FM News (<http://www.myjoyonline.com/ghananews.asp?p=3&a=22073>) Date sourced: February 16, 2006.

²⁰⁸ Rent control laws remained in the statute books from its last amendment in 1987 in spite of the subsequent sector reforms.

²⁰⁹ Although no standard framework exists for the entire process of reviewing legislative regimes, there are customary norms of extensive public and stakeholder consultations, a mandatory Strategic Environmental Assessment (SEA) by the Environmental Protection Agency (EPA) prior to the submission of a memorandum on the (new or revised) law to Cabinet. Upon Cabinet approval of memorandum of the proposed revisions to a law, the sector Ministry formulates the memorandum into a bill that is laid before parliament which then goes through three readings before voting and passage. Finally a presidential assent is required before such laws become statute regulations (Personal Interview of former parliamentary clerk).

²¹⁰ Accra Daily Mail, *03, December, 2002*; Accra Daily Mail *Monday, September 05, 2005*.

²¹¹ Ghana Review International, 6 May 2004.

²¹² Ghana News Agency, 30 January 2007; Ghana News Agency, 19 September 2007.

noteworthy that by blaming private developers, the government was engaged in an implicit denouncement of the World Bank's variant of the enabling principles. It is arguable that no such blame was placed on the UN variant of the enabling strategies as a result of the lack of tangible outputs of their projects, with the exception of the draft National Shelter Strategy which was not implemented.

Inevitably, the “blaming ‘others’” discourse penetrated the media as they also took up the mantra of blaming the private sector for the constraints on workers in meeting their shelter needs²¹⁴. This continuous critique of the private sector thus permitted and consequently set the grounds for the state's re-engagement in direct housing construction in spite of the aspirations of the enabling principles of the housing reforms. The reform experience whereby the state departed from the enabling principles in using SSNIT funds was the historical precedent validating the return to public housing construction. Clearly, the use of rhetoric in discourse is advantageous for the ruling government as it has the power to frame the agenda – things that are considered in the public domain and things that are omitted – as well as shape public perceptions. For example, in the discourse of blame, no reference was ever made to the traditional housing approach to multi-family habitation, the dominant post-colonial housing methodology that still housed the majority poor (discussed in Section 5.2.1). In these rhetorical moves, the government had opportunity to deflect attention from the lack of appropriate and adequate response.

7.5 Subverting Foreign Private Investment Interest by Political Partisanship

According to the focus group of bureaucrats in the housing sector (interviewed in August 2006), the main instigator of the attempts to induce SSNIT into public housing by the

²¹³ Ghana News Agency, 09 July 2001; Accra Daily Mail, *18 November 2002*; Ghana News Agency, 03 June, 2003; Daily Graphic, 30 March 2005.

²¹⁴ Ghana Review International Magazine, Issue 86 of February 2002; Accra Daily Mail, 14 April 2003; Public Agenda, 20 September 2004; The Saturday Statesman, 20 January 2007.

NPP government was the new Minister of Finance, who happened to have been the managing director of the Bank for Housing and Construction (BHC) in the late 1980s, when the housing sector reforms were initiated.²¹⁵ However, in spite of his level of political influence, SSNIT's earlier experience during the housing sector reform era that had adversely affected its finances, generated a tentative response by the SSNIT to the government's attempts at inducing its involvement:

There was a decision by SSNIT Management to evaluate the government's suggestion before proceeding, that is, to take stock of problems encountered earlier as the returns had been negative. It was important to at least break- even if this was for socially oriented investments. Because a new Board of Directors had been put in place after (President) Kufuor came to power, they had an input in restructuring the system. This was also (sic) at a period where agitation (for accountability) in this direction by the public and media (because of the excesses of the past management).²¹⁶ The new objective was to be profit oriented. The major role of the institution to pay pensions was re-emphasized (personal interview of Senior Architect, SSNIT Project Department; October 2006)

Mr. Osafo Marfo (Minister of Finance) was talking to SSNIT to get involved in housing. But SSNIT did not want to go through a similar experience as the earlier investment as they made losses on their projects whilst others benefitted (personal interview of Chief Technical Advisor, Ministry of Works and Housing; August 2006)

Invariably, when the SSNIT responded to the government's request, it took precautions to protect its funds from being extended as largesse in the government's patronage systems aimed at placating supporters or in securing new support for the ruling party. SSNIT's protection of its funds was achieved by drawing in other entities to share in the risk. SSNIT partnered with the Tema Development Company (TDC) to jointly acquire land, sought partnership with a Malaysian investment consortium - Metro Ikram Sdn. Bhd. - for the finance and construction work, and partnered with HFC for the sales. In spite of the preparations made for the proposed joint venture housing project, it failed to materialise as the Malaysian consortium withdrew from the partnership. This withdrawal was surprising as, according to a former World Bank Senior Urban Development Specialist (Personal interview,

²¹⁵ According to a member of the focus group of bureaucrats in the housing sector, the Minister of Finance in his former role as Managing Director of BHC used to host meetings of the local housing network that emerged to plan SSNIT's housing investments.

²¹⁶ As noted in Chapter 7, the NPP administration commissioned forensic audits into 17 public organisations, including SSNIT, and the results of these audits were damning of their managements. In addition Joy FM, a private radio station had been investigating and publicizing findings of serious misconduct by the management and directors of SSNIT leading up to the 200 elections.

June 2006), the Malaysian investors had approached the World Bank's Multi-lateral Investment Guarantee Agency (MIGA) in 2005 for a guarantee that would protect its investment²¹⁷. After a risk assessment of the proposed joint venture project in 2006, MIGA offered the Malaysian consortium the guarantee it sought. However, the Malaysian consortium decided not to take up the offer. As a result, the status of the guarantee remains idle as of the time of the writing of this thesis (source:

http://www.miga.org/projects/index_sv.cfm?pid=670 date sourced: 20th January, 2010).

Paradoxically, the Malaysian consortium proceeded to construct a number of flats in another location in Accra without any guarantee to cover their investment. This paradox can be rationalised by observing the negative attitude of the NPP government towards Malaysian investors in general; an animosity that derived from the conditions under which they entered the Ghanaian market. It was felt by the NPP administration that the previous NDC administration had fraudulently sold off prime public enterprises to the investors from Malaysia at cheap prices in order extract bribes for senior members of the ruling party. Ansah (2006) depicts the genesis of this privileged relationship between the NDC administration and Malaysian capitalist class, conceptualised as a "look east" policy, as based on the NDC administration's need for new sources of financial support. This was in the light of the World Bank's dissatisfaction with the government's decision to set up an agency, the National Development Planning Commission (NDPC²¹⁸), to be in charge of long term economic planning and reduce the Ministry of Finance to a manager of annual budgets. The World Bank threatened to withdraw its financial support as it viewed the government's decision as tantamount to reverting to market interference. Ansah (2006: 232) notes how this decision

²¹⁷ MIGA was established as an agency of the World Bank group to promote private sector foreign direct investments in developing countries by providing guarantees against the political risks associated with such investments (source: http://www.miga.org/about/index_sv.cfm?stid=1736 date sourced: 10th January, 2010).

²¹⁸ NDPC has operated as an agency under the office of the President to coordinate government policies. However it has suffered from a lack of resources and been ineffective. As indicated in page 36, I consulted the NDPC for directions on the policy process in Ghana.

had the power to potentially erode the influence of bureaucrats-turned power brokers in the Ministry of Finance who had developed their careers through the implementation of the structural adjustment reforms. The aspiration of the NDC government was to model the growth of the country along a similar path to some East Asian countries such as Malaysia, Thailand and Singapore. Inevitably, the pursuit of this “look east” policy opened up spaces for corruption and patronage as individual and corporate interests submerged national financial rationale in the selection and sale of the public enterprises. The various groups that vehemently protested the sale of the state enterprises by NDC government during the 1990s coalesced into an opposition to the Malaysian interests which included the NPP and local business classes hurt by the “look east” policy. The opposition to privatisation from the NPP, an espoused market-liberal adherent party, points to the privileging of partisanship over subscription to purported philosophies. As a result, it was predictable that after the NPP took up office in January 2001, it refused to cooperate with the Malaysian investors. For example, in 2002, the NPP government decided against extending the initial contract period of the Malaysian investors in charge of the national telecom operator after it had expired. The relationship between the NPP government and the Malaysians deteriorated further after the telecom investor sued the government for abrogating the agreement after the expiry of the initial lease period. In these circumstances, it was not surprising that the SSNIT’s invitation to the Malaysian investor, Metro Ikram Sdn. Bhd, would not be approved by the NPP executive. Furthermore, the withdrawal of Metro Ikram Sdn. Bhd and its non-acceptance of the guarantee from MIGA, was a decision designed to avoid any direct encounter with the government. However, the decision of Metro Ikram Sdn. Bhd to undertake its own investment in housing without the involvement of any state agency is indicative of the attractiveness of the real estate market in Ghana (see Section 6.8 of Chapter 6). Thus,

political considerations interfered with decisions based on commercial logic for public and private sector entities in the post-reform era.

7.6 The Power of One – The Strategic Instrumentality of the “Action Man”

As has been indicated in Chapter 2, the realist research approach takes cognisance of the duality of agency and structure. In this regard, a very visible aspect of the reforms that have been discussed in Chapter 6 and that persisted in the post-reform period is the strategic use of power by political appointees to determine the path of housing policy. As noted in Chapter 6, the outcome of the housing reforms was critically affected by the conduct and influence of Kwamena Ahwoi, the Local Government Minister at the time. In similar vein, the post-reform re-engagement of the state in direct construction of housing can be primarily attributed to Hackman Owusu Agyeman, Housing Minister from 2005 to 2007 (a perspective derived from focus group discussions with bureaucrats of the Housing Ministry, August 2006). The Minister’s substantial influence in the NPP administration derived from his role in the party during the earlier days of opposition. Prior to the formal return to democratic rule in 1992, all party political activities had been banned under the PNDC military regime from 1981. In 1991, the ban was lifted and the NPP was registered as one of the parties contesting the elections. However, after the lifting of the ban on party politics there was considerable coercion of, and self-regulation by, private businesses to remain in the good books of the military administration which was transforming into a political party. As a result, the opposing parties were in financial difficulties constrained by their supporters’ aversion to be openly associated with these parties. As a result, opposition parties had to rely extensively on a few sponsors and for the NPP, Hackman Owusu Agyeman provided that sponsorship; his personal wealth²¹⁹ was critical to their fortunes. Agyeman was elected as Party Treasurer and

²¹⁹ Having retired from more than twenty years working in the Food and Agricultural Organisation (FAO), he set up a string of businesses and became very successful. Among his business interests were local representation of global conglomerates such as Proctor and Gamble, and ICI of UK.

subsequently was Chairman of the party's Finance Committee, a position he resigned from in 2001 to take up a ministerial appointment²²⁰ in the newly elected NPP government. In several instances, Agyeman singlehandedly or with a few others donated personal funds to support party activities²²¹ (personal interview of two NPP former members of parliament; October 2006). Upon his appointment, Agyeman as the Minister for Housing was particularly critical of private developers and consultants, establishing a technical committee to investigate the cause for rising construction costs²²². However, this critique of the private developers had antecedents in the personal experience of the Minister in the housing reform era as reflected on by a former Director of Housing:

When we (Housing Ministry) were going to undertake the Teshie-Nungua developments (in 1988) with SSNIT and BHC supporting the developers in the provision of finance for infrastructure and mortgages [as part of the Priority Work Project – see Chapter 6], Hackman [i.e Agyeman] approached the project for assistance so that he could participate. He had just registered a construction company. We told him that there was no money for construction finance but the project would give a mortgage loan to anyone who would buy the property he would be developing so he could recover his costs. He was not happy and accused us of helping others. After that he was not involved in real estate again. (Personal interview, September 2006)

Replicating the reform era experience of depletion of policy capacity, the Minister contrived the transfer of the Director of Policy Planning, Budgeting, Monitoring and Evaluation, in spite of his significant qualification in housing policy and substantial experience in the sector (personal interview of Chief Technical Advisor, Housing Ministry; September 2006).²²³

Similar to the experience in the reform era, recounted in Box 6.1, this transfer was executed by the Office of the Head of Civil Service (OHCS) without explanation and equivalent replacement. Even though no official reason was given for the transfer, the Director's failed bid as a parliamentary candidate of the opposition NDC party in the elections of 2000 is believed to have been the underlying rationale (Source: focus group discussions with

²²⁰ He was appointed as Foreign Minister initially and then subsequently served as Interior Minister before he was appointed as Housing Minister.

