

# THE IMPACT OF CULTURE AND GOVERNMENT POLICIES ON GHANA'S ECONOMIC DEVELOPMENT

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## ABSTRACT

Ghana had a promising start as one of the most successful countries in Africa when it achieved independence in 1957. However, the economy then suffered from stagnant growth until it embarked on an Economic Reform Program in 1983. After coming to power in 2001, the current government declared Ghana a 'Highly Indebted Poor Country' (HIPC) and developed a Poverty Reduction Strategy aiming at halving extreme poverty by 2010 and achieving middle income status by 2015. In this context, it is the study's main aim to identify key 'actionable factors' for accelerating Ghana's economic development.

An extensive review and analysis of relevant literature and socio-economic data regarding culture, government policies and economic development, provides a wider view of the relevant areas and concepts for the development of the conceptual framework of this study. Ghana has attracted the attention of the world's development economists. Little attention, however, has been paid to the impact of national culture on economic development. The literature review in this context indicates a lack of systematic and empirically tested studies.

This research employs a pragmatist approach involving quantitative and qualitative research (mixed-methods) in order to identify the dominant cultural values and their role in economic development. The collection of primary data involved surveys and in-depth interviews in three areas chosen to provide clear contrasts of relevant variables. The survey and interview data were analysed using SPSS and N-Vivo packages for their respective statistical and qualitative analyses.

The study's findings confirm and extend Hofstede's work on the regional or ethnic level. These have been correlated with available regional statistics for validation and for establishing the link between culture, institutions and economic development. The interview findings corroborate and triangulate the survey and provide insights into the interpretation of findings for culturally sensitive economic policies.

The research concludes that economic development cannot be achieved by focusing on economics alone and that socio-cultural factors are important in determining the outcome of development efforts. Furthermore, the research has also shown how the studies in development economics can be adapted by including socio-cultural factors to enhance its usefulness to developing countries.

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# TABLE OF CONTENTS

	ABSTRACT	II
	ACKNOWLEDGEMENTS	III
	TABLE OF CONTENTS	IV
	LIST OF APPENDICES	VIII
	LIST OF TABLES	IX
	LIST OF FIGURES	X
	ABBREVIATIONS	XI
CHAPTER 1	INTRODUCTION	1
1.1	Introduction	1
1.1.1	Overview of the Ghanaian Development Situation	2
1.1.2	The Context and Structure of Ghana	2
1.1.3	Ghana's International Context and Influence	5
1.2.	Historical Context and Background	5
1.2.1	Contact and Trade with the Europeans	5
1.2.2	Towards Britain's Colonisation of the Southern States	6
1.2.3	The Land Bills and the Aborigines Rights Protection Society (APRS)	7
1.2.4	The Colonisation of Ashanti and the Northern Territories	8
1.2.5	The Missionaries' Contribution to Gold Coast Capitalism/ Education	9
1.2.6	Agricultural Development in the Gold Coast	10
1.2.7	National and Economic Development with Limited Taxation	14
1.2.8	Colonial Policies, Depression, War, Riots and Royal Commissions	15
1.2.9	The Nkrumah Years of Self-Government and Independence	17
1.2.10	Years Political and Economic Turbulence	23
1.3	Economic Reform and Structural Adjustment Programme	27
1.4	Current Situation and Problems	32
1.5	Conceptual Framework	35
1.6	Aims and Objectives of the Study	37
1.7	The Structure of the Thesis	38
CHAPTER 2	SOCIO-ECONOMIC ANALYSIS	40
2.1	Introduction	40
2.2	Economic Growth	41
2.2.2	Evaluating the Growth Performance	43
2.2.3	Supply of Capital	46
2.3	Market and Trade	49
2.3.1	The Market Economy in Ghana	49
2.3.2	External Sector	50
2.3.3	Industrial Sector	52
2.3.4	Manufacturing	53
2.4	Agriculture	55
2.5	Population and Human Resources	57
2.6	Summary and Conclusion	64
CHAPTER 3	CULTURE AND HISTORICAL CONTEXT	68
3.1	Introduction	68
3.2.1	The Concept of Culture	68
3.2.2	Characteristics of Culture	69
3.2.3	Layers of Culture	70
3.2.4	Culture and Social Systems	72
3.3	The Key Dimensions and Measurement of Culture	74
3.3.1	Kluckhohn and Strodtbeck (1961) - Six Basic Orientations	74
3.3.2	Hofstede's (2001) Value Dimensions	75
3.3.3	Criticisms of Hofstede's Work	77

3.4	Culture and Institutions	78
3.5	National Culture	80
3.6	Applying Hofstede's Dimensions to Ghanaian Culture	81
3.6.1	Power Distance	81
3.6.2	Individualism and Collectivism	83
3.6.3	Uncertainty Avoidance	88
3.6.4	Long/Short Term Orientation	91
3.7	Summary and Conclusions	94
CHAPTER 4	RESEARCH METHODOLOGY	96
4.1	Introduction	96
4.2	Research Approach and Strategy	96
4.2.1	Conception of Research	97
4.2.2	Research Aims and Objectives	98
4.2.3	Choosing a Case Study Policy Research Approach	98
4.2.4	Research Ethics	99
4.3	Literature Review	100
4.4	Secondary Analysis	101
4.5	Primary Data	101
4.5.1	Research Setting for Survey and In-depth interviews	103
4.5.2	Survey/Quantitative Methods for Measuring Cultural Values	104
4.5.3	Research Instruments Design	107
4.5.4	Qualitative Approach and In-depth Interviews	110
4.6	Data Analysis	112
4.6.1	Quantitative Analysis	112
4.6.2	Qualitative Analysis	114
4.7	Limitations	115
4.8	Developments for the Future	115
CHAPTER 5	SURVEY FINDINGS	116
5.1	Introduction	116
5.2	Description of Survey Sample	117
5.2.1	Response Rates	117
5.2.2	Analysis of Missing Data	118
5.2.3	Outliers and their Treatment	119
5.3	Sample Characteristics	120
5.3.1	Response Rate	120
5.3.2	Respondents' Statistics	120
5.3.3	Frequencies of Survey Responses to Content Questions	122
5.4	Main Statistical Tools Used in the Study	128
5.4.1	The Mean	128
5.4.2	Analysis of Variance (ANOVA) of Sample	129
5.4.3	Correlations	131
5.4.4	Factor Analysis	134
5.5.1	The Use of Factor Analysis in the Ghana Values Survey	137
5.5.2	Results of Factor Analysis	138
5.5.2.1	The Dimension of Power Distance ( PDI )	139
5.5.2.2	The Dimension of Individualism / Collectivism	143
5.5.2.3	The Dimension of Masculinity / Femininity	148
5.5.2.4	The Dimension of Uncertainty Avoidance	152
5.5.2.5	The Dimension of Long / Short Term Orientation	156
5.6	Summary and Conclusions	160
CHAPTER 6	INTERVIEW FINDINGS	164
6.1	Introduction	164
6.2	Profile of the Interviewees	165
6.3	Ghanaian Culture at Different Levels of an "Onion"	167
6.3.1	Ghanaian Symbols - Behaviour, Artefacts and Language	168

6.3.2	Heroes	169
6.3.3	Rituals	170
6.3.4	Values	172
6.4	Substantiating Hofstede's (2001) Five Values Dimensions in Ghana	173
6.4.1	Power Distance	173
6.4.2	Individualism/Collectivism	177
6.4.3	Masculinity/Femininity	180
6.4.4	Uncertainty Avoidance	184
6.4.5	Long/Short Term Orientation	189
6.5	Summary and Conclusions	194
Appendix I	Interview Transcript of Ewe (Volta Region) Female, multinational	199
Appendix II	Interview Transcript of Ashanti Male, Public Sector director	206
Appendix III	Interview Transcript of Ga (Greater Accra) Male traditional ruler	218
CHAPTER 7	THE IMPACT OF CULTURE AND GOVERNMENT POLICIES ON ECONOMIC DEVELOPMENT	232
7.1	Introduction	232
7.2	Relating the Results to the Research Objectives	232
7.2.1	Causes of Ghana's Post-independence Economic Stagnation	232
7.2.1.1	Low Income per Capita	235
7.2.1.2	Population Increase	238
7.2.1.3	Large Scale Unemployment and Underemployment	239
7.2.1.4	Inequalities in the Distribution of Income and Development	241
7.2.1.5	Large but Neglected Agriculture	242
7.2.1.6	Internal and External Markets (Trade)	244
7.2.1.7	Governance	248
7.2.2	Dominant Cultural Values in Ghana Today	255
7.2.2.1	Power Distance	258
7.2.2.2	Individualism/Collectivism	260
7.2.2.3	Masculinity/Femininity	263
7.2.2.4	Uncertainty Avoidance	265
7.2.2.5	Long/Short Term Orientation	266
7.3	The Interrelationships between Culture, Institutions and Economic Development	269
7.4	Summary and Conclusion	270
CHAPTER 8	SUMMARY AND CONCLUSIONS	275
8.1	Introduction	275
8.1.1	Review of Research Objectives	275
8.2	Explaining Ghana's Lack of Development	278
8.3	The Implications and Contributions of this Study	285
8.4	Overview of Culturally Sensitive Policies for Ghana	287
8.5	Limitations of the Study	290
8.6	Recommendation for Further Research	291
8.7	Concluding Remark	293
	BIBLIOGRAPHY	294

## LIST OF APPENDICES

Appendix 4.1	Access Request Letter	313
Appendix 4.2	Further Access Request Letter	314
Appendix 4.3	Interview Participant Consent Form	315
Appendix 5.4	Survey Questionnaire	316
Appendix 5.1	Missing Values Analysis Report	320
Appendix 5.2	Summary of Responses to 2006 and 2007 Surveys	321
Appendix 5.3	ANOVA Results between Three Organisations	323
Appendix 5.4	ANOVA Results of All Public Sector using VSM 94	324
Appendix 5.5	ANOVA of Public Sector of Secondary School Education and above	327
Appendix 5.6	ANOVA of Married, Secondary Education and 35 years and above	329
Appendix 5.7	KMO and Bartlett Test Results based on Individual Responses	331
Appendix 5.8	Factor Analysis Results based on Individual Responses	332
Appendix 6.1	Interview Schedule	333
Appendix 6.2	Raw Interview Transcript of Sisala (Upper West) Female Multinat'l	334
Appendix 6.3	Raw Interview Transcript of Fante (Central) Male Public Sect. Priest	351
Appendix 6.4	Raw Interview Transcript of Dagomba (Northern) Male Public Sector	362

## LIST OF TABLES

Table 1.1	Macroeconomic Indicators for Selected African Countries in the 1970s	25
Table 2.1	Economic Structures of Ghana, Cote d'Ivoire and South Korea	40
Table 2.2	Gross Domestic Product of Ghana, Cote d'Ivoire and South Korea	43
Table 2.3	Contributions of Capital, Labour and Technical Progress	47
Table 2.4	Gross Capital Formation and Savings	47
Table 2.5	Structure of Trade of Ghana, Cote d'Ivoire and S. Korea	50
Table 2.6	Merchandise Trade	50
Table 2.7	Average Cocoa Production	51
Table 2.8	Rice Production and Imports in Ghana	52
Table 2.9	Sectoral Contribution to GDP	53
Table 2.10	Annual Registered Number of Businesses	54
Table 2.11	Demographic Trends in Ghana, Cote d'Ivoire and S. Korea	58
Table 2.12	Survey of Unemployed and Underemployed in Ghana	62
Table 2.13	Inequality in Income and Consumption	62
Table 2.14	Regional Distribution of Investment Projects, 2003 and 2004	64
Table 3.1	Layers and Levels of Culture and their Methods of Discovery	70
Table 3.2	Society as a Social System	73
Table 3.3	The Key Dimensions and Measurement of Culture	77
Table 3.4	Comparison of Ghanaian Culture with Hofstede's Dimensions	81
Table 4.1	Survey Questionnaire Sources and Purposes	108
Table 5.1	Respondents' Statistics	121
Table 5.2	Guidelines on the Strength of Correlation Coefficients	132
Table 5.3	Guideline on the KMO Results for Factor Analysis	136
Table 5.4	Mean Scores of Regions and their Adjustments	139
Table 5.5	Power Distance Factor Scores for the Ten Regions	142
Table 5.6	Correlations of Factors Scores with Socio-Economic Data	143
Table 5.7	Mean Scores for Factor Analysis of Individualism/ Collectivism	144
Table 5.8	Individualism /Collectivism Factor Scores for the Ten Regions	146
Table 5.9	Correlations of Results for Individualism/Collectivism	147
Table 5.10	Mean Scores for Factor Analysis of Masculinity/Femininity	148
Table 5.11	Masculinity Factor Scores for the Ten Regions	150
Table 5.12	Correlations of Masculinity Factor Scores with Socio-Economic Data	151
Table 5.13	Mean Scores for Factor Analysis of Uncertainty Avoidance	152
Table 5.14	Uncertainty Avoidance Factor Scores for the Ten Regions	154
Table 5.15	Correlations of UAI Factors Scores with Socio-Economic Data	155
Table 5.16	Mean Scores for Factor Analysis of Long Term Orientation	156
Table 5.17	Long Term Orientation Factor Scores for the Ten Regions	158
Table 5.18	Correlations of LTO with Ghana Socio-economic Data	159
Table 6.1	Profile of Interview Participants	166
Table 7.1	Correlations of Dimensions with Ghanaian Institutions	270



