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STRUCTURAL CRISIS, DEPENDENT CAPITALIST DEVELOPMENT AND REGIONAL INEQUALITY IN GHANA

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The Ghanaian political economy is in the throes of a deep and multi-faceted crisis symptomatic of institutional and economic breakdowns. Evidence of political instability is the fluidity of change of both civilian and military regimes. As a social crisis it is characterized by a profound awareness (at least by the new left intellectuals) of the necessity for radical structural reforms.

The growth of the economy in relation to population has been unimpressive and indeed is best described as a stagnation crisis. There is evidence of the inevitable long-run decline in cocoa output - the chief foreign exchange earner. The output of local foodstuffs has refused to grow and this accounts for a large proportion of inflation in the domestic economy. The industrial establishments, or rather 'assembly plants', have run dry of imported raw materials which account for a large proportion of their needs. Consequently, they are operating grossly under capacity.

The economy is also faced with a huge external debt burden and last though not least there are marked and increasing social inequalities at the interregional levels. Those most evident have not been made better by the increasing social stratification and the polarization of wealth even at the level of regional society.

Careful examination of the nature and origins of the contemporary patterns of spatial and social inequalities together with the current stagnation crisis reveals that they are directly and indirectly linked to the dependent capitalist nature of the historical process of development. In this regard, a major proposition being advanced is that there is a direct connexion between regional imbalances and this pattern of development and that the former tends to increase as the latter becomes more deep-rooted.[1] It is equally arguable that the frustrated nature of development planning signals a crisis in the overall structure of domination and dependence at the international and interregional levels. The basically undemocratic nature of the state apparatus deprives it of political legitimacy and support necessary to solicit from the population the sacrifices needed to initiate radical reforms. Nor could such reforms ever be initiated under conditions of peripheral capitalism given the interests and constraints imposed on the nation at the national and international levels.

The phase of colonial satellization of the national economy is considered as having played a major role in the emergence of the neo-colonial structures of dependence and the current patterns of regional inequality. We shall thus have to study the organization of the dialectic between colonial and neocolonial policies, and the structures inherited from previous periods. For purposes of analysis three historical phases are identifiable: pre-colonial, colonial, and neo-colonial.

PRE-COLONIAL PHASE

Perhaps one of the most important themes in the historical geography and economic history of West Africa as a whole has been the change in relative importance of the Sudan belt on the one hand and the forest and coastal areas on the other. Between the 8th and 15th centuries A.D. especially, the grasslands of Western Sudan became the scene of an extensive interregional and international commerce and witnessed the emergence of various kingdoms and empires providing the peace and stability which was necessary for carrying on this commerce. The most significant of these empires were Ancient Ghana from which present-day Ghana derives its name, Mali and Songhai. This period extended from A.D. 800, with the emergence of ancient Ghana, to the 16th century with the collapse of Songhai empire, which was the most centralized and last of the three major empires.[2] During this period autonomous societies of feudal Europe and particularly the states of the Sudan-Sahel region immediately south of the Sahara developed along parallel lines precisely because of the long-distance trade which linked them all.[3] The trans-Saharan trade was largely instrumental in forging this link. The interaction was on the basis of equal partners.

This extensive international trade across the desert to North Africa, as well as the complementary interregional trade within the Sudan and between it and the forest areas to the south encouraged the rise of numerous cities.[4] Present-day Ghana was drawn into this network of interregional trade with Western Sudan through the activities of Mande and later Hausa middlemen. It is important to note that a significant proportion of the commodities to be found in this trade consisted of forest products of which present-day Ghana was an important producer. Whatever coherence Ghana possessed at the time, it owed not to uniform political control but to the network of trade routes along which traders moved and trade goods flowed. Trade not only brought different parts of the country together, it also drew Ghana closer than before to far-off places from which it obtained exotic products.[5]

The centre of political and economic power, therefore, lay with the empires of Western Sudan and the network of trade routes, together with the trade that passed throughout the country, was oriented towards this centre of power. The general orientation of present-day Ghana was therefore towards Western Sudan.

A process of state formation was induced by this trade. It would appear from the available evidence that it was in Northern Ghana that the first group of large and centralized states emerged, i.e. Mamprusi, Dagomba and Nanumba. This occurred in the zone between the forest to the south and the trading centres of the Niger bend and Hausaland to the north. These states functioned as middlemen in the trade between the two regions, and it would have been the need to control and ensure the security of trade routes which incited either some of the incoming groups or previously settled rich families to use their cavalry to establish political domination over the existing groups of people.[6] This occurred after the late 15th century and they founded or adopted existing settlements from which they ruled their states. These settlements became primordial towns.[7] Other states established later in the 17th century were Gonja, Wala, and Imola around Kaleo.