²²¹ In 1991, he provided significant financial support for the NPP to acquire its National Headquarters building (Ghanaian Journal, 2007). After the electoral loss in 1992, he singlehandedly bailed out the party after creditors sued the party for defaulting in the payment of motorcycles acquired for the election campaign.

²²² “**Desire for abnormal profit killing housing sector – Minister**” Ghana News Agency 30/01/2007.

²²³ This Director had been recruited as part of the UN capacity building support for the Ministry of Works and Housing in 1989 after his Phd studies. He was transferred to the Ministry of Fisheries.

bureaucrats in the housing sector; August 2006). The technical capacity of the Ministry was significantly decimated by this transfer as it left the Ministry with only two technical staff and with the Chief Technical Advisor on Housing on a post-retirement contract. In November 2005, the Minister bypassed the civil service recruitment procedures to appoint a Special Advisor and a Special Assistant, a process not subject to the mandate of the Office of the Head of the Civil Service²²⁴. The merits for and against the effect of such political appointments over bureaucratic positions have been debated, albeit inconclusively:

.... a merit system should not preclude the appointment of political advisers to the government to provide alternative advice to that from the civil service and also to promote advocacy ... (Olowu, 1999:17)

Concomitantly, high reliance on special advisers external to the civil service, who stay for relatively short periods of time and frequently leave with Ministers, leads to a lack of institutional memory about previous negotiations and informal donor commitments. Extensive use of special advisers (also on differential pay scales, in order to get anyone willing to leave their private sector job) also leads to the further marginalisation and demoralisation of civil servants (Whitfield and Jones, 2007:23).

Discussions with the focus group of housing sector bureaucrats (August 2006) revealed a dim view of the appointments of the special assistant and special advisor, citing them as the cause of the lack of constructive consultation between the Minister and the technical staff prior to the inception of the Affordable Housing Programme. This culminated in a poor relationship between the Minister and the bureaucrats of the Housing Ministry (personal interview, Chief Technical Advisor of Ministry of Works and Housing, April 2007). The worsening relationship between the Housing Minister and the bureaucrats had the effect of opening the space for political manoeuvring by the Minister to undertake the public direct housing project without being subjected to rigorous internal debates within the Ministry. The senior bureaucrats in particular had played roles in the design of the locally developed housing policy of 1986 in which the enabling principles had been articulated, implying that they were conversant with the concept (see Section 6.5). Furthermore, others had acquired their

²²⁴ Curiously this Special Advisor had previously worked as a member of staff of the Technical Services Centre that managed the World Bank urban projects including the housing reforms component. He had later left in 2000 to work with the African Development Bank on urban infrastructure projects.

knowledge of the enabling principles through the periodic short courses they had attended under the sponsorship of the UN (see Section 6.9). The effective sidelining of the housing ministry bureaucrats by the Minister, thereby ensured that the enabling principles lost their local “voice” in the conception of the Affordable Housing Programme. Thus the government’s re-entry into direct housing construction through the Affordable Housing Programme was significantly facilitated by the combination of the leverage of the personal power of the Housing Minister, acquired by his personal financial resources and his role in the ruling party, and aided by the loss of articulation of the bureaucrats in the Housing Ministry. Further evidence emerged from the design and implementation of the Affordable Housing Programme to point to the extent of discretion exercised by the Minister and this is discussed in the next section.

7.7 Coming full circle under the cloud of the Affordable Housing Programme

The evolution of the Affordable Housing Programme (see Section 1.2) underlines the instrumentality of the Housing Minister during the post reform period. The focus group of housing bureaucrats (August, 2006), expressed the following views about the origination of the programme:

An American investor approached us to do a housing programme and we asked him to submit his proposals. He wanted us to sign a MoU [Memorandum of Understanding] but the [Minister] said he should bring his design first. We also told him that we were looking at something in the range of US\$10,000 to US\$15,000. After he brought it, the [Minister] told him he has to get cabinet approval before he signs a MoU. But we didn’t sign anything. Hackman used the man’s drawings and was going about saying he can build for US\$10,000 and blaming consultants [for the high cost of construction].

He [The Housing Minister] didn’t consult us [bureaucrats]. He called Banning [a private architect who was appointed to manage the project]²²⁵ and the two of them decided on what to do. He went to Baah Wiredu [Finance Minister] and pushed him to get some of the HIPC money.²²⁶ Kwamena Bartels [first Housing Minister in the NPP administration in 2001 – see Table 6.5a] had been pushing for that money for a long time but Hackman was able to get the money.

²²⁵ Architect Banning was named as the lead consultant from the architectural firm, Modula Grupp overseeing the project when it was launched (Ghanaian Times, 2nd January 2006; Accra Daily Mail, 15th January 2006).

²²⁶ The Minister confirmed to Parliament on Thursday 8th December 2005 that funds for the Affordable Housing Programme came from receipts from the Highly Indebted Poor Countries (HIPC) initiative – the initiative established to relieve countries volunteering to undergo another round of austerity measures. (Ghanaian Times, 8th December 2005).

I was called to Castle [seat of the Presidency] and asked to explain why SHC [State Housing Corporation] was not part of the Affordable Housing project. The [Minister] defended himself seriously. They [Cabinet] were worried that someone [from the opposition or media] would raise this issue. But Hackman defended himself

...the Minister was able to secure a waiver from the Procurement laws and he was able to justify the request. So this project did not go through the normal channels of procurement.

I told Hackman to look into institutional development of the Ministry because the Ministry had only five technical staff. But he was not interested. It is a governance issue. All the ministers want to do is [sic] implement projects. So there is no accountability in policy implementation. The electorate also don't question politicians on policy promises. There is no understanding of the complexity of the housing problem. We have lost on all counts and found a politically convenient solution called the Affordable Housing Programme.

As a pointer to the manipulation of the design and implementation of the programme to suit the Minister's desires, the Affordable Housing Programme did not go through the normal procurement procedures as the Minister personally secured approval from the Public Procurement Authority to waive the mandatory processes of open bidding for services and works. As a result, neither the selection of the consulting team to design and monitor the implementation nor the selection of contractors for the works was opened to tendering. Rather the Consultant, Modula Grupp, was selected directly by the Minister without any input by the bureaucrats of the Housing Ministry (personal interview of Director of Budget and Monitoring, Public Procurement Authority; April 2007). Furthermore, the Minister furnished the Consultant with a list of contractors to be invited for negotiation prior to inception of works (personal interview of Senior Quantity Surveyor of Project Consultants, Modula Grupp; October 2006). Further, the Minister personally had meetings with the sole cement producer in Ghana, GHACEM, to negotiate for discounts for the cement to be supplied for the works. The Minister subsequently directed sand excavated from an ongoing river basin desilting project to be supplied to contractors working on the Affordable Housing Programme. However, the sand was sold to the contractors at market rates although it was a saving to the desilting project in lieu of paying for disposal. Thus, through the actions of the Minister, the Affordable Housing Programme was a contradiction in terms as none of the actions taken made it affordable for the purported target low-income households. It is

indisputable that the Minister was very instrumental in the formulation and implementation of the Programme. Such individual instrumentality served the ruling NPP government well and also the political fortunes of the Minister. For the party, the Affordable Housing Programme helped to deflect opposition criticism providing tangible evidence of government's concern for housing. In the 2007 budget, the Minister of Finance indicated a total of 100,000 units would be ready in five years (Government of Ghana, 2007: 161). Whilst the main opposition NDC party listed the reform era SSNIT developments as evidence of its concern for housing in their 2008 Election Campaign Manifesto (NDC, 2008: 84), the NPP administration countered in their manifesto by touting the Affordable Housing Programme as “unprecedented” and committing to expand the programme (NPP, 2008:11, 56). For the Minister, the Affordable Housing Programme became the highlight of his campaign in his subsequent quest for the party's presidential candidature from July 2007²²⁷. He was labelled the “Action Man”, a euphemism for his purported ability to deliver on promises, with the Affordable Housing Programme listed as example of this ability after the “successful” inception of the housing scheme (source: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=131196> date sourced: 23rd April, 2009). Thus, the implementation of the Affordable Housing Programme served personal and collective interest of the Minister and the ruling party respectively. For the Minister it allowed him to mount a (failed) presidential campaign. For the ruling NPP, the Affordable Housing Programme enabled it to counter accusations by the opposition NDC party that the government was not interested in the welfare of the wider society, particularly in relation to the housing needs. Whereas these collective benefits were obvious and predictable, the personal interests were not immediately visible and only became obvious when the material conditions were examined carefully. Given the questionable procurement

²²⁷ “Meet the action man – Uncle Hackman” – The Statesman, 1st June 2007; “I am the largest investor in NPP” – Ghana New Agency, 23rd October 2007;

arrangements through which the Minister directly appointed consultants and contractors and negotiated the supply of some building materials such as cement for this project, an opportunity was created for private benefits to the Minister personally. In the discussions with the focus group of housing bureaucrats (August 2006), local euphemisms for corruption were inferred in respect of the role of the Minister without direct accusations being articulated. Given the insecurity of some respondents in participating in the interviews because of the fear of political victimisation, I decided against seeking evidence of corruption in the Affordable Housing Programme through the interviews, as such questions could stall my interviews especially for those very close to the political class. I chose to identify the implicit opportunities for corruption to suffice as evidence that the strategic calculations of some actors such as the Minister were not always premised on collective interests. Inevitably the Affordable Housing Programme, initiated with great fanfare in 2005 and expected to be completed in two years, remained incomplete as at the time of concluding this thesis in 2010. It is not surprising that reports emerged in 2009, after the NPP had lost power to the NDC in the December 2008 elections, that 719 units in the yet-to-be-completed Affordable Housing Programme had been allocated by the Minister and his successor (who took over when Hackman Owusu Agyeman resigned to pursue the party's presidential candidature) to cronies of the ruling party (Daily Graphic, 8th February 2009).