## LIST OF FIGURES

Figure 1.1	A Map of Ghana	4
Figure 1.2	Conceptual Framework of Study	37
Figure 3.1	The Stabilization of Culture Patterns	79
Figure 4.1	Four Issues Affecting the Choice of Research Strategy	96
Figure 5.1	Respondents' Work Related Values	122
Figure 5.2	Respondents' Personal Goals and Beliefs	123
Figure 5.3	Respondents' Attitudes and Beliefs	125
Figure 5.4	Respondents' Views on Important Causes of Poverty	126
Figure 5.5	Participants' Confidence in Selected Ghanaian Institutions	127
Figure 5.6	SPSS Factor Analysis Results of Power Distance	140
Figure 5.7	SPSS Factor Analysis Results of Individualism/Collectivism	145
Figure 5.8	SPSS Factor Analysis Results of Masculinity/Femininity	149
Figure 5.9	SPSS Factor Analysis Results of Uncertainty Avoidance	153
Figure 5.10	SPSS Factor Analysis Results of Long/Short Term Orientation	157
Figure 6.1	Ghanaian Culture Onion	167
Figure 7.1	Can of Worms of Ghanaian Economic Development	234

## ABBREVIATIONS

ADB/AfDB	African Development Bank
AFRC	Armed Forces Revolutionary Council
AU	African Union
CBS	Central Bureau of Statistics
CDS	Centre for Development Studies
CMB	Cocoa Marketing Board
CPC	Cocoa Purchasing Company
CPP	Convention People's Party
CSIR	Council for Scientific and Industrial Research
ECOWAS	Economic Community of West African States
ERP	Economic Recovery Programme
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GIC	Ghana Investments Centre
GIHOC	Ghana Industrial Holding Corporation
GNP	Gross National Product
GSS	Ghana Statistical Service
HDI	Human Development Index
HIPC	Highly Indebted Poor Countries
ISSER	Institute of Statistical, Social and Economic Research
ILO	International Labour Organisation
IMF	International Monetary Fund
LDC	Less Developed Country
MDG	Millennium Development Goals
NDC	National Democratic Congress
NGO	Non-Governmental Organisation
NLC	National Liberation Council
NPP	New Patriotic Party
NRC	National Redemption Council
ODA	Overseas Development Agency
OECD	Organisation for Economic Cooperation and Development
OPEC	Organisation of Petroleum Exporting Countries
PIB	Prices and Incomes Board
PNDC	Provisional National Defence Council
SEC	State Enterprises Commission
PPP	Purchasing Power Parity
TFR	Total Fertility Rate
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational Scientific and Cultural Organisation
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations International Children's Education Fund
UNIDO	United Nations Industrial Development Organisation
USAID	United States Agency for International Development
VALCO	Volta Aluminium Company
VRA	Volta River Authority
WHO	World Health Organisation
WTO	World Trade Organisation

# CHAPTER 1 • INTRODUCTION

## 1.1 Introduction

This mixed-methods policy research, with the main aim of identifying key “actionable factors” for accelerating Ghana’s economic growth, will explore the impact of Ghana’s culture and successive governments’ policies for economic development. It will seek to identify the dominant values and the appropriate policies for economic development by engaging with stakeholders and informing debate on the need for change. Policy research is concerned with knowledge for action and with identification of the factors that have enduring social importance, with the aim of changing the world rather than only understanding it (Hakim, 2000). This chapter provides the historical background for the Ghanaian situation with highlights of the current problems while also providing an outline and aims and objectives as well as the conceptual framework of the study and structure for the dissertation.

The central theme of this study is that since the introduction of the cocoa plant by a returned migrant and the subsequent promotion of its cultivation by the Basel Mission through its Basel Trading Company in the 1840s (Bing, 1968) the country has always had opportunities for economic development. However, due to enduring vested interests and lack of adequate understanding of the Ghanaian situation, various governments’ policies aimed at developing the country have rather resulted in distortions and misallocation of human and land resources, which work together to prevent the proper functioning of the country’s important institutions required for economic development. As Rimmer (1992) puts it in *Staying Poor: Ghana’s Political Economy 1950-1990*:

“Ghana is a country from which the single-minded pursuit of economic growth has been usually absent. Governments are commonly interested more in the uses that might be made of the aggregate of economic output than in how to increase it. But in addition Ghana lack[s] any social group that [i]s both powerful enough to shape policy and possesse[s] of an interest better served by economic growth than by public protection and patronage” (p.10).

### **1.1.1 Overview of the Ghanaian Development Situation**

After gaining independence in 1957, Ghana, previously known as The Gold Coast, suffered from more than two decades of political instability and economic decline. It then embarked on an economic reform programme in 1983, which was aimed at getting the macroeconomic policies right, encouraging competition and developing institutional capacity. However, after another two decades of adjustment, the country degenerated into a highly indebted poor country (HIPC) status in the year 2000. Large-scale unemployment, low productivity and income, limited demand and consumption as well as widespread poverty and inequalities still dominate the economy, combined with the “growing perceptions of corruption in public life” (AfDB/OECD, 2007). This phenomenon has attracted the attention of the world’s best economists and development partners. However, little attention had been paid to the impact of national culture on economic development.

In their study of Ghana’s long term economic growth, Leith and Soderling (2003) recommend that “all the economic, political, and institutional factors must be tackled simultaneously, otherwise Ghana will remain trapped in a stunted recovery” (p.85). This echoes Huq’s (1989) recommendation in his earlier work, *The Economy of Ghana: The First 25 years Since Independence*, which called for further research on deep-rooted historical, social and cultural factors that led to the economic decline. Ghana can be likened to the lyrics in Nat King Cole’s “Mona Lisa,”wearing a mystic smile that hides her broken heart but tempts her lovers who come with their dreams, ranging from such institutions as the World Bank and the International Monetary Fund (IMF), heads of states and country representatives of the United States of America, United Kingdom and Canada to such development economists as Lord Bauer, Nicholas Kaldor, Tony Killick, Douglas Rimmer, Clark Leith and many others.

### **1.1.2 The Context and Structure of Ghana**

Ghana is roughly rectangular in shape, with an area of 238,537 square kilometres along the Greenwich Meridian and a few degrees to the north of the Equator. It is comparable in size to the United Kingdom and has a southern border covered by a coastline of 554 kilometres on the Gulf of Guinea in West Africa. Ghana can be found within an enclave of three francophone countries with Togo to the east, Burkina Faso to the north and the Cote d’Ivoire to the west. The approximate distance from north to south is about 850 kilometres and can be made only by road travel. The country is

divided into ten administrative regions, with Accra as the administrative and business capital. Until the completion in 1964 of the Volta Lake, one of the largest artificial lakes in the world, for a hydroelectric power dam, "covering 8,482 km<sup>2</sup> and extending northward for some 400 km," (Rimmer, 1992, p.14) there was no major water body in Ghana.

The 2000 population census recorded a total population of 18.9 million (recently estimated at 23.5million in 2007 by the United Nations (UN), an inter-censal growth rate of 2.7% and an average population density of 79.3 persons per square kilometre (GSS, 2002). Most of the country remains predominantly rural with the exception of the Greater Accra Region (87.7% urbanised) (GSS, 2002). The predominant ethnic and linguistic group is the Akan (49.1%), followed by the Mole Dagbani (16.5%), the Ewe (12.7%) and the Ga-Dangme (8.0%) (GSS, 2002, p.5). Christians account for 68.8% of the population, followed by Islam (15.9%), traditional religion (8.5%) and 6.1% reported no religious affiliation (GSS, 2002, p.7). The main languages in the country are English (official), Twi (Akan), Ewe, Ga and Hausa. The literacy rate, representing people older than 15 years who can read and write in English, the official language, is 46.9% (GSS, 2002, p.7).

The three major economic activities are agriculture, including hunting, forestry and fishing (52.3%), wholesale and retail trade (14.5%) and manufacturing (11.1%), (GSS, 2002, p.10). Agriculture, which mainly depends on weather conditions (as only 0.02% of total cultivated land is irrigated) accounts for about 40% of GDP and employs around 50% of the workforce. Among the economically active population, 65.7% are self-employed with no employees. An additional 14.7% are unpaid workers in the private informal sector. This leaves only 19.6% of the working population who can be taxed at source (GSS, 2002, p.10). According to the Ghana Living Standard survey 2005/2006, 28.6 % of the population live below the poverty line of approximately US\$400 per year, a reduction from 40% in 1999 (GSS, 2007). Figure 1.1 below is the map of Ghana illustrating its location in Africa, its major towns, water bodies and infrastructure.

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### **1.1.3 Ghana's International Context and Influence**

According to the available statistics from the Economic Community of West African States' (ECOWAS), in 1997 Ghana only accounted for 8.84 % (Nigeria: 50.6%; Cote d'Ivoire:7.4%) of the population of its states and 14.45 % (Nigeria: 47.9%; Cote d'Ivoire: 20.6%) and 16.16% (Nigeria: 33.4%; Cote d'Ivoire:16.7%) of its exports and imports respectively. In 1995 Ghana's GDP was woeful at 5.69% compared to 61.01% and 8.98% of Nigeria and Cote d'Ivoire respectively. However, the Western world has always been quick to attribute the first in almost every African achievement to Ghana. As Moss (1997) argues, in the "past half century, Ghana has, for better or for worse, led Africa into the future [and] has continually been the continent's laboratory for the latest ideas about political and economic progress" (p.186). "A well-administered country by regional standards, Ghana is often seen as a model for political and economic reform in Africa" (BBC Country Profile, 2008). Arguably, as "Mona Lisa," Ghana has always enjoyed more than its fair share of attention and influence in Africa and the world, leading the *Financial Times* to its "controversial" labelling of the country as the "pace-setter in search of new levels of growth" (White, 2005a). During the period of study (2005-7), Kofi Annan completed his second term as the United Nations' Secretary General, President Kufuor (Ghana's current president) had been both the Chairman of the African Union (AU) and Economic Community of West African States (ECOWAS) and Mohamed Ibn Chambas is still the executive secretary of ECOWAS.

## **1.2 Historical Context and Background**

### **1.2.1 Contact and Trade with the Europeans**

The West African states go back to more than 2000 years (Freund, 1998, p.25) and they had "well established and highly organised external commercial links across the desert and the ocean" (Hopkins, 1973, p.78). However, the lack of efficient transport restricted the Saharan trade to high-value necessities and luxury items such as gold, slaves, expensive cloth, pepper, salt, ivory, kola nuts and leather goods (Hopkins, 1973; Williams, 1976). Consequently, the economy was only "able to reproduce itself but not to transform itself" (Williams, 1976, p.13), hence the "trade without accumulation" (Nimako, 1991, p.225).

The Portuguese came into contact with the major suppliers of gold when they reached the Gold Coast in 1482 (Fage, 1969) and erected the first European buildings in Africa in Elmina (Reader, 1997) and joined the already developed trade. The Dutch, the British and the Danes subsequently joined the trade which extended and became

integrated into “the expanding Euro-American economy as a supplier of precious metals, agricultural commodities, and labour” (Williams, 1976, p.13) in exchange for “textiles, metal goods, alcohol...guns and gunpowder” (Reader, 1997, p.443). The European shipping services like the African Steamship Company commenced regular service from Liverpool to West Africa and offered faster, cheaper services which facilitated the entry of small-scale businesses into the direct import-export maritime commerce and long distance coastal trade (Kimble, 1963). The European powers were initially represented by their large, state-chartered companies like the Royal African Company (RAC) for Britain, which served as the frontier agencies of the colonial system (Hopkins, 1973).

The ensuing trade led to the development of monarchies and hierarchical social structures in centralised and powerful states like Denkyira, Akwamu and Asante. The wide availability of firearms strengthened the authority of rulers over their subjects and promoted their use to wage wars against the states mainly for slave-raiding (Reader, 1997). Before colonisation, the unit of social and political organization varied from the small-scale, politically autonomous communities living in tightly-knit family compounds to widespread confederacy of states subject to the authority of the Chief (Kimble, 1963). The traditional rulers (chiefs) were the religious, political and judicial heads of their states or kingdoms and the custodians of the people’s ancestral cultural heritage (Buah, 1998; Nukunya, 2003).

### **1.2.2 Towards Britain’s Colonisation of the Southern States**

The trade in gold and slaves helped the Asante state to develop a powerful military and political organization at the turn of the seventeenth century (Kimble, 1963). As early as 1807, Asante had embarked on its notorious invasions of the southern coastal states forcing them to seek the protection of the Europeans, mainly Britain (Southon, 1934). As expected, the growth in Asante’s “power continually offered a potential threat to British trade and influence” (Kimble, 1963, p.268).