South of the Volta, the process of state formation was also developing. According to tradition the Akan states of Bono-Manso to the north-west and Adansi to the south were the first to emerge and did so probably about the same time as the states of Mamprusi and Dagomba, that is during the first half of the 15th century. Bono-Manso arose at the meeting point of the savanna and the forest zones and near the important Dyula or Mande trading centre of Begho while Adansi arose in the gold-producing region. Both of them must have been the first to derive the greatest wealth from north-south trade, the former as the main intermediary between southern and northern traders, and the latter as the chief producer of the principal item of trade, namely, gold.[8] The emergence of some of the most illustrious kingdoms in the forest areas was to await the period of Afro-European confrontation. According to Daaku, until the European era the Akan in the forest lived in a group of small chiefdoms or city-states which were organized on kinship lines.[9] Similar observations apply to the Ewe groups and the coastal Ga.[10]

The change in fortunes between the Sudan belt on the one hand and the forest and coastal areas began to occur in the 15th century with the appearance for the first time of Europeans on the coast. With their search for trade goods, notably gold, and the disintegration of the Western Sudanic Empires in the 16th century, Ghana and West Africa as a whole did a round-about turn. 'The Atlantic Ocean, which had always been a barrier, now became a starting place, a beginning: new foci of economic and political change emerged in the coastlands and forest regions.'[11] With a new centre crystallizing on the coast associated with European activities there was a restructuring of the space-economy to fit the new order in which the coast and the forest areas emerged as the most successful in the adjustment process. But the new trade between Europe and West Africa was not to play the same role as that of the preceding period since henceforth it was to take place under mercantile capitalism.

During this phase, the trade initially in gold and ivory was quickly converted into trade in slaves as a new demand for cheap manpower developed in the West Indies. 'The American periphery of the Western European mercantile centre played a decisive role in the accumulation of money wealth by the Western European bourgeoisie. Black Africa played a no less important role: periphery of the periphery. Reduced to the role of supplier of slave labour for the plantations of America, Africa lost its autonomy. It began to be shaped according to foreign requirements, those of mercantilism.'[12] The effects of slave raiding and wars that produced the slaves were far-reaching, and caused a great deal of destruction and devastation. Whole towns and villages were burnt down and farms destroyed; trade routes were disrupted and it also led to the migration of people.[13] Certainly, many rulers, especially the Asante, acquiesced in the European slave trade for what they considered to be reasons of self-interest, but on no scale of rationality could the outflow of population be measured as anything but disastrous to the societies of concern. Gonja and Sefwi areas bore the brunt. Economic activity was affected directly and indirectly by population loss. For instance, when the inhabitants of a given area were reduced below a certain number in an environment where tsetse fly was present, the remainder had to abandon the area. It was the first retrograde step in the underdevelopment of the black race. It was at this mercantilist phase that incipient dominance dependency structures were laid between Europe and Africa respectively.

One significant feature of the rise, expansion, and collapse of the Akan states at this time has been the close relationship of the socio-political pattern with the opening of new trade routes between the hinterland and the markets of the coastal areas. In fact the interaction between politics and economics is so close that they are both cause and effect of each other. It is no accident that the Akwamu, Denkyira, Ashanti, and even the Agona states all arose in the wake of Portuguese and other European trade and commerce in the 16th, 17th and 18th centuries. The major ingredient in state formation was therefore trade and commerce and the interest in its organization and control. Centralization of political power was in part necessitated by the desire of indigenous rulers to forge a more effective means of monopolizing control and access to the flourishing trade in men and merchandise on the coast. The socio-political continuity seems to have been based primarily on socio-economic continuity. The state system under kings or powerful chiefs made it possible, at any rate before effective European colonization to secure and organize servile labour and in largely pre-cash economy, to exploit the tribute system, with a correspondingly greater economic surplus for the kings who might even at this early stage be described as political entrepreneurs.[14]

The basis of power seems to have rested on the military strength of the various secular states. During this era, Northern Ghana was in the eclipse with the decline in the middleman function between the Western Sudan and the forest and as a result of the ravages of slave raiding on Gonja and to a lesser extent on other states. Nor was the area well-located for the new trade on the coast. Although the rise and fall of empires in the forest areas of Ghana followed one another in succession, it was Ashanti which functioned as the major state combining middleman functions between the coast and northern Ghana with the direct production of gold and kola nuts which attained the greatest development. Those coastal states more directly connected with European trade activities also attained some measure of development. At the peak of its power, no state in Ghana could rival Ashanti in terms of wealth in the precolonial era.

The wealth that was generated was highly concentrated. Among the principal beneficiaries were the feudal aristocrats of the various states, the most notable being Ashanti. A number of merchants who were involved in the trade between the interior states and coastal forts also accumulated wealth. These included men with permanent employment in European companies.[15] By contrast, the broad mass of the population, then engaged in primary activities, were poorly integrated into the exchange economy. The countryside of especially weak states was often impoverished by slave raids and many people lay outside the mainstream of activities. This period of European mercantile penetration was to mark the first phase in the dependent integration of the economy into the international capitalist system.

An urban system emerged within the spatial system from this pattern of activities. Along the coast were the towns associated with European forts, the most important being Elmina, Cape Coast and Accra. From these, a set of penetration lines extended to a system of middleman towns which served as collecting centres or intermediate nodes for collection and transport to the ports or interior. Fosu, Akim Manso, Nyanao, Twifo and Herman were significant centres. The termini or source areas also had a set of towns. One of the most significant was the Asante capital, Kumasi. Kumasi in turn was the terminal point of the northern trade with another system of middleman centres existing in the interior, e.g. Begho, Kete Krachi, Wenchi, Salaga and Atebubu. Further north, other centres developed along the east and west trade routes. They include Walewale, Savelugu, Lawra, and Larabanga. Besides these, the state capitals like Wa were also important trade centres. All these nodes were interconnected with a network of footpaths.[16]

The mercantilist phase was superseded by the period of direct colonial intervention. The general scramble for colonial dependencies in Africa was due to attempts by specific European powers to reduce the cut-throat competition in international trade by monopolizing foreign markets for their surplus manufactured products, and for the development of tropical agricultural and mineral products then vital to industrial expansion in Western Europe.[17] Trade might precede the flag but railways could only follow it.[18] This marked the end of free competition under capitalism and a transition to the stage of monopoly capitalism or finance capital.[19] An immediate cause was the persistent threat by the Asante to British interests on the coast.