7.8 Conclusion

The political change from the NDC administration – which had initiated the structural adjustment reforms - to the NPP administration – which historically subscribed to market-liberal ideology – potentially created the opportunity for inculcating the market-oriented enabling principles for housing preferred by the World Bank into Ghana's housing policy in the post-reform era. Furthermore, the country's experience of worsening economic fortunes supported the minimalist state role espoused in this variant of the enabling principles. In this

regard, it would appear that the structural conditions legitimated the implementation of policies that were based on the enabling principles. However, the paradoxical act of the new NPP government in directly intervening in housing development through the Affordable Housing Programme suggests that another reality that was more enduring but perhaps deeper-lying than the evident material conditions and had to be unravelled in order to understand the government's actions. In the case of the previous NDC government the underlying rationale was the quest for political legitimacy. In the narration of this chapter, it was observed that in the post-reform era, the government frequently deployed rhetorical devices in its discourse on housing to portray its commitment and engagement in responding to the housing needs of the society. This discourse featured a focus on numbers of houses that were required to be developed, the blaming of inadequate finance as well as private developers and landlords for the housing problems, and the government's acquisition of funds for housing projects. Given the intention to persuade the society of engagement through such rhetorical devices it is the case that in the post-reform era, the government's actions in the housing sector were also dictated by the quest for political legitimacy. The rhetorical devices served two main purposes in this respect. Firstly they were a tool for advocacy for maintaining support for the government. Secondly they served to deflect criticisms of the government periodically launched by the opposition party. To this extent the fact that the majority of such pronouncements were made in parliament (see Table 7.1) is an important consideration because it showed the government's desire to overwhelm their critics with the quantum of pronouncements on the platforms where the critics had equal access to the media.

In conclusion this chapter has presented a post-reform narrative of the housing activities of the state in Ghana. It reveals the dual influence of the changing material conditions of the state and the housing sector on the actions of policy actors on the one hand, and, on the other, the choices made by policy actors regarding the conditions and outcomes of

policies. The foregoing review of the post-reforms period in Ghana suggests the pervasiveness of the structure and agency dialectical relationship in shaping housing policies and outcomes. This chapter has demonstrated how this dialectical relationship plays out in the power relations of housing policy in Ghana. This is relevant not only for the case of Ghana but also for research on housing in developing countries, particularly in Africa, because of the comparable conditions and contexts as well as the similarity in the types of actors. In the Ghanaian case, this chapter has demonstrated how at this point in the power relationships during the post-reform era, the absence of the World Bank and the UN as primary advocates of the enabling principles, minimised the opportunity to apply these principles, which reinforced the incidence of reversionism. Furthermore, this constraint in applying the enabling principles was reinforced by the poor relations between the Minister of Housing and the bureaucratic class of the Housing Ministry. This emerges from the fact that the senior bureaucrats were aware of the enabling principles through their earlier participation in the housing reforms and the locally developed housing policy of 1986 which had also enunciated the enabling principles. Additionally the disposition of the political class to direct housing development by the government - notwithstanding claims of political ideologies and philosophies - premised on the rationale of the political symbolism of tangible public housing projects is significant in validating the impetus for reversionism. This recourse to state re-engagement in public housing in the absence of the coercive force of hegemony (as exercised by the World Bank in particular) belies the purported subscription to the enabling principles in the first place and points to the manipulative effect of the presence of the international agencies such as the World Bank and the UN in structuring the context, motives and priorities in policy choices. Thus the behavioural practices of some of the local policy actors in the post-reform era changed, partly as a result of the changed conditions of engagement between the state and the international development agencies in housing policy. Subsequently the

Affordable Housing Programme, as evidence of reversionism, emerged as a matter of course. This suggests that in the post-reform era in Ghana, the enabling principles found no resonance in housing policy actions partly because the subscription to the principles was superficial, even during the reform era itself. It can also be partly attributed to the erosion of the anchors of the enabling principles within the housing policy framework through the organisational absence of the World Bank and UN in decision making as well as the loss of the critical perspective of the bureaucratic class. Thus notwithstanding the dominant view of the primacy of the enabling principles over last twenty years through the hegemonic framework of the UN and the World Bank (World Bank 1993; UN-Habitat, 2006; Buckley & Kalarickal, 2005), the evidence suggests that the indigenisation of these principles requires more than claims of subscription and compliance with policy conditionalities.

Chapter 8 – Conclusion and Discussion

8.1 Conclusion

I was drawn to undertake this academic journey in 2005 by my observation of the implementation of reversionist housing policies that went against what I had been led to believe throughout my educational career as good policy practice framed as the enabling principles and developed by the UN and the World Bank. One key lesson I had imbibed was that these principles were “good” policy practices to be aspired to by all well-intentioned policy makers, especially in the developing world. Given the limited resources available to developing countries, especially in Africa, and the consequent significant constraints on public housing as a policy option, it made sense to me that every country would adopt these “rational” and “neutral” principles in order to achieve the equitable housing outcomes. To my naïve mind, this aspiration had nothing to do with political partisanship which was my only measure of bias. However, as I started working and interacted with local, national and international policy actors and as I observed the material conditions of my own country in relation to the public pronouncements by government officials, I became aware that policy is also about politics. This perception came into sharper relief after I started my field work for this dissertation and sought through interviews and documentary reviews to understand the motives and compelling contexts of housing policy in Ghana and the enabling principles. Having completed my research I certainly do not have all the answers to the question of the persisting challenges in housing especially for the poor, but the process of study has made me very much aware of the expansive and complex array of interests, rationales, resources and structures, operating from the local to the international level and intersecting in unpredictable patterns which confront policy makers, practitioners and researchers as they attempt to craft policy responses. I come to this point of the thesis bearing this in mind. At the start of the thesis I set out to question why the New Patriotic Party, a party that supposedly believed in

the market system, would conceive and initiate a housing project that put the state - acting through its policy agency the Ministry of Works and Housing, and not through its allied parastatal agencies – at the heart of re-engagement with direct housing construction. This question seemed all the more pertinent given the prevailing primacy of the enabling principles of housing policy originated by the World Bank and the UN, and that Ghana has experienced almost two decades of housing reforms which espoused these principles. Consequently, my primary quest in this thesis was to identify and examine the conditions and dynamics that generated this incidence of what I conceived as housing policy reversionism.

The enabling principles had been proffered by the main originators and advocates – the World Bank and the UN – to developing countries in general since the late 1980s. These principles were advanced as the only mechanism through which the housing sector would be reformed in order to generate an equitable and systemic response to meeting the housing needs of the society. Given the conventional notions of the hegemonic influence of the World Bank and the UN in local policy outcomes, and the decisive roles of these two agencies in the formulation and advocacy of the enabling principles, the research was designed to enhance an understanding of the relationship between local and global policy actors and the framework that drew them together in housing policy reform. In this regard it was expected that the research would assist in the unravelling of the mechanisms by which the orthodoxies and principles developed by these international agencies were adapted and translated into the local policy setting. Housing research, particularly in African countries, has failed to formulate an adequate analytical perspective on the implementation of the enabling principles. Indeed there was (and still is) inadequate research on the contemporary experience of housing sector enabling reforms in African countries. Furthermore, most research work that has discussed public housing, has failed to take into consideration the episodic juncture of the adoption of the enabling principles in the trajectory of African housing policies. Yet

most countries in Africa have subscribed to the enabling principles in one form or the other in part through the sponsorship of either the World Bank or the UN. For this reason, this thesis – based on a case study of Ghana – has served a useful purpose in contributing to knowledge regarding the housing policy making process within the context of the enabling principles and its indigenisation into local policy framework. Additionally, this research has provided the opportunity to develop a new analytical perspective on the trajectory of housing policy by explicitly recognising and incorporating the junctures of the enabling principles as well as the incidence of reversionism in the continuum of post independence housing policy. This perspective supports the consideration of the framework drawing in local and international entities, thus focusing on the state of their relations during and after the implementation of the enabling principles. Given that reversionism is apparent in other African countries such as Zimbabwe (which remains under-researched), this thesis contributes to the establishment of a basis for comparing housing policy reforms in African countries based on the enabling principles.

The thesis has employed a qualitative approach and a critical realist perspective (see Chapter 2). This perspective acknowledges the potential of an underlying rationale that may not be immediately evident as causal factors for observed outcomes and recognises the interaction of both context (structure) and actions (agency), culminating in observed outcomes. This perspective was also adopted because of the paradox of reversionism in Ghana emerging during the administration of a market-liberal administration. This paradox indeed suggested the existence of a deeper-lying rationale that would be revealed only after removing the observable layers of material conditions, context and strategic actions to understand the incidence of reversionism. In conducting the field work, two things stood out as lessons to be learnt. Firstly, the researcher's credentials and previous association with listed respondents can influence the nature of the relationship between the researcher and the

research subject. Having previously worked as a Consultant on behalf of the UN and come into prior contact with some of the respondents, it became evident that my so called expert knowledge of the subject as a result of my former position had the potential to inhibit some of the respondents and therefore tailored their responses to the prevailing conventional wisdom. As noted in Section 2.5 this uneven power relation in the research process was diffused through preliminary discussions prior to the actual interviews in a bid to deconstruct the “expert” image. The second lesson from the data gathering exercise relates to the fear of political victimisation by respondents because of the political nature of policy research, even for policies older than ten years as was the case in Ghana. In this respect, I observed the importance of being flexible to the demands of the respondents in order to provide the requisite assurances necessary for the divulging of the required information. As noted in Section 2.4, I was asked to meet some respondents in different locations from their normal working environment and/or outside their designated working hours. Other respondents asked for the tape recorder to be turned off for some segments of the interviews that the respondent deemed to be too politically sensitive. For such sessions, I took notes in lieu of the tape recording. I also resorted to “*anonymising*” all my sources in my citations of the interviews in order to protect their identities partly in response to direct requests by some of the respondents as the fear of victimisation was not easily assuaged by verbal assurances only or the limitation of recorded speech. This fear of victimisation compelled me to utilise data triangulation in order to gather and validate any data I received, thus my use of newspaper archival sources and secondary data to complement the primary data. However, I recognise that trying to mitigate respondents’ fear of victimisation can present a dilemma to the researcher. Some respondents’ need for protection may impose excessive costs or time constraints on the researcher or can compromise the ethical dimension of the research through acts such as paying money to respondents for their participation. Therefore requests

for protection by respondents must be carefully evaluated by the researcher before committing to any specific mitigation arrangements.

Having gathered the data from the field the next phase of the research required the establishment of an appropriate analytical framework which I presented in Chapters 3 and 4. The analysis of my field data took cognisance of the vast range of actors involved in the housing sector reforms. The analytical approach I adopted enlisted two important perspectives frequently overlooked in the analysis of housing policies involving international development agencies and national housing policy framework. The first perspective, presented in Chapter 3, identified nuanced differences between the World Bank and the UN in respect of the methodological and operational approach to the design and implementation of the enabling principles. Without recognising these differences most research work on housing policies loses the opportunity to unravel the different policy trajectories that emerge based on these distinct approaches. The World Bank's neo-classical economics antecedents framed its perspective of the enabling principles to privilege market relations and thereby restricted intervention in the implementation of the enabling principles to instruments such as privatisation, commercialisation, deregulation and decentralisation. Furthermore, the intellectual and political contexts within which the World Bank's perspective of the enabling principles emerged were closely associated with the conditional policy reform regime of structural adjustment, thus further limiting the range of interventions to market-oriented instruments; the World Bank had, of course, considerable financial resources to induce developing countries to accept the reforms based on enabling principles. In contrast, the UN's perspective of the enabling principles was more expansive with the state, markets and communities having roles to play in the delivery of housing. In fact, contrary to conventional narratives, it was found that the UN permitted the intervention of the state in directly developing housing especially for the poor if market failure persisted. Another aspect of the

UN perspective was its development of a specific methodological approach to the housing policy design process which insisted on the development of National Shelter Strategies in which the specific steps would be undertaken to arriving at the enabling principles. In contrast to the World Bank's conditionality mechanism for engendering the subscription to the enabling principles, the UN proselytised these principles through conferences and flagship reports, urging voluntary subscription through technical rationalisation and moral suasion.