After resuming direct control of her forts on the Gold Coast in 1843, Britain signed the Bond of 1844 with the Chiefs to acknowledge the power and jurisdiction of the Crown, and in 1850 the forts became governed independently of Sierra Leone as a Colony (Fage, 1969). The subsequent acquisition of the Danes’ interests in 1850 extended the British authority to the Eastern part of the Gold Coast (Hopkins, 1973; Miller, 2003). With only £4,000 maximum annual British parliamentary grant for the salaries of officials, the Governor had to identify other means of meeting the responsibility of providing roads, security, schools, hospitals and other amenities (Kimble, 1963). An



Assembly of Chiefs was therefore legally constituted for the main purpose of raising direct tax, and at the same time associating the chiefs with the tax and expenditure on general welfare. When it later transpired that the Chiefs did not have control over the expenditure, the protests that ensued culminated in the abandonment of the direct tax. This marked the first clear division of interest between the Chiefs and people on the one hand, and the colonial Government on the other; and it set the pattern for a century of strenuous, if intermittent, political opposition to taxation in any shape or form (Kimble, 1963). This division of interest is a major key to the understanding of the political economy of Gold Coast and Modern Ghana.

This failure combined with Asante invasions of the Southern states, may have led to the British Parliamentary Committee's recommendation to withdraw from the Gold Coast in 1865 (Hopkins, 1973). However, after calls from the merchants and the people of Gold Coast and Britain for British action against further Asante invasions, Britain sent a force in January 1874 to conquer and "confine the Ashantis within their own boundaries and prevent any further warlike excursions" (Fage, 1969, p.145). The subsequent weakening and disintegration of Asante went some way in facilitating direct trade between the coast and the interior, and also reignited British interests on the Gold Coast. Consequently, the southern settlements were annexed on 24 July 1874 into the Gold Coast Colony with a Legislative Council empowered to legislate for the colony (Kimble, 1963; Fage, 1969). The chiefs were made to carry out routine administration in order to overcome the staff and revenue constraints and to preserve the people's traditional, political and social heritage in order to safeguard British interest in the competition for office (Williams, 1976; Buah, 1998). Hence the colonial authorities "set about inventing African traditions for Africans" (Ranger, 1983, p.250).

### **1.2.3 The Land Bills and the Aborigines Rights Protection Society (APRS)**

The increased European interests and capital investment in the gold-mining industry led to sudden appreciation in land values and became an increasing source of friction between the chiefs and politically-conscious elite (Mair, 1936). Consequently, the Land Bills of 1894-7 were introduced with the objective of controlling excessive alienation and facilitating approved expatriate enterprise. As expected, the vested interests of the lawyers, the Chiefs and the concessionaires led to the public outcry and agitation, culminating in the formation of The Gold Coast Aborigine's Rights Protection Society (APRS) in 1897 to "defend both land rights and the social structure based upon them" (Kimble, 1963, p.331). The Secretary of State, Chamberlain, finally yielded to the demands of ARPS and declared that the native law shall remain and prevail in all land

matters where the natives are concerned with regard to the devolution of land and that only the judicial court should decide upon the land cases. As a result, an amended and ineffective version of the original Land Bill became the Concessions Bill to provide security of title and to protect landowners from fraud (Kimble, 1963). This failure ensured that there was no considerable area of land in the south at the disposal of the government (Rimmer, 1992). It also explains the widespread disputes and protracted litigations between tribes and chiefdoms, between families and individuals, leading the colonial officials to conclude that "litigation about land is a curse to the country" (Kay, 1992, p.212).

#### **1.2.4 The Colonisation of Ashanti and the Northern Territories**

The scramble for more territories by France and Germany during the last quarter of the nineteenth century in Africa (Hopkins, 1973) resulted in calls from the local officials and the media as well as the British Chambers of Commerce for the annexation of Ashanti (Kimble, 1963) to safeguard it from French occupation. Events subsequent to Chamberlain's appointment as Secretary of State, led to the conquest of Kumasi again on 17 January 1896 and the separate annexations of Ashanti and the Northern Territories in 1901. In contrast to the annexation of the southern states, the Gold Coast Governor was given full powers and jurisdiction to legislate for Ashanti and the Northern Territories. This divide and rule strategy ensured that the progressive political trends in the south were contained until 1934 when the Gold Coast Legislative Council was finally given the power to legislate for the Colony, Ashanti, and the Northern Territories as if they were a single territory (Kimble, 1963). This partly explained the initial lack of cohesion and the problems faced by the post colonial governments in the formation of a nation state.

In the main, the development of Gold Coast was left "largely in the 'invisible hands of the market'" (Williams, 1976, p.18). As a result, the construction of railways and harbours in the Gold Coast (the south) and Ashanti following colonisation encouraged the use of money and facilitated the development of the productive economy (Williams, 1976). As expected, the lack of exploitable natural resources and the difficulties of communication in the Northern Territories led to its neglect by the British authorities and private enterprise. The colonial authorities were not allowed to "spend upon the Northern Territories a single penny more than [wa]s absolutely necessary for their suitable administration and the encouragement of the transit trade" (Hodgson, 1899). Moreover, the missionaries were kept at bay as long as possible, thus delaying the emergence of indigenous educated elite (Kimble, 1963) and probably the development

of trade as happened in Akwapim and Fante with the interventions of the Basel and Wesley Missions. The colonial policies therefore reduced the Northern Territories to a large-scale supplier of migrant labour to the relatively wealthier regions in the colony.

By contrast, in Ashanti where both mineral and agricultural resources were found in abundance (Reader, 1997), the construction of railways and the growth of money economy stimulated constructive development. The ensuing progress of trade, missionary education, and Christianity emphasised the doctrines of personal reward, private property, and of the right of bequest (Kimble, 1963) and by 1928-9 motor roads in Ashanti had proliferated leading to the development of transportation and retail businesses.

### **1.2.5 The Missionaries' Contribution to Gold Coast Capitalism and Education**

The Basel mission who arrived on the invitation of the Danish to begin work in the Gold Coast in 1828 (Fage, 1969) became an "important factor in the emergence of modern Ghanaian society" (Miller, 2003, p.26) as they made the most "notable efforts to diversify the economy and encourage African enterprise" (Kimble, 1963, p.7). They established industrial workshops and locksmiths, blacksmiths, wheelwrights, carpenters, shoemakers, and other artisans (Kimble, 1963; Miller, 2003). Their pioneering role in the establishment of primary and middle schools, and provision of education was widely admired as an unusually effective instrument of social and economic development in the Gold Coast (Miller, 2003). As the first Europeans to settle inland, they constructed their own road from Christianborg to Akropong (Kimble, 1963), the source of the cocoa industry.

Arguably, the Basel missionaries introduced the "capitalist virus" (Sombart, 2001) that transformed subsistence production into wealth-accumulation in rural Ghana. As Hill (1963) found, the Akwapim traders and craftsmen, who were mostly trained by the Basel Mission, the ministers of religion, catechists, teachers, and prominent Christians, were among those most sensitive to the possibilities of the new crop and had profound influence for initiating new economic activities as an example (p.169). Due to the unfortunate coincidence of the missionaries' competition with British trade and their German origin, the outbreak of the First World War afforded the colonial authorities the opportunity to arrest and deport the Basels from the Gold Coast until 1926 (Miller, 2003). This act undoubtedly had adverse effect on the spread of rural capitalism and development in Ghana. Ironically, the Watson Committee's report on disturbances in 1948, was emphatic that "[i]ndustrial, agricultural and commercial efficiency and

progress are dependent on an extensive skilled class who can work with their hands and brains” (para, 377).

The Wesleyan Missionary Society, later christened the ‘National Church of the Gold Coast’ as a result of its British origin, also began its work in the west of the Gold Coast 1835 (Fage, 1969, p.130). This mission played a more prominent role in the area of education, and by 1881 it had opened 84 out of the 139 schools in the Gold Coast (Kimble, 1963, p.73). They were also remarkable in their training for leadership and democratic organization, explained by their provision of most of the educated elite who contributed to the growth of national consciousness to fight colonialism. Their newspaper, *The Gold Coast Methodist Times*, became “the outlet for major political grievances, and made a lasting reputation by its successful handling of the Lands Bill agitation” (Kimble, 1963, p.162). It is noteworthy that when Wesley Training College was opened in Kumasi in 1924, (Southon, 1934, p.153) it was then the first secondary institution in Ashanti. To date, most of the highly educated Ghanaians have been the product of mission schools, and accepted their religious teaching as a guide to the new, Western ways of life, and a background to political thinking (Kimble, 1963, p.161).

#### **1.2.6. Agricultural Development in the Gold Coast**

It is claimed that some Europeans entrepreneurs, notably James Swanzy, made initial attempts to establish cash crop plantation in the Gold Coast and during 1837-40 Swanzy was managing a coffee plantation using ‘pawnd’ labour (Kimble, 1963, pp. 7-8) (Kimble, 1963). It is also reported that the Danish owned a coffee plantation which was inherited by the Basel Mission in 1843 and was subsequently destroyed by the Ashantis in 1869 (Hill, 1963). However, the initial efforts proved unsuccessful due to shortage of labour and the lack of transport and marketing facilities (Kimble, 1963).

From 1857 the Basels had made unsuccessful attempts to introduce cocoa planting. However, it was not until the 1880s and early 1890s with the innovation of ‘the famous Tetteh Quashie’ (Hill, 1963, p.172) that the plant was fostered and the seeds distributed by Basel missionaries and government botanists (Hill, 1963; Fage, 1969, p.193; Hopkins, 1973). The Akwapim farmers subsequently planted cocoa on a large scale, initially on their communal lands and later migrated to the Akim state together with the Krobo ‘migrant’ farmers, and by 1911 the Gold Coast exported 40,000 tons and became the world’s biggest exporter of cocoa (Hill, 1963). The chiefs permitted the non-subjects, the migrants, to plant on their stool lands, applying to them the *abusa*

principle (Beckman, 1976; Austin, 1988) which was the most common form of payment whereby the land owner received one-third share of the produce (Kimble, 1963, p.19).

The permanent nature of cocoa farms gradually brought about some modification in the system of land tenure, and encouraged individual ownership (Austin, 1988) and revisions to the rights of inheritance (Beckman, 1976). Significantly, the cocoa industry remained in the hands of the small-scale farmer despite the apparent lack of restriction to European plantation investment (Kimble, 1963, p.35). However, as Hill (1963) observes, “the cocoa was probably handled by German firms in the earliest days” (p.170) an observation that ties with the mission’s claim that “it was “in on the ground floor” when the cocoa boom began” and it “continued to offer inspired and innovative services to rural communities ...” (Miller, 2003, pp.198-9). The capitalist farmers raised funds, co-operated to acquire wide areas of land through outright purchase or payments in installments, using the greater part of their profit in the acquisition of more land and employment of more labour for expansion (Hill, 1963; Kimble, 1963). Farm labourers were hired as sharecroppers on mature farms using the *abusa principle of payment*. Wage labour was also used extensively and with the subsequent flow of cheap labour from the north was crucial for the rapid expansion of production (Beckman, 1976, p.38). The farmers also built their own roads and bridges in the 1910s and 1920s and ran fleets of motor lorries to speed the evacuation of the cocoa crop (Hill, 1963, p.247; Kimble, 1963; Hopkins, 1973, p.196).

The Government later introduced a marketing scheme in 1898, for both coffee and cocoa but it was soon challenged by the West African Trade Association made up of European merchants (Kimble, 1963). Subsequent attempts made by the Farmers Associations in 1914 and 1924-5 to by-pass the European firms in order to secure better prices were also challenged by the merchants and the efforts were also not sustained (Kimble 1963; Beckman, 1976). This left the trade of cocoa in the control of the European firms, assisted by network of agents, big farmers and other “brokers” in the local trade (Beckman, p.1976, p.40) until the Second World War. The introduction of railways also encouraged the planting of cocoa in Ashanti and by 1907 planting was proceeding over a wide area (Kimble, 1963, pp.479-80) due to the widespread market-orientation among the “Amansie” from the participation in both local and external trade in kola and gold (Austin, 1988, p.65). Following the opening of the second railway in 1912, the 23,000 tons of cocoa exported in 1910 rose to 52,900 tons in 1914 with 77% carried by rail (Kay, 1992, p.20). The completion of the railway from Accra to Kumasi in 1923 followed by the Huni valley line in 1927 made it possible to export large quantities of cocoa and timber from the forest (Fage, 1969, p.193).

In order to diversify Gold Coast's exports, Governor Clifford established a number of agricultural stations in 1918 to experiment with a wide variety of crops including rice and groundnuts. Realising later that 83 per cent of exports consisted of cocoa, Guggisberg tried but failed to extend railways to the north in order to open up most parts of the country to secure his famous "four large baskets of articles greatly in demand ... together with seven little baskets of rice, copra, sisal, corn, sugar, coffee, and tobacco..." (Guggisberg, 1921). Due to income constraints, the northern railway was dropped from the Development Plan with adverse effect on the diversification efforts in Gold Coast. By 1943, it was found that the work of the colonial Department of Agriculture was to a great extent subordinated to the marketing of cocoa (West Africa Commission, 1943). Little effort was made in domestic production of food crops, resulting in a skewed economy with intense external dependency and an "impoverished and underdeveloped peasant economy" (Frimpong-Ansah, 1991).