THE PHASE OF COLONIAL DOMINATION

At a simple spatial level, a metropolis-satellite decision-making structure emerged. It was at the centre nation, Britain, that strategic high-level decisions were taken as to the broad guidelines of development policy for Ghana, the periphery or satellite nation, As early as 1875, Joseph Chamberlain saw the colonies as vast underdeveloped estates and Sir Charles Bruce emphasized that British colonies should be developed both to supply the United Kingdom with food and raw materials and to consume British manufactured goods.[20] 'From the beginning, Europe assumed the power to make decisions within the international trading system. Above all, European decision-making power was exercized in selecting what Africa should export - in accordance with European needs.'[21]

What this implies is that in the then Gold Coast (Ghana), traditional chiefs, business interests of local origin together with the numerous small African producers, had to operate within the constraints imposed by the highly vertical interaction relations within a feudal structure imposed by colonial domination. The basic profile of what was to be termed the colonial development model can be seen as a function of policy transmitted down the hierarchy of decision-making and the local response to policy in terms of reaction of entrepreneurs to their opportunity field.

The colonial economy came to be characterized by the following features:

(1) export production was limited to a few raw materials - cocoa, gold, diamonds and timber in exchange for a variety of manufactured, chiefly consumer goods;
(2) British and other expatriate interests dominated the mining industry and the overseas trade resulting from (1);

(3) the metropolitan power, Britain, not only exerted considerable influence on economic policy but virtually controlled it. The chief aim of expatriate policy was to assist the flow of primary products, and to keep the door open for the sale of manufactured goods. The only limits to imports were those set by the purchasing power of local consumers;
(4) the metropolitan power aimed at minimizing its fiscal obligations, and the colony was expected to balance its budget without external assistance;
(5) through the West African Currency Board, the monetary system of the colony became an appendage of that of Britain, while banking arrangements were concerned mainly with financing activities of expatriate firms notably UAC, and to a lesser extent UTC, SCOA, Cadbury, etc. Hence the long-term rates of growth of this type of economy depended on the size of export proceeds.[22] Thus, an international division of labour and commodity production emerged which has been characterized by a process of uneven development both at the national and international levels. There is, therefore, the need to turn to the pattern of resource development that was to result from the above policies.

Whereas British trade interests provided the stimulus for the development of export activities and British administration created the necessary conditions, the reaction of the Africans to their new economic opportunities was swift and efficient. Except in mining and timber sectors, where external capital and technology was now being used, actual production for export was directed almost entirely by Africans.[23] The development of the vital cocoa sector was an entirely African initiative. By 1910, Ghana was the world's second largest exporter of cocoa and the crop was the most valuable export from Ghana as its value exceeded that of gold; in 1911, Ghana had become the world's largest exporter of cocoa.[24] These were activities of great interest in the metropolitan economy and were supported through policy.

One cannot, however, fully understand the dynamics of the cocoa-mineral economy except with reference to the infrastructural support provided by the colonial administration and the cheap labour supply which together ensured its success. For example, it was not long before the colonial government began to realize the need for an effective road and rail transport policy to link the coastal ports and capital town with the area of mineral production. In a sense, government expenditures in infrastructure provided the 'big push' for private capital to invest profitably in the development of the export economy. The growth of trade experienced by the economy would hardly have been possible without expenditures on harbours, wharves, culverts, road systems, railroads and other public works as well as investments in administrative infrastructure, in health facilities, in the establishment of order through an organized police and army, and in support services for directly productive activities such as cocoa research and communication facilities.[25] All these factors helped to create the price conditions permitting the extension of the industry.

There was no attempt to build such long railways in the colonial state and the Northern Territories were left without railways. The railways were begun essentially to make extensive gold mining operations possible. Thus the first line begun at Sekondi in 1898 ran through the gold-mining districts of Tarkwa and Obuasi up to Kumasi, which it reached in 1903. The rapid growth of the cocoa industry created demands for a line further east, and in 1923 a line from Accra to Kumasi was completed. The two north-south lines were then linked by the Huni Valley line finished in 1924.[26] The major frontal attack on the transport problem was initiated in the much celebrated Guggisberg's ten-year development plan for the colony covering the period 1919-28 and involving the expenditure of about £25 million mainly on improving the transport system. All the schemes were designed to complete the structure of an outward-directed satellite economy.