The second perspective of my analytical framework (discussed in Chapter 4) countered the conventional housing policy analysis approach that viewed the state apparatus governing the policy framework as a homogenous and harmonious entity. I contest this conventional narrative drawing attention to the variety of interests inherent in the concept of "state". Without recognising this constellation of interest groups, the structural effects of the competition and contestations at the intra-state and supra-state (relating to the relations between the country and the international agencies) levels would be missed. This view frames the policy space as a platform for interests competing for attention and resources to set the policy agenda and drive social practice. The perspective of the state as a heterogeneous constellation of diverse and competing interests permitted the exploration of the "*decision calculus*" of the policy actors, the "*indigenisation*" process of translating policies and knowledge developed by international agencies into the local policy framework, and the power relations that shape motives and rationale for policy choices. This analytical approach crystallised the underlying rationale of political legitimacy and class considerations for observed policy outcomes. In this respect political legitimacy is defined as the imperative condition that permits and validates the articulation and assertion of power by the ruling class over the ruled. Political legitimacy can be negotiated between the ruling class and the

dominant interest groups in society through engagement or, as happens frequently, coerced from the society through acts of patronage by the ruling class.

Chapters 5, 6 and 7 present the findings of my research based on the analysis of the data collected, assessment of the documentary evidence and the review of the literature. Deriving from advice I received from focus group discussions I categorised the research data into three distinct periods of pre-reform, reform and post-reform eras²²⁸. In Chapter 5 the focus is on the pre-reform era of the post-colonial period of Ghana in which I found two parallel streams of housing activities. On the one hand, a trajectory of traditional housing practices driven by socio-cultural values that pre-dated the colonial enterprise and persisted in the post-colonial era prevailed. This practice was also premised on the ethos of communitarian welfare and constrained market relations in housing. This type of housing practice was organic in the sense that it supported evolving relational networks and allowed for the adaption of property in accordance with household changes by the periodic construction of additional rooms. In the process the interest of the poor in society were protected. On the other hand, a trajectory of conventional housing practice driven by state organisations based on standards and practices deriving from norms transferred from the colonial enterprise emerged from the colonial era. Its benefits accrued to the elite in society even though the resources for these types of housing practices were extracted from all segments of the society. The latter trajectory of housing practice generated the establishment of diverse public housing institutions which were often used by respective governments for purposes other than meeting the objective housing needs in the society. I observed that there was an early preponderance for advice from experts from international organisations including the UN, although such advice was either discarded or adapted in significant ways as to misconstrue its original intent. Furthermore, most of the pre-reform governments

²²⁸ Annex 7 is a chronology of the housing initiatives in the pre-reform, reform and post-reform eras.

undertook actions on public housing projects such as under-pricing the housing projects and deferring the payments of compensation for expropriated land in order to fuel the farcical perception of a benevolent government providing affordable houses and therefore being responsive to the needs of the society. However such actions inevitably endangered the financial capacity of the public housing institutions responsible for the provision of this housing in exposing them to the risk of default and bankruptcy. Inevitably the viability of many of these public housing institutions were critically jeopardised, and a few ultimately became moribund. Given that the majority beneficiaries of the public housing projects were either from, or linked to, the political establishment and the top civil servants, this pattern of housing policies suggests that government actions privileged political concerns over the so called technical rationality of the advice of the international experts and the social welfare ethos embedded in the traditional housing norms: these housing policies were thus designed to secure the political legitimacy of these governments in the wider society through symbolism.

Housing policy in the pre-reform era was characterised by multi-layered dimensions that were not always self-evident and masked the dialectical interaction between the seemingly wilful strategic acts of policy agents and the deeper lying inherent collective biased dispositions of the ruling class in the society. In this framework, power is unevenly balanced in society and housing remained a subjectively instrumental tool of class differentiation. The other considerations such as the viability of the public housing institutions were subsumed under these class concerns. Nonetheless the worsening of the material conditions of the country eventually ensured a pause in this housing policy trend. As the economy grew worse and political instability heightened, the quest for resources culminated in the subscription to the structural adjustment reforms in the overarching macro-economy which included housing sector reforms. In conclusion, the pattern of pre-reform

housing policy showed clearly that its underlying logic was the enforcement of class differences that served to empower the ruling classes and their supporters.

It is in this context that Chapter 6 elaborates the trajectory of the design and implementation of the housing sector reforms in Ghana from 1985. During this reform period which concluded in 2000, several interventions were initiated which were grouped into three distinct trajectories led by the World Bank, the UN and a set of local housing policy agents. It was observed that these trajectories intersected in variable ways that were not always clear-cut. The complexities of these trajectories were fostered by multiple layers of structural relations, among which the most significant were: the structural adjustment reforms and their prerequisites for other sectors of the economy; the terms of engagement between the state and the World Bank and the UN guiding their participation in the housing reforms as well as in other interventions; the framework of inter-sectoral relations in the administration of the state apparatus such as that between the Local Government and Housing Sectors respectively as well as the Office of the Head of Civil Service; the material socio-economic conditions at the time; the enabling principles themselves; and lastly the norms (or lack thereof) regulating the powers of political appointees and the approval framework for the use of such powers. Similarly, the terms of employment established for staff of the Technical Services Centre (TSC) working on the World Bank projects and the terms for the staff of the Housing Ministry's Policy Planning Unit supported by the UN, the demand for decentralisation reforms and the imminence of the first democratic elections 1992 elections after a long reign of the military class, plus the purchasing power and the housing preferences of the Ghanaian Diaspora market, all combined to condition the environment in which the reforms were implemented. This complex policy milieu was further complicated by the strategic actions of key policy actors including the long-serving Local Government Minister, the military appointee heading the State Housing Corporation, the PNDC Chairman of the

Committee of Secretaries, the TDC Tenants' Association, the managers of the structural adjustment reforms in the Ministry of Finance, the emerging class of local private developers and the international housing development agencies, the corps of senior civil servants of the Housing Ministry, and lastly the management of HFC. This plethora of strategic policy actors took actions that had variable impacts on the design and outcomes of the housing reforms. The interactions of these variables created multiple loci of power with the potential to produce variable outcomes. At this intersection of the multi-layered structural framework with the strategic considerations and actions of the policy actors, a dynamic and complex platform of dialectical power relations emerged during the housing reform period in Ghana, making the attribution of the reform outcomes to either structural conditions or strategic actions increasingly difficult. Additionally, the injection of the scaled considerations of the local and global perspectives into the contested construct of power relations in the local policy setting further advanced the case for a careful and nuanced dissection of the reforms. The power relations construct dictated the reaction to the locally developed draft housing policy of 1986 by power brokers in Ministry of Finance who felt threatened by its recommendations. It is this power relations construct that drove the keen competition between the local government interests and housing sector interests to secure the World Bank resources and ultimately led to the local government's capture of the World Bank urban policy agenda for Ghana in Urban III, contrary to the World Bank's own expressed intentions. Similarly, the variable power relations shaped the lackadaisical reaction to the UN sponsored National Shelter Strategy even though it was a holistic development of policy based on the UN's interpretation of the enabling principles. In this regard, the enabling principles assume political values assigned by local interests groups and these values depending on who the promoters of these principles were – the World Bank or the UN. The National Shelter Strategy developed with the assistance of the UN and inculcating the UN's

perspective of the enabling principles was never implemented. On the other hand, the Urban II implemented some facets of the World Bank's perspective of the enabling principles although a comprehensive policy was not outlined. This selectivity is a political outcome and therefore to conceive of the enabling principles as a package of value-neutral knowledge concepts is to deny the assignment of political values to these principles by the local interest groups. The chapter concluded by observing the paradox – and citing it as evidence of the heterogeneity of the state – of the housing finance reforms and the operational reforms of TDC proceeding as envisaged under the reform design emanating from the application of the enabling principles, whereas SHC was joined by SSNIT in continuing direct housing construction with public funds.

In Chapter 7, the context of the change in government in 2000 from the NDC administration with antecedents in pseudo-Marxist ideology, to the NPP administration that espoused market-liberal values, set the tone for the discussion of the paradoxical 'Affordable Housing Programme' that followed. The Chapter throws light on the strategies of the new government as it pushed and failed to secure the re-entry of SSNIT into direct housing development. These strategies materialised in the use of rhetorical devices in the prevalent discourse to secure the legitimacy of the new government and in the process deflect criticisms. The discourse consisted of a focus on the inordinate numbers of houses required and the implicit accusation of the inability of the private sector to meet these needs. It also included an explicit blaming of the private developers and landlords for the rising costs of housing. Additionally, the identification of the lack of capital to explain government's inaction in housing was coupled with frequent pronouncements of the successful acquisition of funding for housing. Altogether these rhetorical moves reinforced the perception of an engaged and responsive government. In spite of the new government's claims of market-liberal ideology, the use of these rhetorical devices indicates the privileging of the symbolism

associated with public housing projects over philosophical beliefs. This preference for symbolism emanates from the quest for political legitimacy which is an underlying disposition of the political class.

Furthermore it is observed in this chapter the elevation of partisan political considerations in the decision calculus of the private investor from Malaysia brought into the country by SSNIT as part of the measures it took to protect it from losses due to the new government's quest to induce SSNIT's return to housing development. It is noted how the partisan considerations influenced the nature of the investor's activities as it declined the partnership with the government agency in spite of guarantees secured from the Multi-lateral Investment Guarantee Agency (MIGA), an affiliate of the World Bank. Paradoxically the Malaysian investor went ahead with the construction of a housing estate without partnering any organisation. This paradox points to investor response to logics of the uneven power relations as experienced by the investor. The security provided by the World Bank affiliate was clearly deemed to be inadequate by the Malaysian investor in the face of the hostile environment occasioned by the NPP's government's historical antagonism towards the participation of Malaysian businesses in state enterprises. However, in the perception of the investor, this structural constraint of government antagonism did not extend to the activities of Malaysian investors operating in the private sector.

Besides the inducement of the political gains to be made from the symbolism of support for public housing, the chapter also identified the framework of partisan political encounters through which the government and the opposition party manoeuvred to control the policy agenda and media coverage as a major contributor to the environment in which the NPP administration introduced the Affordable Housing Programme. In that respect, the frequent use of the floor of parliament for the announcement of the acquisition of funds for housing was an important tactic. The facilitative environment for the implementation of the

Affordable Housing Programme was further boosted by the worsening relationship between the Housing Minister and the bureaucrats working in the Ministry. However the role, and therefore power, of the Housing Minister in almost singlehandedly conceiving, designing and presiding over the implementation of the housing programme speaks volumes of the power of agency. The acquisition by the Minister of waivers from public procurement rules, the selection of consultants and contractors, and the negotiation for the bulk supply of key building materials are some of the critical actions that influenced the trajectory of the Affordable Housing Programme. Thus, by juxtaposing the facilitative structural environment with the strategic instrumentality of the Minister, the dialectical relationship of structure and agency emerged as an important mechanism of the power relations.