#### The Cocoa Hold-ups

The Gold Coast open economy has experienced one of the world's largest fluctuations in trade earnings (Alence, 2001). The shipping disruptions and the closure of the German market during the First World War combined with considerable uncertainty over British prices led to a delay in cocoa crop purchases and consequently a heavy fall in prices in 1914 (Kimble, 1963; Alence, 2001). The farmers refused to sell and rather left the cocoa pods on their trees. Two years later, a large percentage of the Ashanti crop was held back when prices fell again in England, followed by another hold up in 1917-18 (Kimble, 1963). As the majority of the farmers were not aware of the world market price fluctuations they regarded the hold-up as a successful method of increasing the local price. The "indirect rule" system was also seriously undermined as "the role of the chiefs was even more important in the initiation and enforcement of the hold-ups" (Austin, 1988, p.95).

In 1921 the Akwapim farmers successfully carried out the first organised cocoa hold-up (Williams, 1985) and it was not until 1929, when the world price of cocoa began its fall (Hill, 1963) and the principal European merchants operated their cocoa pool to protect themselves (Austin, 1988) that the growers organized a widespread and effective hold-up of cocoa during the 1930-1 season (Kimble, 1963; Austin, 1988). The United Africa Company's (UAC) consolidation in 1929 and its subsequent handling of more than half of the Gold Coast crop (Kimble, 1963; Alence, 2001) led to its distrust by the farmers and UAC became associated with world price movements in the cocoa trade (Kimble, 1963). Again, when the cocoa prices fell from September 1937, the main European

firms signed a four-year 'pool' agreement which resulted in another organized hold-up of cocoa combined with a boycott of imported goods in November 1937 (Beckman, 1976; Williams, 1985), which lasted until April 1938. Arguably, it was the Gold Coast government's desire to prevent the reoccurrence of the hold-up that led to their support for the wartime control board in 1939 after they had rejected the Nowell Commission's recommendation of sole marketing by a statutory Farmers' Association (Williams, 1985; Austin, 1988).

### Cocoa Marketing Board

In a turn around, the colonial government acting on the recommendation of UAC, introduced a temporary and expedient scheme under which the British government would purchase the entire crop of the Gold Coast with the firms acting as licensed buying agents, for protection against the riskiness of issuing advances for the 1939-40 crop during the Second World War (Alence, 2001). The scheme offered the government a means to mitigate the social impact of the fall and subsequent rise in cocoa price as the officials believed that a collapse in local cocoa prices during the war would have disastrous economic and political consequences (Alence, 2001). With Gold Coast's high dependence on imported goods, the colonial office also feared the inflationary effects of significant producer price increase in a period when imports were severely restricted. Consequently, the increase in the market price of cocoa was not passed on to the producers as the colonial authorities feared it will lead to inflation in the Gold Coast (Beckman, 1976; Alence, 2001).

Despite the protests of the AWAM firms and the United States government, the wartime statutory export monopoly became permanent as Cocoa Marketing Board in 1946 (Beckman, 1976; Austin, 1988) with the operational control shifted from London to a Government-led board in Accra. This led to the process of increasing government intervention in the cocoa industry, and decreasing direct involvement by the European firms (Austin, 1988). Moreover, the colonial government gained the control of the cocoa industry and used the surplus of the Marketing Boards to shore up the reserves and balance of payments of the sterling bloc (Fitch and Oppenheimer, 1966; Williams, 1976). The price policy of the Cocoa Marketing Board actually served to destabilize producer incomes (Bauer, 1954). The reserves of the Board grew from the £14 million at its inception after the war to £76 million in the 1950/51 season and the surplus mostly continued throughout the 1950's (Beckman, 1976, p.42).

### 1.2.7 National and Economic Development with Limited Taxation

The colonial policies in the period from 1897 to 1928, particularly under the governorships of Griffith and Clifford, were mainly based on promoting the export of primary products for export in order to increase government's revenue for economic development. The achievements during this period gave rise to the intensive development during the periods of 1897-1907 and 1919-27 and provided the basis for the expansionary phase of policy in the twenties when there was marked improvement in social and physical infrastructure under Guggisberg's regime (Kimble, 1963). Another key to the understanding of the political economy of the Gold Coast are political forces comprising the traditional rulers, the educated elite, the African and European merchants, the British Parliament and the media. These forces acted in one way or the other and sometimes jointly, as happened with the aborted poll tax and the Land Bills, to frustrate the colonial governors' effort in raising revenue for both administration and development. It was only the charismatic and influential governors like Sir Clifford and his immediate successor, Sir Guggisberg (1869-1930) who could muster the courage to overcome these forces. Sir Griffith, a fine governor, who played a major part in the rapid development of the cocoa industry, was faced with an early retirement following his defence of a 10% *ad valorem* duty on certain specified goods against the interest of the British merchants (Kimble, 1963).

Following the abortive poll tax in the 1850s the imposition of direct taxes had been strongly resisted by the people and it was not until 1943 that income tax was introduced in the Gold Coast (Kimble, 1963, p.327). Similarly, the imposition of indirect tax faced the opposition of the merchants and traders, who considered that British rule should offer special protection and encouragement to traders (Kimble, 1963). The colonial office's apprehension of possible disturbances and bloodshed and the inevitable questions in British Parliament, served to postpone most important actions which were likely to cause controversy in the colony. Sir Clifford made an impressive stride in 1916 and obtained the colonial office's approval to raise £200,000 per annum mainly through the imposition of tax on cocoa export (Kay, 1992, p.111). It was this windfall from export duty that facilitated the economic development during the 1920s (Kimble, 1963).

#### Development Planning

Guggisberg's solution to overcome the instability of the dependent cocoa economy was to increase its range of exports and safeguard the future of the cocoa trade by the provision of cheap transport facilities (Kay, 1992). With this perspective, he launched the £25 million Ten Year Development Programme, the first of its kind in a developing



territory in 1919 (Kimble, 1963; Killick and Szereszewki, 1969). The projects comprised transport and communications, water supply, drainage, electric power, maps, surveys, and later agriculture (Kay, 1992) to be financed mainly with export duty and loan capital assistance. Unfortunately, the post-war depression forced him to reduce the expenditure by £12 million in 1922 and to drop his proposed Northern Territories railways project (Kimble, 1963, p.55).

Interestingly, the merchants were at war with Guggisberg as he fought to double the rate of export duty on his arrival in 1919 to finance the programme of modernization (Kay, 1992). Following the merchant's agitation which was motivated by self-interest that taxation is too high as to affect the cocoa industry, the duty reverted to its initial rate in 1922 (Kay, 1992, p.124) with significant impact on development in Gold Coast. Again, the untimely departure of Guggisberg in 1927 saw the premature ending of the programme. However, his programme was considered so successful that the principle of government responsibility for economic and social development became deeply rooted in the Ghanaian mind (Asante, 1991) and provides another key to the understanding of political economy of Ghana.

Guggisberg's achievements are not restricted to physical infrastructure alone. As an ambitious governor, he devoted much attention to social and national development as well. Like his predecessor, Sir Clifford, he contributed greatly to the development of the legislature and showed strong support for the authority of the Chiefs. Guggisberg responded to the agitation for elective representation by enlarging the Legislative Council to thirty members and introducing a limited electoral scheme 1925 Constitution, only to be criticized by educated Africans as inadequate and ill-advised (Kimble, 1963, pp. 404-5). However, this was sufficient ground for democratic political institutions to gradually supersede traditional forms of government (Kimble, 1963). Following calls for the release of Prempeh, the Asantehene, he allowed him to return from exile in 1924 as a private citizen (Kimble, 1963). During his administration the Gold Coast Colony, Ashanti and Northern Territories were welded into an economic unit, thereby laying the foundations for the building of a more militant and national movement. When the people began to challenge the traditional authority, he introduced the Native Administration Order (NAO) in February 1927 to extend and give a firmer foundation to the power of the Chiefs, notably in judicial matters (Kimble, 1963).

### **1.2.8 Colonial Policies, Depression, War, Riots and Royal Commissions**

The world price of cocoa fell from £50 per ton in 1929 to £20 in 1930, leading Governor Slater to declare that the difficult financial position of the country imposed a check on

the rate of expansion and called for “consolidation and stabilization of government services for the time being” (Slater, 1930). Consequently, expenditure was cut back so sharply that from 1932 the government ran a budget surplus (Kay, 1992, p.43) and the development of the country simply coasted along under the impetus Guggisberg had given (Kimble, 1963). The passive and deflationary policies leading to budget surpluses were in the interests of the British Treasury (Frimpong-Ansah, 1991; Ingham, 1995).

Although the budgetary expenditure rose from around £2m to over £7m in the eight years from 1942 to 1950 (Frimpong-Ansah, 1991, p.65), the important northern railway project was left on the drawing board. Echoing Smith (1776), Clark (1984, p.75) argues that “for countries in the earliest stage of economic development, the most valuable investments are in infrastructure, particularly for transport, without which only localised subsistence agriculture is possible...” Therefore, Rimmer (1992) could be right that “[t]he underdevelopment of the North has been a standing reproach to British colonial policy in the Gold Coast” (p.30). As Ingham (1995) observes by way of contrast between two different colonial policies, the Japanese colonialism in South Korea was development-oriented and did spread new techniques into agriculture and invested heavily in both industry and agriculture with emphasis placed on the development of a skilled workforce. This could explain the difference in the post-independence economic development experiences of Ghana and South Korea.

The nationalist grievances against British colonialism which had virtually disappeared under Guggisberg’s administration due to a rise in the standard of living, quickly reappeared with increasing importance in the 1930’s (Kimble, 1963). Moreover, the passive and deflationary policies had also led to the non resolution of problems ranging from the cocoa hold-ups, outbreak of swollen shoot in the late 1930s, adverse terms of trade, declining revenues, unemployment of returned servicemen, and rising inflation (Hopkins, 1973, Rimmer, 1992). In addition, the dissatisfaction with the system of indirect rule raised the awareness of the people regarding the political and economic problems facing the colony (Nkrumah, 1957).

After successfully opposing the Burns Constitution, the intelligentsia, launched a political movement, the United Gold Coast Convention (UGCC) at Saltpond on 29 December, 1947. Its aim was ‘to ensure that by all legitimate and constitutional means the control and direction of the Government shall within the shortest time possible pass into the hands of the people and their Chiefs’. The leadership of the UGCC was mainly from the prosperous professional and commercial elite of lawyers, doctors, teachers, merchants (Austin, 1957, Beckman, 1976). It is claimed that Dr Danquah, a Vice-

President of the UGCC also represented the Joint Provincial Council of Chiefs in the Burns Legislative Council (Nkrumah, 1957). As General Secretary, Kwame Nkrumah observed that the UGCC initially “lacked the support of the masses and of some of the chiefs” (Nkrumah, 1957, p.69) and in June 1949, he formed Convention People’s Party (CPP) as a radical breakaway movement from the UGCC. Unlike the UGCC, the leadership of the CPP was in “the hands of the growing number of clerks, teachers, journalists, smallstore-keepers, and traders, who became the ‘new men’ of the post-war constitutions” (Austin, 1957, pp14-15). To the surprise of the conservative-minded Africans, the CPP called for both speedier constitutional change, and for social and economic reform (Austin, 1957).

The grievances culminated in a trade boycott followed by the political disturbances that lasted in February and March, 1948 (Austin, 1957; Nkrumah, 1957). The Watson Committee (1948) attributed the cause of the riots to the tensions created by inflation in the towns and criticised the foreign trading community, particularly, the Association of West African Merchants (AWAM) for the manner in which it established its prices. The Committee concluded that the Burns Constitution of 1946 was “outmoded at birth” and recommended the creation of a new constitution which will put the business of government largely in the hands of African ministers responsible to a largely elected assembly (Rimmer, 1992, p.25). Consequently there was a complete change in the leadership, pace, and direction of nationalism (Kimble, 1963). The following extract describes the ‘fragile’ nature of the Gold Coast colonial economy in 1952, inherited from the years British:

The Gold Coast economy has no checks on inflationary wave of spending. Direct taxation hardly touches most people; indirect taxes are relatively light, stocks are generally very thin, virtually the only goods produced locally for consumers are foodstuffs; and the supply of these cannot be increased with short notice; ....savings institutions are practically unused by the general public; and largely, for this reason, there is no capital market in which the Government could use monetary instruments... The second main economic weakness is, of course, that the earnings of foreign exchange depend mainly on one commodity-cocoa ... (Government of the Gold Coast, 1952, Ch.1)

### **1.2.9 The Nkrumah Years of Self-Government and Independence (1951-1966)**

The first elections in the decolonisation process were held in 1951 and self-government was instituted in February 1951 with increasing autonomy in 1954 and the CPP leaders were then given limited ministerial responsibilities (Beckman, 1976; Rooney, 1988). The CPP won the 1951 elections with a sweeping victory (Beckman, 1976) based on the far-reaching promises Nkrumah had made to transform the Gold Coast into

paradise in ten years (Oppeinheimer, 1966). The CPP dreamt of “creating modern nation state, complete with the complex development plans and bureaucratic controls of the industrial world in which the elite aspired to live” (Reader, 1997, p.685-705). These promises placed very high expectations on the state in the form of tangible benefits through higher government expenditure in providing public services, improving amenities and creating wage-paying jobs, rather than delivering higher GDP growth (Rimmer, 1992). The early 1950s were the years of Korean War boom (Huq, 1989), so with increasing government revenues of nearly £21 million in 1950/51 (Rimmer, 1992, p.40), Nkrumah’s government responded to the high public expectation with large government expenditures (Leith and Soderling, 2003).