Activities aimed at the exploitation of the resources of Southern Ghana soon generated such a demand for labour that a deliberate strategy of labour displacement to the export sector from Northern Ghana had to be formulated. Consequently, the administrative officers in the peripheral North were to implement policies of labour recruitment, thus integrating peripheral regions into the national space economy through labour flows to the growth region. The then Northern Territories were subjected to political violence with the adoption of forced labour policies and the designation of the area as a 'labour reserve'.[27]

Soon after the British occupied Northern Ghana, the area was designated by the colonial administration as the source of almost all the available unskilled labour supply, especially for the mines, army, police, and cocoa farms, and the region was vital for the continued development of the more favourably endowed southern areas of Ghana. So important was this source of labour supply that certain officers administering the region did not favour its economic development as it would halt the migration of labour to the South.[28] Hence the region was also deliberately starved of development funds. The policy of labour recruitment was started around 1900. Areas of the Volta Region whose ecological conditions were not suitable for cocoa production soon developed as zones of labour out-migration.

Although spatial and social inequalities in development were noticeable even in pre-colonial days, it was largely in the colonial phase that the generalized pattern of spatial inequalities emerged which continue to reflect strongly on current patterns. This pattern emerged largely as a function of colonial policy pursued during the period. The pattern of regional inequality that emerged was attributed to the differential resource endowment of regions as perceived within the colonial development paradigm.

A simple centre-periphery structure emerged over the space-economy (Fig. 1). In a generalized sense the centre consisted of the forest belt of central Ashanti, Eastern and Central Regions. The areas with the potential for cocoa, timber and minerals which were yet undeveloped were the resource frontiers which then consisted of much of north-west Brong Ahafo and the Western Region. Another type of growth region consisted of the coastal port towns which played a crucial role for import-export activities. Sekondi-Takoradi and Accra were emerging as the most important centres of activity. Takoradi's importance was due to its role as a modern port-town and Accra was the administrative and commercial headquarters of the country. These towns monopolized much of the modern social infrastructure of the country and were engaged in a kind of hinterland piracy which led to the decline of most of the other coastal towns. Accra had a concentration of the highest level of decision-makers in the national setting and hence could be described as the centre. The articulation of the spatial structure is shown in Fig.2.[29]

The generalized periphery consisted of areas outside the forest belt and coastal port towns with neither the relevant potentials for cocoa, timber and mineral production nor the ability of functioning as centres for the articulation of the outward-directed national economy as port towns. This consisted of the large land area of Northern Ghana which was not viewed in terms of its agricultural potential but rather as a labour reserve for the growth areas. This emerged as a depressed region and so were the northernmost and south-eastern parts of the Volta Region (British Togoland) where cocoa culture was also not possible. This excludes the small cocoa-growing area around Jasikan. One residual impact of precolonial activity patterns on the fortunes of Northern Ghana like Sefwi was the depopulation of the central parts of the region as a result of slave raids. This led to advancement of arguments against a railway line to the North for want of adequate freight and yet in some cases as in Northern Nigeria and Uganda, commercial agriculture was generated due to the development of rail routes in advance of freight availability.[30]

Thus at the regional level, the colonial trade necessarily gave rise to a polarization of dependent peripheral development. The necessary corollary of the 'wealth' of the coast was the impoverishment of the hinterland. The exclusive allocation

> of resources to the former zone, a planned policy of colonial trade, accentuated the regional imbalance. The mass emigration from the hinterland to the coast formed part of the logic of the system: it made [cheap] labour available to capital where capital required it, and it is only 'the ideology of universal harmony' which sees in these migrations anything other than migrations which impoverish the departure zones. The culmination of the colonial trade was balkanization, in which the 'recipient' micro-regions had no 'interest' in 'sharing' the crumbs of the colonial cake with their labour reserves.[31]

The north-south pattern of trade alignment associated with precolonial trade was consolidated by the construction of more permanent routes to replace the bush tracks and the dominance of Kumasi on the inland transport system.

The skeletal structure of the spatial system which consisted of a north-south dendritic transport system and the dominance of Kumasi, Accra and Sekondi-Takoradi were to provide the framework for the systematic process of surplus extraction out of the Ghanaian space economy due to the imposition of unequal exchange and the penetration of foreign capital.

THE POST-INDEPENDENCE NEOCOLONIAL DEPENDENCE

Between 1945 and 1957, before formal independence was granted to the colony, the open colonial economy underwent substantial modifications, the chief of which centred on the expansion of the public sector and the gradual transfer of political if not economic power to Africans and the beginnings of modern industry.[32]

As Nkrumah so aptly puts it:

> In the face of growing militancy in the colonial dependency, imperialism has been simply shifting tactics. Without a qualm it dispenses with its flags, and even with certain of its more hated expatriate officials. This means, so it claims, that it is 'giving' independence to its former subjects to be followed by 'aid' for their development. Under cover of such phrases, however, it devises innumerable ways to accomplish objectives formerly achieved by naked colonialism.[33]

The implication of the above observation is that whilst, nominally, political decision-making power was vested in the Ghanaian nationalist government in 1957, the basic organizational and spatial structures that formed the basis of the colonial economic structure remained intact. They were in fact strengthened by policies pursued by the government itself. In all spheres of social and economic life the goal of the new elite was to emulate standards of the centre nation.[34] Consequently, nationalist economic policy was not directed at de-coupling the economy of the new nation from its vertical subordinate relations with Britain. They therefore failed to undertake the adjustments necessary for achieving an internally integrated as opposed to an atrophied outward-directed development. It is significant to note that the fight against colonialism itself was more a function of the terms in which the elite were made to participate in it and not one of a fundamental dislike of the system of dependence as a whole.