8.2 Reversionism in the context of contemporary perspectives

Given the foregoing it is important to relate this thesis to some of the contemporary perspectives expressed about the enabling principles and implicitly its corollary, reversionism. Angel (2000) makes curious arguments regarding state (re-)engagement in public housing:

... many of the housing policies which have turned their back on the market, or proceeded as if it did not exist, have been abandoned or laid to rest. Many others still survive, by bureaucratic inertia and political cowardice on the one hand, or by maniacal despotism and corrupted visions of grandeur on the other. Be that as it may, we can safely say that new housing policies *will have no choice* but to face the housing market, to take it by the horns, so to speak, and make it behave (page 14, emphasis added)

Enabling policies do not call for the deregulation of the housing sector in the spirit of laissez faire (page 16)

Enabling policies in the housing sector call for a style of governance based on intelligence, on gathering information about the housing system, and on the evolution of a sensitive rule system that can effectively guide the sector in a manner that promotes, in as broad a way as possible, the interests of stakeholders in the system (page 17)

The present appeal of the more pluralist enabling regimes can be attributed to the greater influence of broad based market forces, to the amplified voices of smaller political constituencies in modern societies, and to the general retreat of governments from undertaking bold unpopular measures in the face of organised and decentralised resistance (page 19;)

This smacks of market triumphalism in housing policy and flies in the face of the evidence from the Ghana case study presented in this thesis of the partial reversionism that occurred

during a period of enabling principle reforms and of the more determined reversionism that was implemented post 2000 in the aftermath of the enabling reforms. Indeed this thesis has shown that Angel's (2000) assumptions are flawed, certainly when they are applied to the Ghanaian narrative. The assumption that within the housing sector all interests converge, that there is homogeneity of interests, is not supported by the evidence of the paradoxical occurrence of reversionism during the reforms. Angel's perspective, at the very least, does not take into account the intra-sector heterogeneity as evidenced in this thesis.

The UN (2006) propositions the injection of a political dimension as a pre-requisite for achieving success in implementing the enabling principles:

The key to success lies in the mobilisation of the potential and capacity of all stakeholders in the shelter sector, particularly the people themselves, and the implementation of sustainable interventions with local ownership and leadership. ***Political will is fundamental to achieving this***... Achieving the goal of adequate shelter for all ... will not be possible without national programmes that require, above all, ***consistent political will*** (UN-Habitat, 2006: 209-210; emphasis added).

Even though the UN goes further to elaborate the imperative for political will and suggests strategies to generate this (UN-Habitat, 2006:210; 218), it fails to show who should take the lead in mobilising such political will. The UN's suggested approach to use small scale pilot projects, research findings, intellectual arguments favouring the human rights approach as well as the media and NGOs – while possibly having some merit - are essentially appeals to conventional notions that have not been successful in mobilising and sustaining political will in the past. In the light of the dialectical structure-agent relationship, the heterogeneity of the state and the underlying penchant for political legitimacy, the notion of mobilising political will as posited by the UN can be criticised as deficient in so far as it retains a focus on a conventional and hitherto largely unsuccessful approach. This thesis shows that the heterogeneity of the state in the application of the enabling principles can generate the paradoxical occurrence of reversionism and enablement. The mechanisms for mobilising political will to implement the enabling principles are a critical gap that is not addressed by

the UN in its review of the experiences of enabling principles and is an area for future research.

Lastly there remains an inconclusive debate as to the extent of the influence of the international agencies such as the World Bank and the UN on housing policy making epitomised by the contrasting perspectives of Zanetta (2004) and Ramsamy (2006), based on research of housing sector performance in Argentina and Mexico and Zimbabwe respectively:

Instead of the all powerful image of the World Bank often portrayed by critics, this analysis identifies clear limits to the ability of the Bank to influence the national sector policies (Zanetta, 2004: 291)

If the World Bank were truly interested in the development of people, and not just markets, it would emphasise the catalytic role that states can play in development, rather than diminish those public functions...in fact the World Bank has undermined the state's capacity to act on behalf of the poor (Ramsamy, 2006:189)

Whereas this thesis has shown that the international agencies can be instrumental to the housing sector of countries, it goes further to reveal that the resources of these agencies can turn them into a site for competition. In that respect, the agenda of the international agencies can become manipulated as an outcome of the intra-state competition.

8.3 Expanding our understanding of reversionism

The thesis has so far brought to the fore a number of critical insights that expand our understanding of housing policy process in the context of the enabling principles and as applied to the case of Ghana. These insights set the grounds for the elaboration of further research work towards the expansion of our understanding of reversionism based on evidence from more country case studies.

Conceptually reversionism has a dual perspective. On the one hand, reversionism as construed from the UN viewpoint of the enabling principles will refer to the occurrence of state re-engagement in housing for people who are *not* poor. This is because, as indicated in Chapter 3, the UN – while advocating enabling principles – permits the state to intervene on

behalf of the poor in the case of market failure. This definition sets in motion a subjective imperative in the housing policy environment in the sense that the decision for the state to re-engage in housing becomes subject to political interpretation of what constitutes market failure. Any attempt to deconstruct political manipulation of this interpretation imposes a capacity building imperative for governments of developing countries to develop accurate housing indicators that can be used to determine the extent of housing market penetration. On the other hand, the World Bank's perspective of the enabling principles views all encounters of state re-engagement in housing to be reversionist and thus engenders objective criteria for assessment.

The incidence of reversionism is a function of the degree of resonance or traction of the enabling principles on the policy spectrum. The recourse to state re-engagement in housing depends on whether the enabling principles that are implemented produced the desired results to the extent that it can constrain the disposition for public housing deriving from the political capital implicit in the symbolism of public housing. Successful outcomes of the enabling principles rely less on conditionalities and more on voluntary subscription. This compels advocates of the enabling principles to invest more in advocacy, public sensitisation and capacity building in order to disseminate awareness of the principles and deepen the traction of practice to overcome the potential of recourse to public housing in response to political legitimacy imperatives. To this end the UN conferences and flagship reports have a significant role to play. However, it is arguable to what extent these conferences have effectively diffused knowledge of the enabling principles to date.

Angel (2000) has developed an "enabling index" to measure the extent to which housing policies of any country adopt the enabling principles. In this index, he accommodates the effect of the political context (that implicitly measures the extent of the political will for enabling principles) by inserting a sub-index, the Freedom Index – developed by Freedom

House, a non-governmental organisation originating from the United States of America – as a correlate of civil liberties to the potential for enabling principles thus;

The Freedom Index... is a composite measure of the absence of political freedoms (free elections, de facto opposition, minority rights) and civil liberties (free press, the freedom to organise, equality under the law, independent judiciary). It can be expected to affect the housing policy environment by making housing policy less, rather than more, enabling (Angel, 2000: 182)

However this Freedom Index suffers from the lack of appreciation of the degree of heterogeneity of the state and therefore loses the perspective of intra-state competition affecting the application of the enabling principles or for that matter reversionism. The measures of political freedom and civil liberty in the Freedom Index alone are therefore not sufficient to determine the degree of enablement or the potential for reversionism. Given the complexity of the dialectical structure-agent relationship occurring within the multi-layered intra- and supra-state framework, the Freedom Index is a positivist and rather crude measure incapable of revealing the layered reality of reversionism. The potential for reversionism thrives in the environment when the design and implementation of the enabling principles does not obtain the strategic support of actors in control of elements by which the government asserts legitimacy. In the case of Ghana, the resources deriving from the structural adjustment reforms helped the government to retain political control and therefore imputed strategic power to the technocrats in charge of the reforms. This is a function of the degree of integration of housing and the overall economy particularly at the policy level. As the distance between housing and the economy increases at the policy level through weak linkages to economic development and social welfare, it permits increased autonomy of interest groups and the assertion of power by a variety of interests as the intra-sector and supra-state competition evolves.

Lastly reversionism has an accompanying discourse that frames the characterisation of the housing problem in society and creates the space for the subsequent emergence of this concept. This discourse contains an adverse perspective of actors other than the state involved

in the development of housing and does not enunciate a supportive agenda for the efforts of these other actors but rather casts the state as the sole benevolent agent. The discourse is laced with periodic enunciations of solutions such as the acquisition of funds to resolve the housing problem without necessarily having to prove it. In this respect, the degree of accountability inherent in any society determines the degree of political rhetoric in the housing discourse. Where political classes are taken to task for the pronouncements, reversionist discourses may feature less than has been observed in the Ghanaian case.

8.4 Future research

This thesis has focused on one aspect of the concept of reversionism, namely state re-engagement in direct housing construction. However as noted in Chapter 1, government re-engagement in direct housing construction is only one of several features of the enabling principles. As noted in the discussions of the limits of this study in section 1.5 of Chapter 1 another essential feature of the enabling principles is the quest for secure tenure of housing, especially for the poor, which requires reduction in evictions of such households. Although governments were encouraged to support the guarantee of secure tenure of poor households living in slums and squatter communities, it was observed in Chapter 1 that evictions in Ghana were increasingly either being threatened or undertaken. In this respect, it is proposed that subsequent research on Ghana's housing sector focus on evictions to determine if the conditions and dynamics driving occurrences in the post-reform era had any link with the other elements of reversionism manifesting as government re-engagement in direct housing construction. It is proposed that additional research look into the incidence of reversionism in other countries, especially in Africa, in order to expand our understanding of the conditions and dynamics generating reversionism which has been established in the case of Ghana.

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List of Abbreviations

ADRP	Accra District Rehabilitation Programme
AESC	Architectural and Engineering Services Corporation
AFRC	Armed Forces Revolutionary Council
APDP	Accra Planning and Development Programme
BHC	Bank for Housing and Construction
CDR	Committee for the Defence of the Revolution
CHF	Housing Foundation
CHRAJ	Commission for Human Rights and Administrative Justice
CIA	Central Intelligence Agency
COHRE	Centre for Housing Rights and Evictions
CPP	Convention People's Party
CSRP	Civil Service Reform Program
CVC	Citizen's Vetting Committee
DANIDA	Danish International Development Agency
DAS	Development Advisory Services
DHRCI	Department for Rural Housing and Cottage Industries
DIM	Dual-Indexed Mortgage
ECA	Economic Commission for Africa
ERP	Economic Reform Programme
ESAF	Enhanced Structural Adjustment Programme
FAO	Food and Agricultural Organisation
FDI	Foreign Direct Investment
FGBS	First Ghana Building Society
FINSAP	Financial Sector Adjustment Programme
GDP	Gross Domestic Product
GNCC	Ghana National Construction Corporation
GPM	Graduated Payment Method
GREDA	Ghana Real Estate Developers Association
GSS	Global Shelter Strategy
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit / German Technical Cooperation
HFC	Home Finance Company
HIPC	Highly Indebted Poor Country Initiative
HOS	Home Owners Scheme
IDA	International Development Association
IDC	Industrial Development Corporation
IHS	Institute for Housing and Urban Development
ILO	International Labour Organisation
IMF	International Monetary Fund
IYSH	International Year of Shelter for the Homeless
KfW	Kreditanstalt für Wiederaufbau (Reconstruction Credit Institute)
KIP	Kampung Improvement Project
LGDP	Local Government Development Project
LGPSU	Local Government Project Support Unit
MIGA	Multi-lateral Investment Guarantee Agency
MLGRD	Ministry of Local Government and Rural Development
MOFEP	Ministry of Finance and Economic Planning
MoU	Memorandum of Understanding
MWH	Ministry of Works and Housing
NAM	Non-Aligned Movement
NDC	National Democratic Congress
NDPC	National Development Planning Commission