The First Development Plan, which was originally intended to be implemented between 1950 and 1960 with total expenditure of £74 million, was adopted by the Nkrumah government in 1951. In its haste and without due regards for resource constraints, it revised the duration of implementation of the plan to five years for completion in 1956, and the expenditure increased to £121 million (Rimmer, 1992, p.62; Kay, 1992). Surprisingly, the northern railway project linking Navrongo in the far north with Kumasi, which could have significantly increased the country’s production capacity, was again dropped from the plan (Rimmer, 1992, p.62). The plan was not completed until March 1959, when a new plan was inaugurated. Expectedly, shortages of administrative and technical staff, building capacity and imported materials delayed the completion (Rimmer, 1992, p.63). It is important to note that this was the only plan that had been successfully implemented since Ghana attained Self-rule in 1951 until 1983.

In his report on Industrialisation, Lewis (1953) found stagnant agricultural productivity to be the main obstacle of Gold Coast’s industrialization as it restricted the size of the market, savings and the supply of labour from the agricultural sector to the industrial sector. Based on this observation, Lewis recommended the improvement in the system of food production and expansion in infrastructure to facilitate future industrialization. He found the obvious industrialization strategy to be in the areas of: processing of primary products for export, manufacturing for the home market in the form of import substitution, and processing imported raw materials for export. However, Nkrumah was impatient that agricultural development was a condition of industrialization and he could not accept the argument that funds constrained performance (Rimmer, 1992, p.88) as he “did not have any serious investment criteria of any kind” (Huq, 1989, p.14).

However, Lewis’ report influenced the industrialisation policy in Ghana, albeit malignantly. The policy mainly encouraged the growth of import substitution and

provided various incentives to investors (Huq, 1989, p.150). Following Lewis' report, the Industrial Development Corporation (IDC) in 1947 to assist local industrialists, investigate the possibilities of new industries and to make loans to small concerns (Kay, 1992, p.47), proceeded to set up fully-owned companies and joint state-private companies after 1953 (Grayson, 1971). By 1962, when the Ministry of Industries was established to take over the business of IDC, it had established 22 fully-owned and 9 jointly-owned companies but most of the fully-owned (14) did not make profits (Grayson, 1971). The IDC failed because of poor management; loans being granted without sufficient feasibility studies, corruption, nepotism and political interference by the Nkrumah regime (Hakam, 1972, p.12).

The average government expenditure rose from £34.8 million in the period 1950-4 to £57.9 million during 1955-60 (Kay, 1992, p.47), and was mainly financed by the government surplus which had accumulated during the war and from the high revenue received from cocoa in the 1950s (Leith and Soderling, 2003). The foundations were laid for a large and demanding public sector and for a major shift in internal class structure (Beckman, 1981). There was lack of "a coherent vision of the relationship between political goals and economic realities" and consequently the "needs of commercial agriculture ... [were] subordinated to those of state formation" (Hart, 1982, pp. 84-85). As a result, food production failed to keep pace with consumption and food imports, which was 18.4% of total imports in 1950 (Rimmer, 1992, p.33), grew by about 7% annually and represented 25% of total imports in 1957, reflecting a fundamental imbalance between production and consumption (Ofori Atta, 1967). The CPP's State Farms Corporation established in 1962 to participate in the production of food and cash crops operated inefficiently due to political motives and the programs failed economically (Bates, 2005).

Soon after its 1954 election victory, the CPP Government passed the Cocoa Duty and Development Funds (Amendment) Bill in August 1954 to fix the producer price for four years and raise the cocoa duty. The reaction of the farmers culminated in the formation in the cocoa-growing regions of a powerful opposition party, the National Liberation Movement (NLM) (Bates, 2005). The NLM engaged the CPP in a violent struggle which almost derailed the decolonisation process (Beckman, 1976). As expected, in the July 1956 elections, NLM forced the CPP to yield ground in Ashanti based on the support it drew from offended traditionalists, aggrieved cocoa farmers, and dissident CPP members (Austin, 1957). The CPP government had to resort to the manipulation of subsidized cocoa inputs to overcome the massive support of NLM (Bates, 2005). Although the CPP won the 1956 elections, Nkrumah and CPP were seriously shaken

by this political crisis, which subsequently shaped the political and economic development of independent Ghana (Beckman, 1976).

On March 1957, the Colony of the Gold Coast, Ashanti and the Northern Territories in addition to the British Togoland became the first of Britain's African colonies to gain its independence. It was then 'one of the most prosperous countries in Africa' (Rooney, 1988) with foreign exchange reserves of around \$500 million (Leith and Soderling, 2003) and had "the blessing of the departing colonial power" (Bing, 1968, p.12). Apart from the acceleration of expenditure on the development plan, the period from independence in 1957 to 1960 maintained the previous practice of conservative monetary and fiscal management (Huq, 1989, p.12). On the turn of the decade, things started moving quickly, with the launch of the Second Five Year Plan in 1959 (1959-64). As the period 1960-65 coincided with Cote d'Ivoire's first five years of independence, a comparison between Ghana and Cote d'Ivoire regarding the policies pursued and achievements during this period is made in the following section.

#### Ghana and Cote d'Ivoire in 1960-65

Up to 1960, cocoa accounted for about 60% of total exports in Ghana but only 20% in the Ivory Coast where the major export commodity was coffee with a share of about 50% in total exports (Eshag and Richards, 1967). Ghana relied primarily on cocoa export duties (95%) and which accounted for 37% of total government revenue (Eshag and Richards, 1967). Cote d'Ivoire's largest single source of tax revenue was from import duties, which produced 38% of total revenue in the Ivory Coast and only 25% in Ghana. As expected, the fall in export price of cocoa in the early 1960s produced very different impacts on the two economies, owing to the dissimilarities in their pattern of exports and the structure of taxation discussed above. In Ghana the adverse effect of the fall in foreign exchange earnings and tax revenue was considerably greater. Compared with 1954 base year, Ghana would have had to export 98% more in 1962 order to buy the same volume of imports that she bought in 1954 (Killick, 1966, p.101). This compelled the government to introduce numerous fiscal and monetary measures to correct the external imbalance and to control the budget deficit. For instance, by November 1961 Ghana introduced stringent import licensing to restrict imports and to promote import substitution industrialisation (Leith and Soderling, 2003). The fiscal measures introduced also resulted in a pronounced redistribution of income from the private to the public sector and had important implications for the growth of private disposable income and of private consumption and investment (Eshag and Richards, 1967).

Again, after 1960, the two countries followed contrasting development strategies, namely “transformationist” and “gradualist” for Ghana and Cote d’Ivoire respectively (Berg, 1971). Ghana’s Second Development Plan (1959-64) and the subsequent Seven-Year Development Plan (1963-69) were “directed towards building a modern economy, raising living standards, and bringing to an end the predominant role of foreign economic power” (Lawson, 1963, p.392). The internationally renowned economists who attended the Seven Year Plan’s conference offered “constructive professional advice...but very little by way of fundamental criticism of the strategy” (Lawson, 1963; Killick, 1978, p.53), leading Killick (1978) to argue that there was “congruence” or “affinity” of Ghanaian policies with development economics. Consequently, the policies after 1960 were mainly aimed at capital-intensive, state-managed agricultural and industrial development, the reduction of external dependence, and the indigenization of the economy. With CPP’s ideology of socialism, the state was given the dominant role, as the CPP did not want to create indigenous capitalists who would be difficult to control politically (Hakam, 1972).

The factories generally had rated capacities of about two times greater than the size of the Ghanaian market (Frimpong-Ansah, 1972) but their output was 29% of capacity in 1963-1964 (Killick, 1978, pp.171). After the 1961 serious balance of payment deficit, the manufacturing industries encountered serious problems in acquiring raw materials and spare parts (Hakam, 1972; Huq, 1989). The Second Development Plan was then abandoned ostensibly, because it was not broad enough and appeared to have reinforced the distortions in the structural balance of the economy (Ofori Atta, 1967). The replacement Seven Year Plan which was to be integrated, comprehensive, and economically sophisticated (Rimmer, 1992) “was a piece of paper, with an operational impact close to zero” (Killick, 1978, p.140).

On the other hand, Cote d’Ivoire’s First Ten Year Development Plan was aimed at diversification of agricultural production, more local processing of agricultural products, establishment of manufacturing and import substitution industries, and the improvement of the physical and social infrastructure (Yansane, 1984). Its policies were based on the private development of agriculture for both internal and external markets as the main source of growth. It also maintained its ties with France and its dependence on foreign capital and skill (Berg, 1971, Yansane, 1984). As a result, from 1960 through to 1965 gross output probably rose by 6% to 7% a year in real terms in the Cote d’Ivoire, while it rose by 2% to 3% in Ghana despite the heavy public expenditure and externally financed investment which occurred during this period (Berg, 1971). Output per capita was about the same in Ghana at the beginning of 1966

as it had been in 1960, while it had risen by some 4% a year in the Cote d'Ivoire (Berg, 1971, p.186). In Cote d'Ivoire, consumer prices were only 17% higher in 1966 than they had been in 1960 while export earnings nearly doubled between 1960 and 1965, with favourable balance of payment positions throughout.

In Ghana, consumer prices in the beginning of 1966 were seventy-five percent higher than in 1960 (Berg, 1971, p.188) and exports dropped from about 30% of GDP in 1957 to less than 18% in 1965 (Leith and Soderling, 2003, p20). While the Ghanaian government revenue increased only by 42% from 1961 to 1965, the increase in government expenditure was 63% (Huq, 1989, p.13). The overall budget deficit was 7% of GDP in 1961, it increased to 9.4% in 1962, 9.9% in 1963, falling to 6.7% in 1964 before rising to 10.9% in 1965. The Ghanaian state farming venture which was given an increasingly large role and resources in the effort to expand and diversify agricultural output produced very little and was generally a waste of money and manpower (Berg, 1971). Unlike Ghana, Cote d'Ivoire successfully expanded its cocoa and coffee production and also diversified into the production of oil palm, coconut, pineapple, rice, rubber, cotton, and later sugar cane for the export and internal market (Berg, 1971).

During the period Ghana constructed the important but ambitious projects:

- Volta River hydroelectric project at an estimated cost of about £65 million, the equivalent of over 60% of Ghana's annual export earnings (Eshag and Richards, 1967; Killick, 1978).
- The Tema Harbour project completed in 1961 at a cost of £24 million.
- Capital expenditure of £37 on educational facilities (Eshag and Richards, 1967).

The expenditure on health and education helped to lower infant mortality, raise life expectancy and school enrolment (Toye, 1991). The educational expenditure as a percentage of GDP grew steadily from 2.7% in 1960 to 4.2% in 1964 (Hinchcliffe, 1972, p.47) which raised the question of sustainability. However, the lavish expenditure on education and health more than quadrupled the level of enrolment between 1950 and 1965 and also provided 112 hospitals, with 567 doctors and 2,660 nurses at the end of 1965 (Rimmer, 1992, p.67; p.100). A large share of capital expenditure in 1960-1965 was devoted to projects of doubtful economic value or 'white elephants' (Berg, 1971, p.207). Some examples of these 'white elephants' were: the Accra-Tema motorway (£4 million), aircraft purchase for Ghana Airways (£12 million), construction of cocoa silos (£8.5 million), public buildings project (£40 million), and £15 million military installations and equipment (Eshag and Richards, 1967; Berg, 1971). Killick (2000) found that the



period 1960-65 was characterised by gross mismanagement which initiated the rapid economic decline. He found “the [import substitution] industrialization was highly inefficient, fostering the emergence of high-cost producers charging prices well in excess of the imports they were replacing” (Killick, 1978, p.159). By the end of Nkrumah’s rule Ghana’s reserves were nearly depleted and the external debt amounted to an estimated \$790 million (Leith and Soderling, 2003, p27).