Thus under the strains and stresses of accelerated 'modernization', the main thrust of government policy was import-substitution industrialization. This created the basis for the expansion of expatriate business interests from import-export trade, banking and mining into the industrial sector. This kind of policy also resulted in increasing dependence on outside sources of credit to help finance investments. The result was that there was increasing pressure from external financial oligarchies and donor countries on the government as they staked their right to participate in the strategic decision-making process at the national level as regards economic policy.

The initial advantage of an early successful response within the cocoa-growing area to external demand was to create forces leading to the further concentration of growth within that region. The infrastructure was already available in the large towns of Accra, Sekondi-Takoradi and Kumasi within this region capable of supporting modern industry and the markets were similarly concentrated in the cash crop area. It is, therefore, no surprise that the basic development process after independence led to further spatial concentration of activity within these main urban areas which themselves had their *raison d'etre* in the role they played in the functional organization of the colonial economy. The primary export sector was to exist and expand alongside the development of manufacturing industry.

Long after independence, the cocoa industry, timber, gold, diamond and manganese export activities maintained their dominant role as key exports and they were to provide the necessary foreign exchange for the capital and raw material imports which supported the import-substitution industrialization strategy. The expansion of the cocoa industry which was organized by small-scale African entrepreneurs was fast, especially with the rapid progress in road development during the late 1950s and early 1960s. Consequently, its regional distribution within the forest area was enlarged to include the former resource frontier regions.[35]

But perhaps the main thrust of government policy after independence was in the area of industrial development - a much neglected area during the colonial period. This was to lead to further concentration of activity in very limited enclaves within the generalized growth area.

The structural changes which were to occur in the Ghanaian economy through import substitution industrialization had their origins in colonial policy. Export expansion after 1945 had enabled the domestic market to expand to a certain minimum threshold level as to make it possible for the economy to support modern manufacturing industry. Besides, the colonial system had created an alienated westernized urban middle class (also the policy makers) who were accustomed to obtaining manufactured goods virtually identical with those available in the centre nation. These tastes, which seemed resistant to change, ruled out any question of adaptation of technique to traditional industries as this would have meant a considerable adjustment in tastes.[36] This has been reinforced by the forces which work to foster fragmentation of the initial markets. The 'demonstration effect' of the top level British and Ghanaian administrative and business staff together with modern advertising created further pressures for higher absolute levels of living. Hence demand becomes further diversified even without a rise in income.

The diversification of demand has a two-fold consequence. First, it specifies the types of industries that can be set up, and sets the limits to the choice of products that is acceptable within the given structure of domestic demands.[37] This was particularly obvious in Ghana's import substitution industrialization, where the structure of demand had been established by previous imports.[38]

The cumulative process of growth which was initiated within the forest ecosystem by its incorporation into the international exchange economy together with added industrialization, resulted in an intensified process of labour out-migration from the depressed regions into the more favoured regions. Unlike the colonial era when labour migration was induced initially through coercion, the interregional labour flows could now be explained in terms of largely economic factors - the strong desire for cash and material well-being. Additional factors are the demonstration effect of return migrants to home areas together with the extended family networks, especially in urban areas which guarantees unemployed migrants security and subsistence until a job is available.[39]

As a result, the spatial system is marked by the continued functioning of a colonial spatial and organizational structure in the neo-colonial state. The spatial system is characterized by a north-south dendritic transport system and the primacy of Accra-Tema with its coastal location which is an epitome of the outward-directed integration of the national space-economy. At the interregional level this spatial system is also characterized by increasing spatial inequality in levels of development. The simple north-south centre-periphery spatial model is now an over-simplification because of the increasing dominance of the urban-industrial core and the creation of its new periphery - the export cash crop, timber and mineral sector which nevertheless still superordinates the old periphery, i.e. the non-export cash crop areas (Fig. 3.).

The location pattern of the industries is characterized by their high concentration in Accra-Tema, Sekondi-Takoradi and Kumasi (Fig. 4). Accra-Tema alone accounted for 49% and 50% of the total number of people employed and the value added respectively in the manufacturing sector.[40] According to the 1969 directory of industrial enterprises, Accra-Tema alone accounted for 59.5% of all industrial establishments. Kumasi has 16.5% and Sekondi-Takoradi 10.2%. These towns together account for over 86% of all registered industrial enterprises in the country.[41] Together they constitute the centre in the old generalized growth area of the colonial era.

A number of related locational advantages account for this pattern. First, colonial infrastructural investments tended to be concentrated in the three centres, an advantage which was to be enhanced after independence through the deliberate policy of developing industrial estates in these specific locations and the external or agglomeration economies that resulted. Other related factors are the concentration of available markets in the generalized growth region together with the implied savings in transport costs as most inputs and equipment are imported. This last factor tends to favour Accra-Tema and Takoradi more than Kumasi. Even so, the increasing dominance of Accra-Tema over other locations can only be fully understood by its proximity to the centre of governmental power in the capital city. 'This centralization helps to minimize difficulties of contact with the ministries and other governmental agencies in such things as passports for travel and import licence negotiations for traders and private industrialists. In fact this reason was cited as one of the greatest handicaps or obstacles to industrial development or success in the other urban centres and peripheral areas.'[42]

An 'open door' policy together with favourable protective tariffs, industrial estates, and other concessions coupled with a market-threatening situation eventually led to a shift of expatriate commercial firms into industrial ventures. There were a number of joint state-UAC industrial ventures in textiles, beer, soap, cosmetics and vehicle assembly plants. An Anglo-American consortium was also to establish the Pioneer Tobacco Company, whilst a number of joint foreign ventures led to the establishment of cement and aluminium products. Other joint ventures went into purely consumer luxuries such as electronics.[43] The latest and most absurd additions are five car assembly plants.