NIC	National Investigation Committee
NLC	National Liberation Council
NPE	New Political Economy
NPP	New Patriotic Party
NRC	National Redemption Council
OFY	Operation Feed Yourself
OFYI	Operation Feed Your Industry
OHCS	Office of the Head of Civil Service
OSI	Originating and Servicing Institutions
PAMSCAD	Programme to Mitigate the Social Cost of Adjustment
PDC	Peoples Defence Committees
PNDC	Provisional National Defence Council
PNP	People's National Party
PP	Progress Party
PPEU	Project Planning and Evaluation Unit
PWP	Priority Works Project
REDCO	Real Estate Development Company
SAP	Structural Adjustment Programme
SCC	State Construction Company
SHAPIC	State Houses Allocation Policy Implementation Commission
SHC	State Housing Corporation
SIC	State Insurance Corporation
SMC	Supreme Military Council
SSNIT	Social Security and National Insurance Trust
SUF	Slum Upgrading Facility
TDC	Tema Development Corporation
TEMSA	Teccnicas de Multiconstruction SA
TI	Transparency International
TSC	Technical Services Centre
UGCC	United Gold Coast Convention
UESP	Urban Environmental Sanitation Project
UK	United Kingdom
UMP	Urban Management Programme
UN	United Nations
UNCHS (UN-Habitat)	United Nations Centre for Human Settlements
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Education Fund
USA	United States of America
USAID	United States Agency for International Aid
VALCO	Volta Aluminium Company
WDC	Workers Defence Committees

Annex 1– Key Informants (Interviews and Focus Group Discussions)

List of Interviewees

Name	Position	Agency
Edusei Derkyi	Former Deputy Managing Director	HFC Bank Ltd.
Steve Akuffo	Former Under Secretary (1983 – 1987)	Ministry of Works and Housing
Solomon S. K. Sarfoh	Member of Parliament, Asante Mampong (1996 – 2004)	Office of Parliament
Frank Tackie	Director / President	The Consortium for Innovations in Human Settlement Development / Ghana Institute of Planners
Farouk Braimah	Director	People’s Dialogue on Human Settlements
Allan Okomeng Mensah	Senior Quantity Surveyor	REDCO (1985 – 1993)
Robert Opoku Kyei	Former, Special Assistant to BHC Managing Director	Bank for Housing and Construction
Fred Pappoe	Senior Programmes Officer	Danish International Development Agency
Robert Buckley	Senior Economist	World Bank (Washington)
Charles Boakye	Senior Municipal Engineer	World Bank (Ghana)
Victoria Abankwa	Country Programme Manager	UN Habitat Ghana Office
Abena Mansa Ntori	Human Settlements Officer	UN Habitat Ghana Office
Michael Mutter	Team Leader	UN-Habitat Slum Upgrading Facility
Dr. Alex Tweneboah	President	GREDA
William Opare	Executive Secretary	GREDA
Kwabena Mensah Nyarko	Director	Buena Vista Homes
Peter Watermburg	Former Director / Consultant	Technical Services Centre / LGPSU (1994 – 2005)
Prof. Ralph Mills Tetteh	Registrar,	Architects’ Registration Council
Fosu Appiah	Director of Planning	State Housing Corporation
Jeffrey Afful	Quantity Surveying Consultant	SSNIT Housing projects
Laud S. Ashun	Quantity Surveying Consultant	Affordable Housing Programme
Mawuse Agyemfra	Programme Officer	Centre for Housing Rights and Evictions

List of anonymous interviewees – (identities not supplied by request)

Position	Thematic area of organisation
Former Director	Local Government Projects
Urban Development Advisor	Local Government Projects
Regional Director	Local Government Spatial Planning
Head of Unit	Local Government Development Planning
Senior Technical Advisor	Housing policy
Director of Policy Planning	Housing policy
Director, Budgeting, Monitoring & Evaluation	Housing policy
Senior Accountant	(Public) Housing development
Technical Director	Land Administration
Regional Director	Land Administration
Senior Project Manager	Social Security Investments
Director	Procurement
Consultant	Urban infrastructure development

List of Focus Groups

Thematic subject of group	Period	Number	Constituent
Housing Policy	August 2006	6	Current and former bureaucrats from Housing Ministry
Housing Finance	September 2006	5	Representatives from Ghana Association of Housing Finance
Local Governance	August 2006	5	Current and former Bureaucrats from Local Government Ministry
Land Management and Administration	September 2006	4	Staff of Lands Ministry (2) Consultants (2)
World Bank Projects	September 2006	6	Staff (3) Consultants (3)
UN Projects	September 2006	7	Staff (2) Former consultants (5)
Private Real Estate Developers	September 2006; January 2008	6	Executives of GREDA
Planners in Central and Local Government	August 2006	6	District Planning Coordinating Unit
General Policy Experts	August 2006	5	Representatives from NDPC (1), Parliament (1), Policy Think Tank (3)
Low-Income Community Group	September 2006	5	Executives of Ashaiman Branch of Ghana Federation of the Urban Poor

Annex 2 – General interview guide (adapted to key informant)

The Housing Sector Reform Programme

1. How was the Housing Sector Reform Programme framed?
 - a. What were the key components?
 - b. How were they originated within the reform framework?
 - i. Design? Implementation? Institutionalization?
 - c. What was the envisaged time frame from inception to completion and how did that compare to the actual time frame? What milestones were achieved?
 - i. Envisaged and actual beneficiaries?
2. What organizational framework presided over the Housing Sector Reform Programme?
 - a. Who was involved in the programme and who were the stakeholders?
 - b. Were there any consultations with stakeholders before the inception of the programme? How often were these consultations held? What were the outcomes of the consultations?
 - c. What were stakeholders' contributions and how did these contributions affect the original reform plan?
 - d. Were there any particular (recognizable) group(s) that were not part of the reform programme? Why were they not included in the programme?
3. What were the problems identified by the Housing Sector Reform Programme?
 - a. Why & How were they selected as problems?
4. Which problems identified by the programme were addressed?
 - a. How were they addressed?
5. Which problems identified by the programme were not addressed?
 - a. Why were they not addressed?
 - b. Were there any changes to the original design or implementation plan?
6. What new issues emerged in the housing sector after the formal closure of reform project and how did they originate?
7. What was the effect of the housing reform programme on
 - a. The culture and preferences in housing by the various segments of the urban society
 - b. Institutional roles in housing development
 - i. Public sector (civil and public services), private sector, traditional sector, professional bodies, NGOs, CBOs
 - c. Production and affordability of housing
 - d. The role of housing within context of
 - i. urban development
 - ii. national development
 - e. Inter-governmental relationship (multi-national agencies, central and local governments)
 - f. Sectoral and inter-sectoral policy environment
 - g. The relationship between the political class and the bureaucrats
 - h. The planning framework
8. Conversely what was the effect of the following on the reform plan?
 - a. The culture and preferences in housing by the various segments of the urban society
 - b. Institutional roles in housing development
 - i. Public sector (civil and public services), private sector, traditional sector, professional bodies, NGOs, CBOs
 - c. Production and affordability of housing

- d. The role of housing within context of
 - i. urban development
 - ii. national development
 - e. Inter-governmental relationship (multi-national agencies, central and local governments)
 - f. Sectoral and inter-sectoral policy environment
 - g. The relationship between the politicians and the bureaucrats
 - h. The planning framework
9. What elements of the reform programme were maintained after the reform programme ended?
 10. What elements of the reforms did not survive beyond the end of the project?
 11. Are there any legacies of the reforms that are actively influencing the present state of the housing sector?

Post-reform era - 2001

1. Characterize the post-reform state of the urban housing sector
 - a. Who is providing housing for the
 - i. upper income
 - ii. middle – income
 - iii. low – income
 - iv. formally employed
 - v. informally employed groups
 - b. How are these being produced? Who is organising the processes?
 - c. Who is involved in other aspects of the housing sector?
 - i. Land
 - ii. Finance
 - iii. Building materials / industry
 - iv. Infrastructure
 - v. Planning
 - vi. Labour
2. How is the government addressing the housing needs of the different groups in the country?
3. What are the most critical difficulties in the housing sector?
4. What has the government been doing to address these difficulties?
5. What is the state of the Housing Ministry's capacity to meet the challenges of the sector?
6. What is the strength of the Housing Ministry's technical directorate in charge of housing?
7. What is the level of the capacity of the technical directorate?
8. Has there been any capacity building for the Ministry's technical directorate?
9. How often has these capacity building exercises taken place?
10. Who has benefited from the capacity building?
11. Who sponsored these capacity building exercises?
12. On the average, how long have the staff of the Ministry (especially housing technical directorate) stayed in the employment of the Ministry?
13. Why has the government re-entered the direct construction of houses?
14. What is the aim of these interventions?
15. Who was consulted prior to the inception of this project?
16. How has these projects been formulated?
17. What pre-disposing factors account for these interventions?