### **1.2.10 Years of Political and Economic Turbulence**

#### National Liberation Council (NLC)

The economic malaise evident by the mid-1960s (Toye, 1991) provided the justification for the popular military coup of 24 February 1966 (Rimmer, 1992). The corrective government of National Liberation Council (NLC) had the main political objectives of restoring the constitution and spent the chunk of its time “simply picking up the pieces” (Berg, 1971, p.197). The IMF-backed stabilisation programme deferred external debt obligations, secured international aid, renewed import credit, and tackled inflation (Rimmer, 1992). As a result, there was no significant repayment of either principal or interest made until the years after 1971 (Frimpong-Ansah, 1972). The increase in interest rate from 4.5% to 7% in 1966 helped to reduce money supply and inflation (Leith and Soderling, 2003). As a result of public outcry emanating from vested interests in state intervention, NLC’s privatization efforts were unsuccessful (Killick, 1978; Beckman, 1981). As the NLC tried to reduce the tax burden on the economy and provide incentives for the private sector to save and invest, it reduced and abolished most taxes, leading to the fall in tax revenue from 16% of GDP in 1965 to 13.4 % in 1966 (Frimpong-Ansah, 1972, p.6). Consequently, the budget deficit hovered around 5% of GDP until 1969 when it reduced to 3.3% of GDP, despite the reduction in government expenditure in 1966 (Leith and Soderling, 2003).

#### Progress Party (PP)

The elected Progress Party (PP) government came to office on 1 October 1969, with the main task of consolidating the gains from NLC’s stabilization and pushing ahead an accelerated but orderly development (Frimpong-Ansah, 1972). As a result, it continued the economic liberalisation in addition to its ‘Rural Development’ programme (Beckman, 1981). However, the government’s strong expansionary policies and inadequate tax effort failed to contain the excess demand arising from the overvalued currency (Killick, 1978). This put the government’s liberalisation of the import licensing and exchange control regime in jeopardy, and foreign exchange reserves fell significantly (Leith and Soderling, 2003). Due to the recovery in export values,

government revenues almost doubled between 1966 and 1971 (Rimmer, 1992, p.113). After 1971, the fragile economy was vulnerable once again to the decline in the cocoa price. The resulting rising food prices led to workers' agitation for higher wages which culminated in a clash between the Trades Union Congress (TUC) and the government and the government's legislation to disband the union.

During its rule, the government took various political decisions which virtually alienated the intellectuals, the trade unions, students, wage earners, business men, lawyers and judges, and, most critically, Ghana's military officers. The decisions included the Aliens Compliance Order (Addo, 1972; Beckman, 1981), dismissal of 568 officials without reasons and the rejection of High Court decision. After a long period of dithering, the late and untimely (during Christmas in Ghana) decision to devalue the currency by 44% in December 1971 to correct the balance of payment crisis provided the final nail in the coffin and justification for another coup. This coup pre-empted "the most decisive break with the past of any action since the 1966 coup" (Killick, 1978). Hence, neither NLC nor PP succeeded in solving the persistent and underlying economic problems which had been set in motion by Nkrumah (Toye, 1991).

#### National Redemption Council (NRC)

The National Redemption Council (NRC) came to power on 13 January 1972 (a mere coincidence with the researcher's ninth birthday of economic hardship!). Its first effort towards legitimacy was the reversal of PP's austerity policies aimed at addressing the inherent weaknesses of the economy (Frimpong-Ansah, 1991). This involved the reduction of the December 1971 devaluation from 44 to 20% against the dollar, increasing wages by at least one-third, and legally reconstituting the TUC. The government reverted to state intervention and repeated Nkrumah's economic mismanagement in a magnified manner, leading Rado (1986) to describe the military intervention as the "greatest single disaster in Ghana's history" (p.15). Significantly import licensing was reinstated which later become a powerful instrument of patronage (Leith and Soderling, 2003). As part of its 'Self-Reliance' programme, it acquired 55% of the equity shareholdings in four foreign-owned timber enterprises in 1973 and in Ashanti Goldfields in 1975 (Rimmer, 1992).

The government's unilateral repudiation of debt led to its focus on actively promoting the food sector (Frimpong-Ansah, 1991) through its distinguishing programme of 'Operation Feed Yourself' which provided active support for large-scale and private commercial farming (Beckman, 1981, p.154). However, the efforts failed to reflect in the food price index which had more than doubled from the middle of 1972 to the

middle of 1975. Perhaps, petrol price increase from 1973 and petrol shortage combined with poor rains from 1975 may have contributed to the lack of success (Beckman, 1981). In 1975 cocoa prices declined and the government resorted to deficit financing (Frimpong-Ansah, 1991) and as Chazan (1983) observes the government “was rapidly losing control of even the most rudimentary aspects of economic supervision” (p.169). When the regime was overthrown the annual rate of price inflation exceeded 100 per cent, with food prices still in the lead (Beckman, 1981, pp.154-5). The budget deficit had reached a record level of over 11% of GDP by 1976 (Leith and Soderling, 2003, p.31). There was virtual economic anarchy in which everyone broke the law (Frimpong-Ansah, 1991) in the pervasive corruption which came to be styled *kalabule*, or a licensed, beat the system approach to survival (Chazan, 1983).

Acheampong was removed as the leader of the Supreme Military Council, a rebranded NRC, and replaced by General Akuffo on 5 July 1978, who planned to return the country to civilian rule in 1979. The Akuffo’s government entered into a one-year stand-by credit agreement with the IMF in January 1979 of SDR 53 million to reduce the budget deficits and balance of payment. However, by June 1979 it was already clear that the Fund’s performance criteria would not be met and the reform programme was terminated (Rimmer, 1992, p.167). In order to reduce liquidity in the system, a currency conversion was also implemented in March 1979 (Rimmer, 1992, p.166). However, the implementation of the austerity measures by the government was inhibited by widespread public unrest and political activity for general elections (Chazan, 1983). Table 1.1 below provides macroeconomic indicators of selected sub-Saharan African countries and highlights Ghana’s lost opportunity in the decade as all the countries fared much better than Ghana in all the indicators.

**Table 1.1 Macroeconomic Indicators for Selected African Countries in the 1970s**

	Av. Annual growth rate of GDP 1970-79	Ratio of taxes to GDP 1973-77	Ratio of government expenditure to GDP 1973-77	Gross domestic investment to GDP 1970-77
Ivory Coast	6.7	20.6	24.0	19
Kenya	6.5	15.3	20.6	21
Ghana	-0.1	10.4	18.1	11
Senegal (1975-78)	2.5	17.7	19.4	15

Source: World Bank, 1983, p.36

#### Armed Forces Revolutionary Council (AFRC)

Before the planned elections could be held, Akuffo’s SMC was overthrown by young and left-leaning officers on 4 June 1979 who formed the Armed Forces Revolutionary Council (AFRC) led by Jerry Rawlings. The AFRC set itself the mission of dealing with

corruption before handing over to a civilian government, however, it failed to distinguish between political corruption and economic incentives in business (Rimmer, 1992, p.169). For instance, the officials policed retail prices leading to loss of substantial production and working capital (Frimpong-Ansah, 1992), they demolished, one of the largest and busiest markets in Africa, Makola in Accra, which adversely impacted on market supplies and the exchange economy (Rimmer, 1992). The government also eliminated three surviving military leaders and five ministers from the SMC government “in a deadly serious determination to wipe the political slate clean” (Chazan, 1983, p.281).

### People’s National Party

The AFRC handed over power to the newly elected People’s National Party (PNP) in September 1979. However, the government seemed impotent in implementing the appropriate economic and political measures to deal with the excess demand and shortages which arose from the “licensing-price-control-cum-state-owned-enterprise system” (Leith and Soderling, 2003, p.38). The government revenue fell to less than 5% of GDP in 1981, thus severely constraining government’s ability to carry out important functions of the state in the maintenance of infrastructure and the provision of social services. The CPI inflation rose over 100% in 1981, investment continued to fall, and GDP per capita fell below the level of 1950 (Leith and Soderling, 2003, p.38).

### The Provisional National Defence Council (PNDC)

The PNDC, also headed by Jerry Rawlings overthrew the PNP on 31 December 1981 with the support of the discontented urban masses, disaffected lower ranks in the military, students, the urban unemployed, lower-level trade unionists, a group of radical left-wing intellectuals and a sprinkling of disaffected politicians (Frimpong-Ansah, 1991, p.112). After declaring their enemies as the entrepreneurs, successful farmers, professionals and the business community, they went a long way in destroying their capital and wealth through the confiscation of all C50 (cedi) notes (Kraus, 2002) and bank balances in excess of 50,000 cedis (\$1,500) (Rimmer, 1992, pp.169-170). Despite being more destructive than any previous government, the PNDC only managed to maintain the status quo from 1982 to early 1983.

At the end of 1982, income per head had fallen by 30% since 1970, real wages fell by 80%, import volume by 70%, and real export earnings by 50%; the ratio of exports to GDP had been reduced from 21 to 4%, the domestic savings from 12 to 3%, and the investment rate from 14 to 2%; and the government’s deficit had risen to 14.6% of GDP (World Bank, 1984, p.xvi). The droughts and repatriation of Ghanaians from Nigeria in

1983 had adverse impact on domestic food production thus raising the inflation rate to 122.8% in 1983 (Frimpong-Ansah, 1991, p.112).

In summary, the fragile and dependent economy of Ghana mostly underwent a prolonged recession during 1962-83 caused by flawed development strategy since the 1960s, falling cocoa prices, gross economic mismanagement and corruption in 1973-81 (Toye, 1991; Kraus, 2002) and “severe external shocks in the early 1980s” (Toye, 1991, p.155). As shown above, the frequent changes in regimes mostly maintained the status quo. Leith and Soderling (2003) argued that the four major policy themes of “excess demand, currency overvaluation, anti-export bias, and financial repression” had dominated Ghana’s modern economic history (p.77). Hence, the political economy since the early 1960s has been characterised by low export production, limited public finance, low real wages and chronic inflation linked to the behaviour of food prices (Beckman, 1981; ISSER, 1993). As Hutchful (2002) succinctly summarises, in Ghana the “urban, southern and semi-educated ... looked upon the state and politics, rather than economy and market as the basis of social status and power, and hence favoured a strong central state ... in the creation of public property” (p.8).

### **1.3 Economic Reform and Structural Adjustment Programme**

The dire economic situation and the desperate need for donor assistance forced the PNDC to adopt a market-oriented approach to reform in the third quarter of 1982 with the genuine hope that the reforms would increase the GDP, reduce poverty and tackle corruption (Leith and Soderling, 2003). This set off an internal struggle won by the reformers, and the radicals went into silent opposition (EIU, 1996) after they failed to overthrow Rawlings in November 1992 (Toye, 1991, p.155). This paved the way for the launching of the long and major economic reform programme (ERP) in April 1983 with the assistance of the IMF and the World Bank. In a ground-breaking and landmark national broadcast, Rawlings bravely addressed the nation like he had recently graduated from Adam Smith’s School of Economics through his skirmishes with the Ghanaian economy since June 1979:

We can no longer postpone the time for halting the populist nonsense and for consolidating the gains of the past 20 months and making a noticeable leap forward ... Production and efficiency must be our watchwords. Populist nonsense must give way to popular and unpopular sense ... Many of us have spent too much time worrying about who owns what. But there can be no ownership without production first ... Everything else has to be produced, and until we all fully recognise and act upon this fact, we shall be deceiving ourselves with empty theories (*Daily Graphic*, 1983).

Realising that its survival fully depended on economic recovery, the Government showed a greater political will to persevere than any previous government and took all actions it considered necessary to force a change (Frimpong Ansah, 1991). It was ruthless in silencing dissent and tolerated no party-based opposition for the rest of the 1980s (EIU, 1996, p.4). It is worth noting here that by January 1985, the regime had endured nine coup attempts in barely three years of its coming into power (Ray, 1986).

In the period of ERP I, 1983-86, policies focused on stabilizing the economy by restoring fiscal discipline, restraining credit expansion and introducing realistic exchange rate management. Import licensing was abolished and improved tax collection reversed a decade of decline in revenue, and by 1986 the government's accounts went into surplus for the first time in many years (EIU, 1996, p.12). After the ERP I, some economic issues including food, income distribution and inflation remained to be tackled under ERP II (1987-9), "as part of the move to a broader liberalisation of the economy under the explicit banner of 'structural adjustment'" (Toye, 1991, p.169). During this period cuts were made in the public sector, new investment codes were drawn up and foreign exchange auction system became unified with the official rate (EIU, 1996). There was considerable success in currency devaluation, cocoa producer price increase, removal of price controls, and the reduction of public sector payroll costs (Mosley *et al.*, 1991). Inflation which in Ghana, is determined by food output, exchange-rate stability and money supply came down from 122% to 10% between 1983 and 1985 only to climb back to around 40%, giving an average for the whole period 1982-8 of just over 40% (EIU, 2000, p.22). According to Toye (1991, p.196), the economic reforms introduced in Ghana since 1983, "have been mainly purposeful moves in the right direction, aimed at putting right a wide range of policy errors committed in the preceding years." He, however, partly attributes the initial success to significant improvement in the terms of trade (rising cocoa prices and falling oil price) and the timely easing of labour shortages in agriculture just when agriculture was bouncing back from drought by the successful absorption of the returned migrants from Nigeria.