Hence, despite the substantial growth of secondary industry in Ghana, it is questionable in view of the ownership and type of industry whether the growth has had any substantial generative effect. 'With tariff protection, an importer in an underdeveloped country can shift from a highly competitive environment to an oligopolistic market environment simply by meeting the cost of investment. This procedure has been followed by some overseas manufacturers and by entrenched merchant interests.'[44]

It was this form of industrialization and the general dependent nature of the economy on international trade which was to generate a crisis in development planning. The crisis is described as structural because it is the result of the inherent inefficiency in the dominance-dependency structure within which the dependent national economy has to operate.

WHY THE CRISIS

The dominant extractive processes now operate more between the industrial enclaves of Accra-Tema, Sekondi-Takoradi and Kumasi, and the rest of the nation at large with a secondary extractive process still operating between the export enclaves and the non-export sub-sectors of the non-industrialized areas. In a sense, the industrial-urban region could be described as the new growth region and the export cash crop sector its new periphery as industrial-urban expansion was fostered largely through the extraction of surplus from the cocoa sector. The old periphery still continued to be subordinated to a large extent to the new periphery through labour support to the cash crop sector. This position is being eroded with the emergence of opportunities for commercial crop development in the old periphery although this is not yet on such a scale as to horizontalize the vertical interaction between old and new peripheries.

For example, it is evident that between the industrial enclaves and the nation at large, much of the foreign exchange earnings which facilitate the importation of capital equipment and raw materials and the development of the infrastructural support was derived from the foreign exchange earnings from cocoa, timber, gold and diamonds.[45]

These import substitution industries are characterized by a poor operational efficiency, under-utilization of plant capacity,and therefore operated at high production costs, and only survive competition from outside sources behind high tariff walls.[46] What this implies is the relay of high production costs - a situation worsened by devaluation as most raw materials and spare parts are imported - onto the consumer in terms of higher prices, thus resulting in the decline in real income in the agricultural non-industrial areas. This implies capital transfer into the core region as a result of the price deterioration. Manu has shown a general decline in cheaper consumer goods imports as import substitution industrialization matured and yet these cheaper consumer items are the main purchases from the industrial sector by farmers.[47] Devaluation had this unduly depressing effect on farmers because it was coupled with increased tax from the cash crop sector.[48]

The situation in the agricultural peripheries was worsened through vertical control of producer price policy at the core region through the CMB, Cotton and Bast Fibre Development Boards, Ghana Tobacco Company and even decreed minimum guaranteed prices from the centre, all much below existing market prices at the local or world level. The industrialists at the centre could often put their case well for price adjustments whilst by contrast producer price decrees were very often insensitive to the increasing production cost structure in agriculture. These organizational structures facilitate central control and extraction of surplus. Besides, there is widespread formal (Food Distribution Corp.) and informal control of foodstuff marketing by urban-centred middlemen, who build up savings for themselves in a few urban enclaves.[49] The recently established committee on agricultural pricing has not made the situation any better as costing and pricing methods are still aimed at keeping agricultural prices low in order to satisfy urban interest groups.[50]

It has also been demonstrated that those benefiting from the revolution in rice and maize production are not Ghanaian villagers whose lives are rooted in the land, but rather rich farmers, civil servants, businessmen, contractors and military officers who ultimately syphon-off profits to the industrial core region and the few regional centres.[51] In all, peripheral regions like Brong Ahafo's north-east and Northern Ghana bore the brunt of it all. Labour continued to be exploited in the cocoa belt and the location of industries at the coast implies that the prices are highest in the poorer regions because of high transport costs. And yet it is here that people can little afford to pay.

Another mechanism of extractive domination is the much reported mass rural exodus to the industrial core-region leading to age and sex imbalances inimical to cocoa and foodstuff production. It is estimated that whilst between 400,000 to 500,000 or 10 to 13 percent of the labour force remains unemployed in the urban areas notably within the core region, the average age of the farmer is around 60.[52]

Import substitution industrialization has created a perpetual balance of payments crisis as capital goods, raw materials and even foodstuffs were being increasingly imported under conditions of heightening adverse terms of trade for the raw material exports vis-à-vis capital equipment imports at the international level of exchange. Nor could the export cash crop sector expand further as the expansion of import substitution industrialization was at the expense of export expansion with the extraction of surplus from this sector providing the basis for industrialization. Agriculture remained static as a capital goods sector was not developed to dynamize agricultural production. The input-output table for Ghana shows very little intersectoral industrial flows within the national economy. Central authorities are currently preoccupied with solving the balance of payments constraints on the economy and this requires the attempt to develop local raw material substitutes and local foodstuff supplies. The ability of peripheral areas to develop then becomes a function of their ability to serve this new structure of interests and the necessary demand generated. The pattern to date, however, has been marked by increasing spatial concentration rather than a decrease and a trend towards regional equality. This has been a function of the outward-directed satellite nature of the national economy and the structural constraints this imposed on the possibility for an internally-integrated auto-centred development. A dependent economy erected on capitalist premises is therefore likely to increase regional inequalities and disarticulate the national economy.[53] This situation, although exacerbated through the concentration on global national and sectoral planning, cannot be remedied by a mere injection of regional planning into the system but through more fundamental attempts aimed at steering the national system away from external dominance.[54] With development inward-directed and auto-centred, more serious attempts could be made to achieve greater interregional balance in power and development.