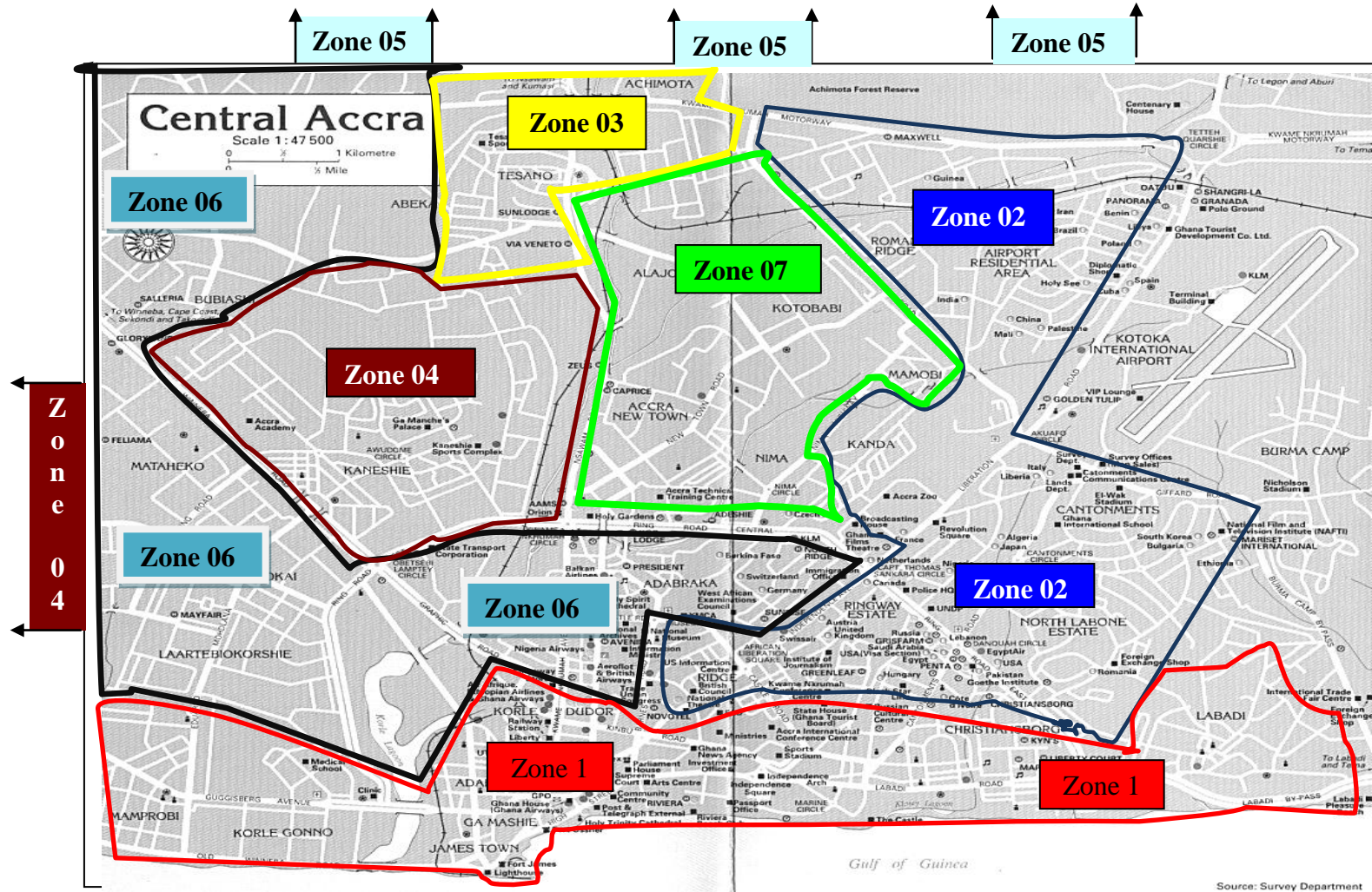
18. How strong is the role of the policy community on the activities occurring in the housing sector?
19. Are there any identifiable institutions or entities that are excluded from the policy community?
20. What accounts for their exclusion?
21. What is the state of engagement within the policy community?
 - a. Are there any platforms – formal or informal – promoting the engagement processes?
 - b. Are there any obstructions to the engagement process within the policy community?
 - c. What are these respective interest groups doing to achieve their objectives?
 - d. Are there any conflicts in the different interests of the respective groups?
 - e. Are there any forces that mobilize, coordinate or network the various interest groups in the housing sector?
22. What is the effect of the technocrats / bureaucrats on the present state of affairs in the housing sector?
23. What is the state of the planning framework and what is its impact on the current state of the housing sector?
24. What is the level of integration of the policies being pursued within the housing sub-sectors → land, finance, building materials, infrastructure, planning, labour, etc?
25. How often has the government been involved in projects developed by external agents?
26. Is there any legacy of the reforms influencing the present state of the urban housing sector? Is there any experience from the implementation of the reforms that are being carried over into how housing is being delivered?

Annex 3: Zoning of Accra neighbourhoods in the Accra Structure Plan (1990)

Zone	Classification	Typical neighbourhoods	Pre-dominant Characteristic
01	High density indigenous sector	Osu, Jamestown, La	Coastal settlements, indigenous Ga tribe, low-income, moderate infrastructure, family housing
02	Low-density high class sector	Airport Residential, Roman Ridge, Ringway Estate, North Labone, Community 6 (Tema)	Former colonial residential area, planned neighbourhoods, high infrastructure level, single family detached housing
03	Medium-density middle class sector	Achimota, Tesano, Assylum Down, <i>Cantonments*</i>	Organic layout, owner-provided infrastructure (& late public infrastructure support)
04	Low-density middle class sector	Dansoman Estates, Kaneshie Estates, South Odorkor, North Teshie, Community 4 & 9 (Tema)	Planned neighbourhoods, public developed estates, good infrastructure levels, detached and semi-detached housing
05	Low-density newly developing sector	Sports Complex Area, East Legon Extension, Adenta, Haatso	Development of public lands by encroachment or class interest allocation, organic layouts, owner-provided infrastructure
06	Medium-density indigenous sector	Mataheko, Mamprobi, Darkuman, Abeka	Organic layout, settlement of indigenous tribe with rapid entry for immigrants, mixed family, compound and detached housing
07	High-density low class sector	Sabon Zongo, Accra New Town, Nima, Maamobi, Madina, Tema New Town, Ashaiman	Migrant settler communities, poor infrastructure

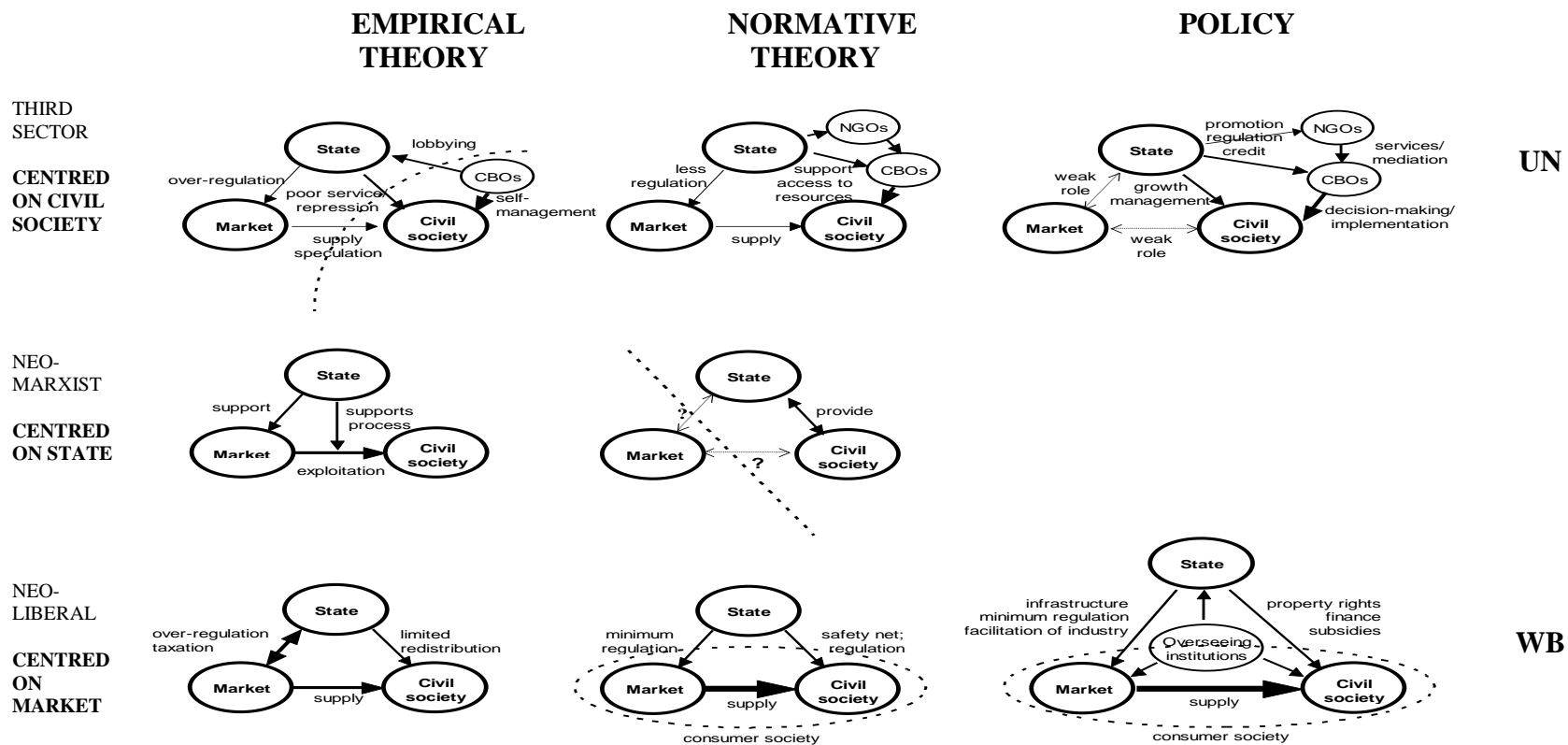
Source: compiled from Housing Needs Assessment Study, HUDA (1990)

Classification of neighbourhoods of Accra



Source: Map by Survey Department, Ghana

Annex 3B: Conceptual differences between UN and World Bank



Source: Adopted from Smith (1999: 35)

Annex 4 – SSNIT Urban Housing Development Programme (1974 to 2000)

Project Location & Name	Inception Date	Date Completed	Bed-sit	1--Br¹	2--Br	3--Br	4--Br	5--Br	Total	Remarks
Greater Accra										
Dansoman Housing	1974	1992	370	144	97	-	-	-	611	19 blocks
Adenta Housing										
1) Phase I	1989	1991			360				360	30 blocks
2) Phase II	1992	1994			832				832	52 blocks
3) Phase II	1993	1995				80			80	5 blocks
Ashongman Housing	1992	1997			544	65		18	627	
Cantonments Redevelopment	1990	1995			3	69	3		75	75 houses
Independence Avenue	1989	1992				18			18	3 blocks
Tema										
Sakumono Phase I	1989	1992			429				429	Semi-detached
Sakumono Phase II										
1) Series I	1990	1995		273	462				735	60 blocks
2) Series II	1992	1993			228	6			234	16 blocks
Sakumono Phase III	1996	-			320	60			380	
Tema Comm. 3A	1990	1992			136				136	
Tema Comm. 3B										
Phase I	1990	1992		72	84				156	15 blocks
Phase II	1993	1996			336				336	
Phase III	1996	1999			320	60			380	
Tema Comm. 5										
1) Phase I	1974	1989			80				80	4 blocks
2) Phase II	1993	1996			64				64	
Central Region										
Cape Coast Workers Housing	1992	1994		120	38	36			194	6 blocks
Eastern Region										
Adweso Housing										

¹ Br refers to Bedroom

1) Phase I	1993	1993			110			110	55 Semi-detached
2) Phase II	1997	1998			92			92	Semi-detached
Workers Housing									
Koforidua	1996	1998			160			160	10 blocks
Galloway Housing									
Koforidua	1996	-		9	36			45	
Volta Region									
Ho Workers Housing									
1) Phase I	1975	1977	168	96	24			288	9 blocks
2) Phase II	1996	1998		160				160	10 blocks
Western Region									
Anaji Workers Housing									
1) Phase I	1975	1977	48	16	68	18		150	9 blocks
2) Phase II	1996	-			128			128	3blocks ic**
Ashanti Region									
Asuoeyboa Housing									
1) Phase I	1976	1978		152	195	49		396	39 blocks
2) Phase II	1996	1998			160			160	
Brong Ahafo Region									
Sunyani Workers Housing	1975	1988			96			96	6 blocks
Northern Region									
Tamale Housing									
Phase I	1991	1992			104			104	52 Semi-Detached
Upper East Region									
Bolgatanga Housing									
1) Phase I	1990	1993			78			78	39 Semi-Detached
2) Phase II	1995	1997			80			80	40 Semi-Detached
Upper West Region									
Wa Housing									
Phase I	1991	1993			75			75	
2) Phase II	1993	1994			74			74	

Source: Adopted from Sarfoh (2002)