The initial results of the reform led the IMF to proclaim Ghana as a model client. Consequently IMF disbursed more than US\$775m in adjustment funds (EIU, 1996) and Toye (1991) estimates that during 1983-6 an additional US\$ one billion was channelled to Ghana (p.160). The *Financial Times* also reported that annual aid commitments rose from US\$426 million in 1984 to \$971 million in 1989, giving total commitments during the period to about \$3.5 billion (Hawkins, 1989). The financial inflows were mainly used

to rehabilitate transport, power supply, communications and water supply and to restore the export base in cocoa growing, timber extraction and gold-mining (Rimmer, 1992, p.184). As a result, investment rates increased consistently from 1984, reaching approximately 15% in 1990 (EIU, 1996, p.20).

From 1989 to mid-1992 the financial sector adjustment cleared bad loans from banks' balance sheets, and improved the Bank of Ghana's regulation and the general soundness of the system. The government also set up the Ghana Stock Exchange to lay the foundations for a domestic capital market in 1990. With the establishment of forex bureaux, foreign exchange controls were removed and interbank market system introduced (EIU, 1996). However, the government failed to implement and complete the politically sensitive and administratively complex reforms, including ones relating to the cocoa sector, divestiture of state-owned enterprises, introduction of new taxes and effective tax collection before the return to multiparty democracy in 1992 (Leith and Soderling, 2003, p.42).

#### The return to multi party democracy and the re-branding of PNDC to NDC

As shown above, the PNDC managed to survive the ERP conditionalities without the support of the patronage system due to its history of coercion, the leader's personality and the success of the ERP (Wetzel, 2000). However, as the economy improved in the late 1980s, PNDC had to make a feasible switch to 'democratic legitimization' (Rothchild, 1991; Gyimah-Boadi and Jeffries, 2000), in response to popular and bilateral donors' demand for multiparty democracy. The present constitution based on the US system was introduced in 1992 to establish the Fourth Republic (EIU, 2007). Consequently, the political economy of Ghana has undergone significant changes as politicians now have to be accountable to the electorate of different interest groups (Leith and Soderling, 2003) rather than coerce them.

A prominent feature of the PNDC/NDC was its promotion of broad-based development which favoured the rural economy and the north more than any previous governments, through greater investment in infrastructure and higher producer prices (EIU, 1996, p.9). In a survey on urban attitudes towards the ERP, Jeffries (1992) found that the respondents' support for the PNDC was based on the improved roads, the availability of goods in the markets and development projects. Based on the popular support from the north and the rural areas, the National Democratic Congress (NDC), the civilian face of PNDC, also led by Jerry Rawlings, won 58% and 57.5% of the votes in the 1992 and 1996 respectively (EIU, 2000).

High budget deficits have now become common in election years due to public demand for government expenditure. This explains why the government was since 1992 forced off the course from its relative exemplary ERP performance between 1985 and 1991 (EIU, 1996, p.12). For instance, the 80% wage increase in the public-sector on the eve of the 1992 elections converted five years of budget surpluses into a deficit that was 6.3% of GDP. This fuelled inflation, pushed up domestic debt, crowded out private-sector borrowing (ISSER, 1993, p.10; World Bank, 1994; Kraus, 2002) leading to the slow response of the private sector to the ERP (Aryeetey and Harrigan, 2000). Thus in the 1990s the rate of inflation fluctuated between 10.1% (in 1991) and 74.3% (in 1995). After a brief return to moderate fiscal discipline in 1994 and 1995, election pressures derailed the government yet again in 1996 when overspending on capital projects led to a large deficit of nearly 10% of GDP leading to the suspension of the IMF's facility from 1996 until March 1998 (EIU, 2000, p.19). In 1993 Ghana set the target of achieving a balanced economy and becoming an upper middle income country by 2020 under its *Vision 2020* programme. The GDP in the period 1996-2000 was expected to grow between 7.1% and 8.3%, however, the actual growth was between 4.2% and 5.0%.

Although gross fixed capital formation increased from 6.9% of GDP in 1984 to 15.9% in 1994, the increase has mainly come from the public sector (Aryeetey and Harrigan, 2000). Foreign investment significantly rose in 1993 to US\$125m and almost doubled to US\$233 in 1994 but fell to US\$56m in 1998 reflecting the fluctuation in investment in the gold mining sector projects and privatization proceeds (EIU, 2000, p.34). As the government and the World Bank focused their policies on liberalisation in the gold mining companies and other export companies (Kraus, 2002, p.403), private investment outside the gold mining industry averaged less than 5% of GDP between the start of the ERP and 1994 (Brownbridge *et al.*, 2000, p.148).

In spite of the continuous privatisation and divestiture, the growth in the manufacturing sector averaged 11.4% in 1984-86, 9.4% in 1987-88, 4.2% in 1989-90, and 1.9% in 1991-94 (World Bank, 1995, p.80). Kraus (2002) attributes the poor performance to IMF/World Bank officials' underestimation of the poor state of public institutions, banks and private firms as a result of the economic and political chaos of 1976-83 (p.406). The ERP has also had damaging effects on Ghanaian businesses through the effects of sharp currency devaluations, credit policies and high interest rates (between 30%-45%), and trade liberalisations (Kraus, 2002, p.407). Recently, the manufacturing sector has been continually hit by energy shortages, and most factories have been forced to run below capacity (EIU, 2000, p.28). It is also claimed that the PNDC/NDC,



under President Rawlings, showed little interest in fostering increased investment by local capital, as they believed the entrepreneurs supported the opposition. It is reported that President Rawlings even went to the extent of “suggesting that Ghanaians do not purchase these companies’ products” (Kraus, 2002, p.396).

The government’s efforts to diversify beyond cocoa, gold and timber met with some success, in increasing the proportion of non-traditional exports. However, the economy still has some way to go before it has a diverse and stable portfolio of exports (EIU, 1996, p.29). The importance of cocoa reduced from 53% of export earnings in 1983 to only 30% in 1998 and 23% in 2000 respectively (EIU, 2000; 2001). From a low level of around 15% in the mid-1980s, the percentage of gold in export had more than doubled in 1998, with non-traditional exports also growing from a woeful US\$1.9m in 1984 to US\$228m in 1998, accounting for 13% of total export earnings (EIU, 2000, p.31). The reliance on a small number of primary exports led to the situation when depressed prices of cocoa and gold on the world market adversely impacted on earnings, budget deficits and inflation. A closer look at price behaviour of cocoa and gold will lead one to conclude that the prices had strong influence on the outcome of the reform program (Toye, 1991). In the mid-1980s cocoa prices reached over US\$1/lb and gold traded over US\$490/oz in 1987 (EIU, 2000), the real GDP growth in the six years 1984-89 averaged 6% (Kraus, 1991, p.128). When the cocoa price fell to an average of 40.3 US cents/lb in 2000 and gold traded at just under US\$280/oz in 2000, the GDP was only 3.7% and the budget deficit rose to 8.5% of GDP in 2000.

As part of the economic reform, the NDC introduced a programme of Free Compulsory Universal Basic Education (FCUBE) to reallocate educational spending towards basic education and to cater for every child by 2005 (EIU, 2000). This involved changing the structures of primary, junior secondary, senior secondary, tertiary schooling, and included cuts in education service staff and the introduction of cost recovery (EIU, 1996). The NDC expanded primary healthcare and introduced some cost recovery which put the health system on a firmer economic footing. Although widely criticised as “cash and carry” system, life expectancy rose from 53 years in 1982 to 59 years by 1996 while infant mortality fell from 98 per 1000 birth to 98 (EIU, 2000, p.13).

Under the World Bank’s pressure to increase its revenue collection, the government hastily introduced value added tax (VAT) in 1995 to replace sales tax amid general public dissatisfaction and high political activity in anticipation of the 1996 general elections. This sparked off serious demonstrations and street conflicts during which four people were killed leading to the withdrawal of the tax (EIU, 1996, p.13). After

public education campaigns, the VAT was re-introduced in 1998 at a significantly reduced rate of 10% and subsequently increased to 12.5% in 2000 to fund investment in education (EIU, 2000, p.21).

Despite the restoration of incentives since the ERP, the real producer price of cocoa had not recovered to the levels of the early 1960s by 1999 when the cocoa sector development strategy was finally launched (Leith and Soderling, 2003, p.79). This explains the dramatic and steady decline in cocoa production from a peak of 566,000 tons in 1965 to 249,000 tons in 1979 (World Bank, 1983, p.26). The producers neglected their cocoa trees and shifted to other crops and smuggled cocoa about 15 percent of their production to the neighbouring countries (World Bank, 1983, p.26). This confirms the Ashanti Cocoa project's observation during 1976-77, "that most farmers in the Project Area f[ound] food crop farming more attractive than cocoa farming and therefore d[id] not take much ... interest in cocoa" (Ghana, 1978, p.33).

Ghana's external debt quadrupled from US\$1.4 billion in 1980 to US\$7 billion in 2000 (EIU, 2001). After many years of structural adjustment, the private sector has yet to respond to the reformed economic environment (Leith and Soderling, 2003). Traditional exports of minerals and cocoa, which shrank to a fraction of their potential, have recovered from the depths, but have not fulfilled their potential as engines of growth (Leith and Soderling, 2003).

#### **1.4 Current Situation and Problems**

The National Patriotic Party (NPP) Government, headed by John Kuffour, installed in January 2001, came up with its central theme, "Golden Age of Business driven by the Private Sector" and has been involving private business individuals in major economic policy formulation. Facing economic crisis and amid a public outcry, the Government availed itself of debt relief facilities under the IMF-World Bank's heavily indebted poor countries (HIPC) initiative in 2001 and reached completion point in July 2004. This entitled Ghana to debt relief of US\$3.5 billion and qualifying her for 100% multilateral debt cancellation under the G8 agreement reached in July 2005. The current government seems to be credited with macroeconomic management and has consequently received significant inflow of aid from not only the IMF and World Bank, but the United States and other developed countries.

Pressure from the international and regional institutions like the IMF and World Bank has so far provided strong incentives for the government to reduce the budget deficit.

Encouraged by Ghana's performance, donors including the World Bank, European Commission, the United Kingdom, Canada, Denmark and France have allowed Ghana to pioneer the Multi-Donor Budget Support Programme (MDBSP) approach to donor financing, thus giving the Ghanaian Government greater predictability in planning its budget and reducing administration costs involved in dealing with the various missions separately (DFID, 2005). It has also been the objective of the government to lower inflation to meet the criteria for joining the West African Monetary Zone. These include a budget deficit of not more than 4% of GDP, reserves equalling three months' worth of imports, and Central Bank deficit financing equal to not more than 10% of the previous year's tax revenue.

Ghana's main challenge has been how to overcome its chronic high inflation mainly caused by inadequate food production and shortages. While the average inflation rate was 33% in 2001, the average annual inflation between 2001 and 2004 fell to 21.8%, and close to the long awaited single digit inflation of 10.9% was recorded in 2006. At the heart of Ghana's inflation is the continual fiscal imbalance and indiscipline since independence. Through greater control over fiscal expenditure and revenue mobilisation, the budget deficit which was 9% of GDP in 2001 fell to 2.1% in 2005 but increased to 7.3% of GDP in 2006. By contrast the GDP has grown significantly since 1983 reflecting an average real growth rate of 4.4% a year, and rising to 5.8% in 2004, before reaching its recent record of 6.2% in 2006 (EIU, 2005; 2007). Arguably, Ghana's achievement in economic management and governance during the current period (2001-2007), which consolidated the gallant change in policy direction since 1983, may be unprecedented in Ghana's economic history.

The 'African pace-setter and Mona-Lisa' could have done better to meet its admirers' expectation of accelerated growth and development, had it followed culturally sensitive policies. Behind Ghana's lack-lustre growth and development since independence, is its record low savings rate, even by African standards. The average gross domestic savings of Ghana for the period 1960 to 2000 was 8.3% as compared to 23% and 25% for Cote d'Ivoire and South Korea respectively. National savings which provide capital for reinvestment and therefore lead to economic growth depend on the level of people's incomes, their expectations of inflation and their general level of "thriftiness" (Hofstede and Bond, 1988). The confiscatory policies of past successive governments including administered interest rates, compulsory savings, and credit-allocation, state ownership of financial institutions and confiscation of financial assets discouraged private investment. Even by West African standards, Ghana is notorious for excessively

honouring its elders and ancestors and therefore devoting more attention to things of the past rather than of the future with adverse implications on savings.

There is also an acute lack of trust outside the family resulting in few Ghanaians entering into partnership ventures to expand their businesses to benefit from economies of scale. This is evidenced by the very low registration of partnerships and limited companies as compared to sole trading enterprises. This could be due to the inadequate institutional arrangements in Ghana required for the enforcement of contracts in the courts of law (Olson, 2000).