Fig. 1

COLONIAL CENTRE-PERIPHERY DOMINANCE SYSTEM

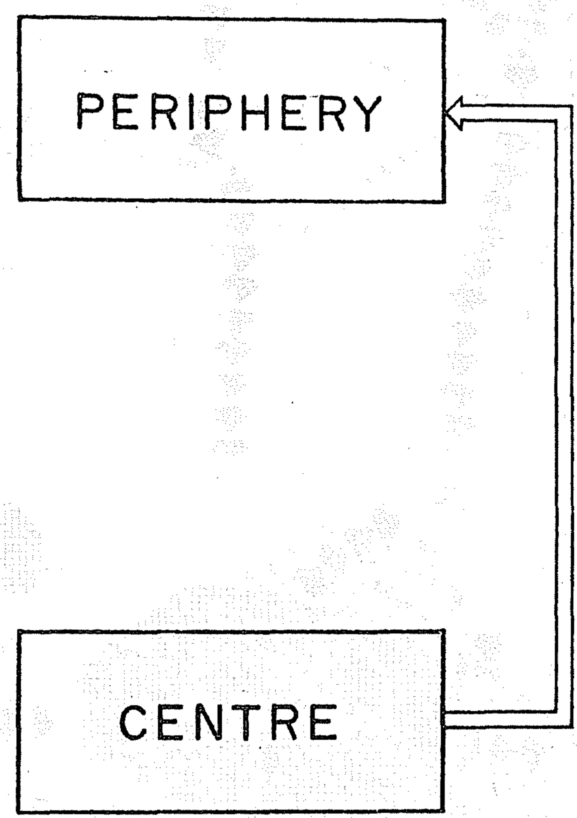


Fig. 2. GENERALIZED GROWTH AREAS & DEPRESSED REGIONS (colonial pattern)