**ic refers to incomplete building

Annex 5: List of Gated developments in Accra metropolis by private developers²

No.	Name of Estates	Developer	Location
1.	Devtraco Villa	Devtraco Ltd	Community 20
2.	Tieso Homes	Tieso Homes	ditto
3.	Regimanuel	Regimanuel-Grey Ltd.	Community 19
4.	TDC	TDC	Ditto
5.	Regimanuel	Regimanuel-Grey Ltd.	Community 18
6.	Lagoon View Estates	Emefs Development	Lashibi
7.	Buena Vista Homes	Buena Vista Homes	Sakumono
8.	Parakuo Estates	Parakuo Ltd.	Community 15
9.	Regimanuel	Regimanuel-Grey Ltd.	Ditto
10.	Maritime View Estate	T & T Developers	Nungua
11.	Mansonnia Green	Akuaba Ltd	Baatsona
12.	Manet Cottage	Manet Housing Ltd.	Ditto
13.	Devtraco Villas	Devtraco Ltd.	Baatsonaa
14.	Bougainville Estate	N/A	Ditto
15.	Tracof		Bawalishie
16.	(Tracof)		Spintex
17.	Manet Court	Manet Housing Ltd.	Agbliza
18.	Casa Bella	N/A	Ditto
19.	Mariville Homes	Mariville Estates	Ditto
20.	Kasaglobal Villas	Kasaglobal Estates	Ditto
21.	Royal Palm Estates	VP Developments	Ditto
22.	Oasis Homes	AD Construction Ltd	Ditto
23.	Manet Ville	Manet Housing Ltd.	East Airport
24.	Golden Gate	Regimanuel-Grey Ltd.	Ditto
	Silver Bells I & II	Regimanuel-Grey Ltd.	Ditto
	Platinum Place	Regimanuel-Grey Ltd.	Ditto
	Phase IV	Regimanuel-Grey Ltd.	Ditto
25.	Airport Hills	Finali Ltd.	Ditto
26.	Manet Palm Estate	Manet Housing Ltd.	Ogbojo
27.	Trasaaco Valley	Trasaaco Estate Development Ltd	East Legon Extension
28.	NTHC	NTHC Properties Ltd.	Ditto
29.	Extee Prestige Homes	Extee Prestige Estates	Ditto
30.	Salem Estates	Salem Investments Ltd	Ditto
31.	Ayensu Estates	Ayensu River Estates Ltd.	Maajor
32.	Lakeside Estates	Agri-Cattle Lakeside Estate Ltd.	Ashaale Botwe
33.	Commercial Estate	Commercial Investment Ltd.	Akatamanso
34.	N/A	Dar Es Salaam Group	Kanda
35.	Meridian Apartments	Zagloul Enterprise	Cantonments
36.	Cantonments Gardens	Taysec Const. Ltd	Ditto
37.	Kaiser Court	N/A	Ditto
38.	Glahco Estates	Ghana Libya Arab Holding Ltd.	Ditto
39.	K. O. Homes	Kwabena Owusu Construction Ltd.	Ditto
40.	The Hamptons	Purple Oak Ltd.	Ditto
41.	Yaa Kobe Gardens	N/A	Ditto

² As per Grant (2005:669-670) these are developments comprising 15 to 600 units. All developments less than 15 have been omitted.

42.	Orchid Gardens	Taysec Const. Ltd	Ditto
43.	Hansen Court	Taysec Const. Ltd	Ditto
44.	Krypton Garden	Purple Oak Ltd.	Ditto
45.	Gold Key	N/A	Ditto
46.	Granite Court	N/A	Ditto
47.	Ivy Court	N/A	Spintex
48.	Kwabanya Estates	Regimanuel-Grey Ltd	North Legon
49.	Earls Court	AFSR Real Estate Ltd	Airport
50.	Palladio Estates	N/A	Ditto
51.	Palm Court	Taysec Ltd.	Ditto
52.	Cedar Court	Taysec	Ditto
53.	Alema Court	Taysec	Ditto
54.	Royal Airport Plaza	Royal PF Construction	Ditto
55.	Polo Court	N/A	Ditto
56.	Rivonia Gate	N/A	Ditto
57.	N/A	Frank Nelson	Ditto
58.	Airport Flats	Japan Motors	Ditto
59.	Meridian Apartments	Zagloul Real Estate	Ditto
60.	ACP Estates	ACP Estates Ltd	Pokuase
61.	“AU” Minister’s Village	Various developers	Labone

N/A = Not available

Source: Field survey 20th – 22nd April 2007

Annex 6: The media wars between TDC and TDC Tenants Association

“Review 4,000 Cedis Rent - TDC Workers”

Workers of the Tema Development Corporation (TDC) have called for an increase in rent paid by tenants of the Corporations’ rental units to reflect the present economic realities.

This follows the revelation that some tenants pay 4,000 cedis a month as rent. A worker, who expressed these sentiments at a durbar held in honour of the Minister of Works and Housing, Yaw Barimah, said the Corporation had faced interference from politicians any time it made the attempt to increase the rent.

The worker compared the rent charged to the price of a bottle of beer and urged the Corporation to take the initiative to increase the rent to enable it to stay in business.

Another worker expressed concern about the numerous land title cases pending before the courts and said if care was not taken all the Corporation's lands would be taken over by illegal claimants.

Notwithstanding the fact that compensation was paid during the government acquisition of the lands from the Nungua, Tema and Kpone stools in 1952, individuals have instituted legal action to claim portions of the land.

Mr Barimah, who was accompanied by a team of technical personnel from the Ministry, was paying his maiden-working visit to the TDC. He toured the Kpone Car Market and flood prone areas at Lashibi in Community 19 and Community 20.

Mr Barimah indicated that government was concerned about the housing needs of the people and was, therefore, sourcing funding to support medium and long-term projects.

He said TDC and Real Estate Development organisations would be the beneficiaries. Mr Barimah asked the TDC to act within the confines of the law to get used car dealers to move back to the Kpone Car Market.

He formed a committee and charged it to initiate action to solve the problem of flooding at Community 19, Community 20 and Lashibi.

Source: Ghana News Agency, February 6 2002

“TDC tenants protest rent increase, want sale of houses”

Tenants of the Tema Development Corporation (TDC) houses at sites One and Two, Community One, Tema, on Tuesday protested against the proposed increase in rent from 2,000 to 30,000 Cedis. They expressed their desire to buy the houses in accordance with an agreement reached between them and the TDC in 1986 that allowed sitting tenants a five-year moratorium to own the houses.

Addressing a press conference at Tema, Mr Douglas Spencer, General Secretary of the Tema Tenants Association (TTA), said in May the TDC came out with rent increases that members could not afford to pay because they were high.

He said the struggle for the ownership of rental units, which the TDC continuously refuses to maintain, started in 1981 when the tenants sought redress from the court.

However, upon an agreement signed between the TDC and the tenants that the houses would be sold to them the case was withdrawn from court. Based upon that, Mr Spencer said, they were made to fill occupancy forms costing 10,000 cedis each but the TDC had since not honoured its obligation until now "only to hear of the proposed increment in rent which we object to."

Mr Spencer said the association is prepared to negotiate with the TDC for "a fair rent on the rental units and the subsequent outright sale of the houses including the institutional ones."

Source: Ghana News Agency, 13 August 2003

"Statement of Tenants Association is untrue- TDC"

"The Tema Development Corporation (TDC) has described as "untrue", a statement by the Tema Tenants Association that TDC had refused to sell its houses at sites one and two, as well as, institutional and multi-tenanted houses to them. A statement issued by the management of TDC on Wednesday explained that legal tenants have been given the opportunity to own their units at very low and uneconomic prices under an agreement signed in 1996 between the two parties.

It said the agreement also stipulated that "TDC revises the rent and selling prices to market levels and this is what the corporation has tried to do even though the rates are still chasing the actual market rates". The statement said sites one and two houses had been special cases, because they were supposed to be temporary structures.

On institutional houses, the management said the Ministry of Works and Housing decided that their status should not change, hence TDC's refusal to sell the institutional houses to individuals, except with the express request of the institution to do so. "The institutions or companies are the legal tenants and not the staff who are occupying the rental units."

It said under the 1996 agreement the multi-tenanted houses where some units could have taken between two and four legal tenants, it was agreed that if the multiple tenants could come together to purchase the rental unit, TDC will sell to them as joint tenants, and this had been done in a number of cases.

The Tema Tenants Association has refused to pay a new rent being demanded by the TDC for the rental units. The association considered the new rent of 30,000 cedis from the previous 2,000 cedis with effect from May this year, as "very astronomical". Members are rather demanding outright sale of the houses as stipulated in the 1996 agreement.

Source: Ghana News Agency 20 August, 2003

Annex 7: Key housing initiatives in Pre-reform, Reform and Post-Reform eras in Ghana

Stage	Dates / Period	Programmes and Projects
Pre-reform	1952	Tema Development Corporation (later Company) (TDC) established and initiates development of residential estates in Tema
		Schockbetton Housing Scheme
		First Ghana Building Society (FGBS) established
	1954-1955; 1957	UN Missions on housing, Reports published
	1950s to 1970s	Construction of housing estates by public housing agencies
	1955	State Housing Corporation (later Company) (SHC) established
	1956	Roof Loan Scheme initiated
	1958	State Construction Corporation (SCC) established
	1967	ECA / Bouwcentrum Mission
	1969	Tema Housing Cooperative society established
	1971	Ghana Urban Development Project agreed on between World Bank and Government. Project curtailed after 1972.
	1972	Mortgage Decree, NRC Decree 96 passed
	1972-1974	Low-Cost Housing Scheme implemented
	1973	Bank for Housing and Construction (BHC) established
	1975	Public Servants Housing Loans Scheme / Armed Forces Mortgage Loans Scheme
	1976	BHC's Real Estate Development Company (REDCO) established
	1979	State Housing Allocation Implementation Committee (SHAPIC) established
	1982	PNDC Law 5 – Rent Control Decree, PNDC Law 7 – Compulsory Letting of Unoccupied Rooms and Houses Decree
		1987
Reform	1986	National Housing Policy and Action Plan (1987 – 1990) completed but not passed
	1985 – 1994	Accra Planning and Development Programme; and Accra Structure Plan
	1985 – 1992	Kumasi Waste and Sanitation Project
	1985 – 1992	Accra District Rehabilitation Project; key measures done by 1988
	1987 – 1992	National Shelter Strategy
	1988 – 1991	Priority Works Project including pilot housing consolidation programme
	1988	GREDA formed
	1988 – 2000	SSNIT Mass Housing Estates
	1990	PNDC Law 329 - Home Mortgage Finance Law passed and secondary mortgage scheme initiated HFC established,
	1990	Inception of SSNIT upscale developments for 1991 NAM Conference
	1990 – 2000	Urban II – Housing Sector Reforms Programme; and Local Government Rehabilitation Project
		1991

		Lybrand Deloitte consortium
	1993	Housing road show initiated by Government and GREDA to attract “diaspora” market
	1994 – 2003	Urban III – Local Government Development Programme
	1994 – 1995	Conversion of TDC and SHC to limited liability organisations
	1996 – on-going	Urban Environmental Sanitation Project (UESP) I and II
	1999 – 2000	Revision of draft National Shelter Strategy
Post-reform	2004 – 2006	SSNIT joint venture mass housing initiative; aborted
	2005 – on-going	Review of National Shelter Strategy
	2005 – on-going	UN-Habitat Slum Upgrading Facility
	2005 – on-going	Affordable Housing Program
	2007 – on-going	Ghana Primary Mortgage Market Initiative