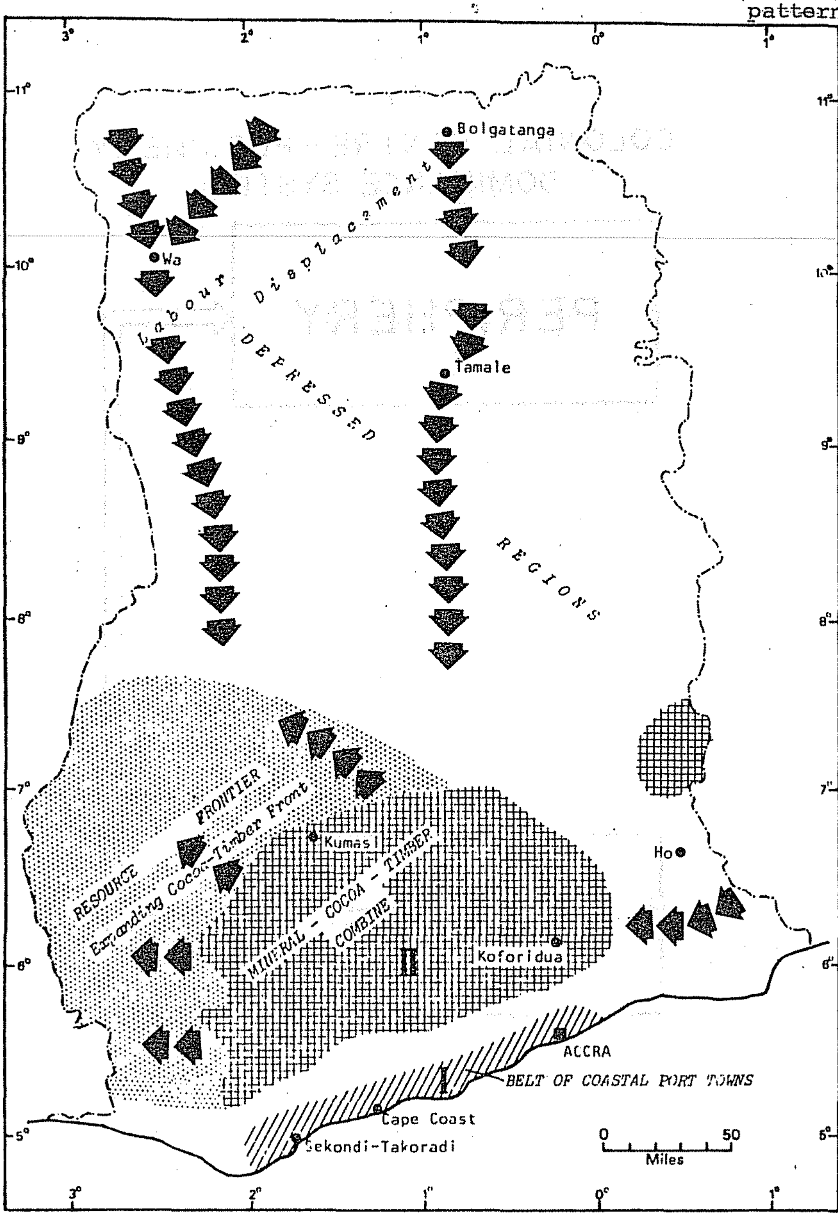


Fig. 3

POST-COLONIAL CENTRE-PERIPHERY DOMINANCE SYSTEM

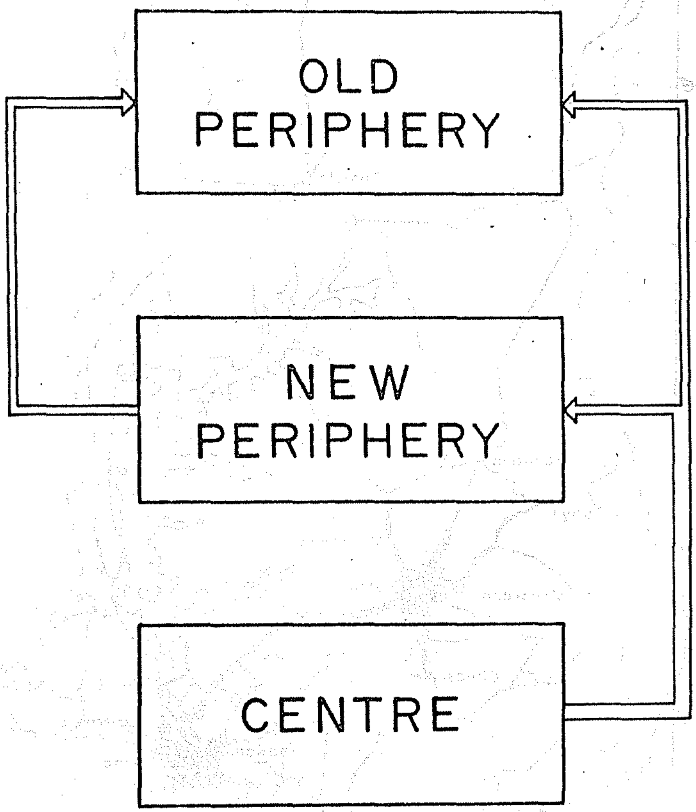
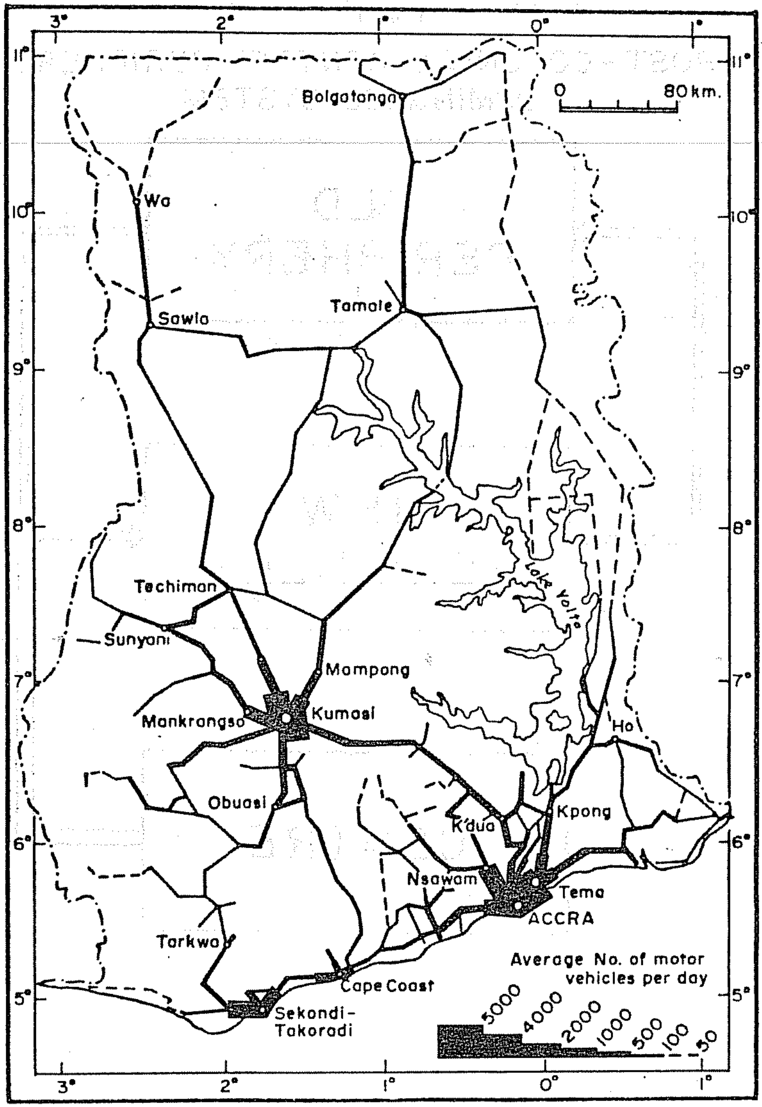


Fig. 4 THE INDUSTRIAL CORES AS REFLECTED IN ROAD TRAFFIC FLOW IN GHANA, 1969



Adopted from A. Frieschen, Bull. of Ghana Geogr. Ass., 1969, vol. 14, p.42

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