The Ghanaian public sector founded on the ideology of socialism has been a victim of corruption, patronage and nepotism with the resulting overstaffing and low productivity. The incentive structures within the public sector are not based on competence and they discourage initiative and performance. The basis for seniority or promotion is also not always clearcut and not linked to performance. As a result, the majority of educated and skilled youth does not find employment conditions attractive and therefore migrate to other countries to apply their acquired skills. Ghana has yet to benefit from the significant investment it has made in education since independence.

Arguably, most post-independence development problems may have their roots from the colonisation and the attempted decolonisation, and their resulting acquired values and institutions. The results from the recently unveiled *Ghana Living Standards Survey 2005/2006* (GSS, 2007), indicate that poverty fell from 51.7% in 1991/92 to 39.5% in 1998/99 and further to 28.5% in 2005/06 at the upper poverty line of 3,708,900 cedis (approximately US\$400 or £200 in the year 2006) a year. Alarming, 46% of the poor at the national level were from households for whom food crop cultivation is the main activity, indicating that the subsistence farmers are not subsisting after all.

After submitting itself to the African Peer Review Mechanism (APRM), set up to drive domestic political and economic reforms in participating countries, the report of the review read on 19 June 2005 highlighted the following fundamental and persistent problems which had existed on the eve of independence:

- potential for conflict to arise in Ghana from land and chieftaincy disputes;
- commercial dispute resolution is lengthy and costly;
- there are difficulties for businesses in accessing finance;
- the economy is highly vulnerable to external shocks (fragile) and instability, and that diversification and further development of infrastructure is needed;

- there is high dependence on external assistance to fund development expenditure and for policy advice;
- there is concern over the extent of corruption in public administration (EIU, 2005, p.8).

## 1.5 Conceptual Framework

Ghana's development plans since independence have been unrealistic, "inappropriate" (Lewis, 1959) and have failed to address the more immediate needs and productive capacities of the country. Most post-colonial development policies in Ghana have been based on rapid state-led modernisation involving large-scale import substitution and mechanised state farms. The post-colonial leaders distrusted the market mechanism and failed to see the "export sector as an engine of growth" (Berg, 1971, p.187). However, as demonstrated by Cote d'Ivoire and South Korea, "without the ability to export and sustain position against imports in a range of such industries, national productivity growth will be stunted" (Porter, 1998, p.545).

Productivity, a main cause of national per capita income, is the value of the output produced by a unit of labour or capital and it mostly determines a nation's long-run standard of living (Porter, 1998) and therefore, economic development. Hayami (2001) adds that the productivity of an economic system consisting of resource endowments and technology is conditioned by culture (the value system of people in the society) and institutions (rules sanctioned by the members of the society). A widely acceptable definition of economic development could be the process whereby the real per capita income of a country increases over a long period of time (Meier, 1995), leading to the "upward movement of the entire social system" (Myrdal, 1968), and the attainment of a number of "ideals of modernisation" (Black, 1966) such as rise in productivity, social and economic equality, knowledge, improved institutions and attitudes (Porter, 1998). According to Bauer (2000), a country's economic performance depends on "personal, cultural, and political factors, on people's attitudes, motivations, and social and political institutions" (p.29). Sylos-Labini (2001) also attributes the sharp contrast between the wealthy and the poor countries to the differences in their cultural evolutions.

Culture, "a social construct" with numerous definitions, in its widest sense is the sum total of the beliefs, knowledge, attitudes of mind and customs to which people are exposed in their social conditioning. According to Hofstede and Bond (1988) it is "the collective programming of the mind." Geertz (1973) beautifully sums culture up as

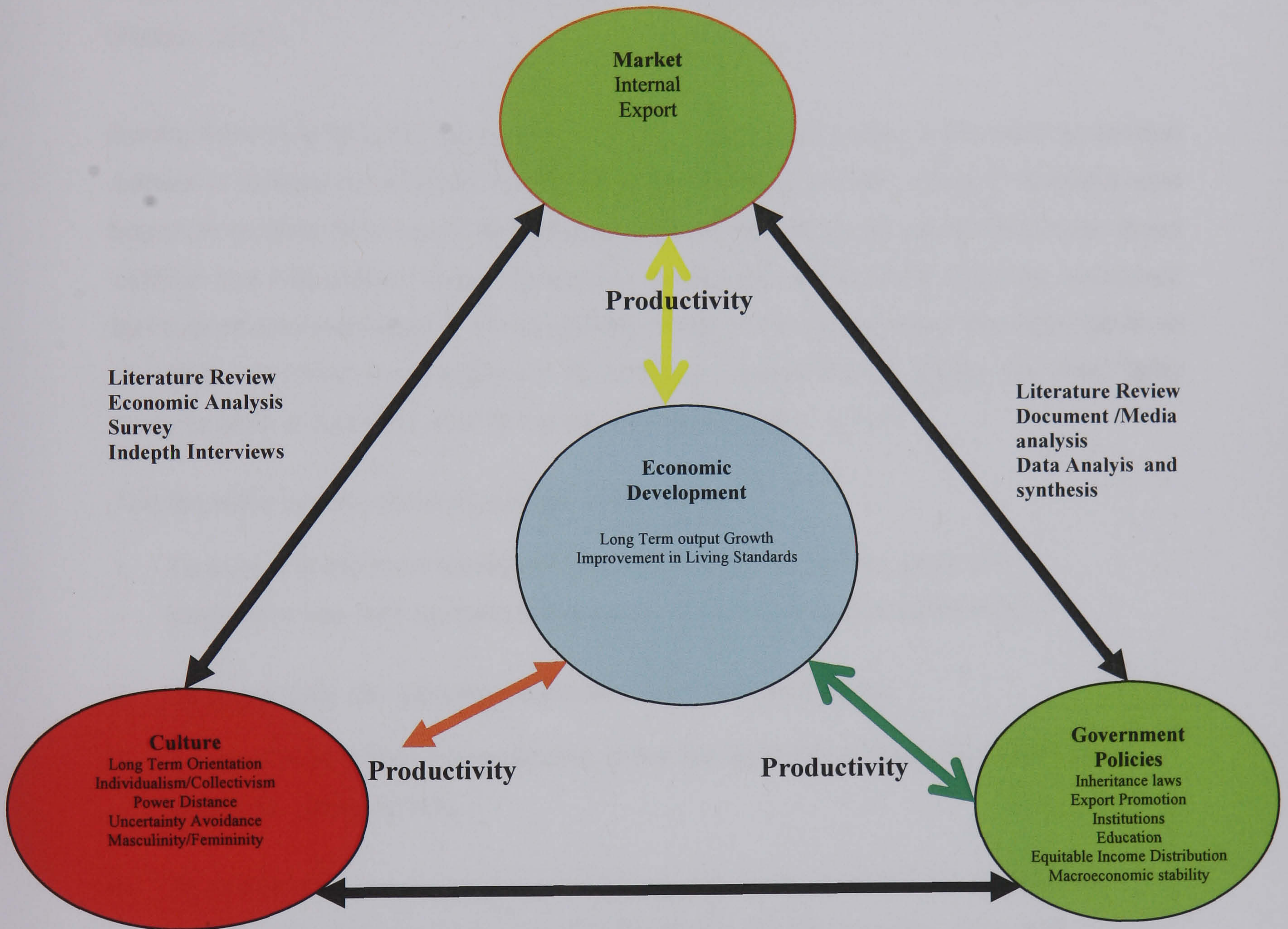
being “the way in which a group of people solves problems.” National cultures refer to the common elements within each nation, the national norm, not individuals.

To date, little attention has been paid to the impact of national culture on economic development in Ghana. The division of labour among the social sciences has unfortunately resulted in overspecialisation and most economists in the past who tried to assist Ghana only solved the problems generated by their fellow economists, “without demonstrable transfer of ideas to the larger social reality” (Hofstede, 2001, p.20). Adelman (2001) concludes that economic development is a “highly multifaceted, nonlinear, path-dependent, dynamic process that involves systematically shifting interaction among different aspects of development” (p.130). She also argues that development economists and aid agencies provide flawed policy prescriptions that are based on simplistic theories and simple growth models for developing countries. In his seminal work, Hofstede (2001) elaborates how culture interacts with economic development. The work, however, lacks a comprehensive coverage of Ghana and has been criticised for technical problems (Mead, 1998).

Many of the cultural issues identified in the literature stem from a clash of traditional and modern systems and values (Boateng 1975; Assimeng, 1996), the extended family and inheritance systems, together with undue attention to ancestors rather than future generations (Gyekye, 1997), combined with weak modern institutions. Wiredu (1980) and Gyekye (1997) have also critically examined Ghanaian cultural values and have stressed the need for refinement in certain areas considered anachronistic. However, there is a lack of systematic and empirically tested studies on Ghana’s culture and most of the existing knowledge is old, scattered and subjective. Given the lack of systematic data on Ghana’s culture, the collection of primary data organised for this study mainly involves the use of the survey method for collecting, organising and analysing data to investigate Ghana’s dominant cultural values. A framework or model is developed based on the theoretical review of culture. Analytical and dimensional approach to culture measurement was first developed by Kluckhohn and Strodtbeck (1961) in their *Variations in Value Orientations* of solving societies’ common problems. It has since been considered useful for studies of various micro-aspects of a culture and also for cross-cultural studies (Tayeb, 2003). The model has been adapted by various academics (see Hofstede, 1980; 2001; Schein, 1986, 1997; Trompenaars, 1993). Hofstede’s (2001) comparative study based mainly on a survey among the employees of a large multi-national company for describing and measuring culture has also been widely used among cross-cultural researchers. The dimensions of “Power Distance,” “Uncertainty Avoidance,” “Individualism/Collectivism,”

“Masculinity/Femininity” and “Long/Short Term Orientation” tap deep into the cultural values of Ghana identified above. The literature recommends that in order to present a well-rounded picture in policy research, a multi-method and multi-disciplinary approach should be adopted (Hakim, 2000). Figure 1.2 below illustrates the conceptual framework of the study which shows that economic factors, culture and government policies interact to produce economic development.

**Figure 1.2: The Conceptual Framework of the Study**



Sources: Kluckhohn and Strodtbeck (1961) Hofstede (1980, 2001); Majchrzak (1984); Hakim (2000); Hayami (2001); Porter (1998); and Sylos-Labini (2001).

## 1.6 Aims and Objectives of the Study

The study draws conclusions on the impact of culture and government policies on the economic development of Ghana and recommends the options for change in policies and certain cultural practices to facilitate economic development. It also aims at initiating the debate on cultural consequences of Ghanaian government policies and puts culture and institutions at the centre of economic discussions in the country. Policy research is concerned with knowledge for action and factors of enduring social importance with the aim of changing the world rather than only understanding it (Hakim, 2000).

During time of writing this study (2007/2008), Ghana elaborately celebrated its Golden Jubilee of independence from the British colonial rule. However, many Ghanaians have begun to analyse their country's achievement over the fifty-year period and have raised incisive and interesting issues. Therefore, the results of this study could be welcomed by most people interested in the Ghanaian development experience. Easterby-Smith *et al.* (1991) consider it advisable for an ambitious researcher to locate the work "fairly close to what is currently seen to be an important debate" (p.58).

The following are the main objectives of the study:

1. To evaluate the main causes of Ghana's economic performance since independence, with specific focus on the role culture has played in this.
2. To investigate the dominant cultural values in Ghana today.
3. To contribute to the understanding of the link between culture, institutions and economic development.
4. To contribute to knowledge in the field of economic development by offering a conceptual approach for the development of culturally sensitive economic policies.

## 1.7 The Structure of the Thesis

The thesis is structured in nine chapters. After the general introduction and historical background in this chapter, Chapter 2 examines the socio-economic situation in Ghana by building on the problems highlighted above which may have been caused by cultural values and government policies. It draws comparisons where necessary, of Ghana with Cote d'Ivoire and South Korea and provides the background for subsequent discussions of culture and economic development in the following chapters. Chapter 3 begins by reviewing the theory of culture and cultural evolution from the problem



solving perspective. It then applies Hofstede's (2001) Five Values Dimensions to the classification of Ghanaian cultural data available from secondary research. In so doing, it seeks to provide the explanations for most of the socio-economic issues raised in Chapter 2 and also justifies and informs the types of primary data required for this study. Chapter 4 sets out the research methodology and design which are aimed at achieving the research objectives for exploring the impact of culture and government policies on Ghana's economic development. It combines quantitative and qualitative research approaches (mixed methods) for achieving the outlined research objectives. Chapter 5 is dedicated to the analysis of the survey results and begins first with the description of the samples and then outlines and discusses the respondents' demographics which are important for understanding the contemporary culture. It also explains and justifies the statistical tests and tools used in the analysis of the survey data before their application to the data. The five cultural dimensions are then measured for Ghana's regional and ethnic cultures using the statistical method of factor analysis based on the survey responses from the public sector workers. The regional scores are then validated by their correlations with available regional socioeconomic data from the Ghana Statistical Services.

Chapter 6 presents the findings of the interviews conducted in 2006 and 2007 in both the public sector and multinational organisations mostly in Accra and Tema. The rich and incisive primary data generated from the responses to the questions provided are analysed for the achievement of the study's objectives. Chapter 7 integrates and discusses the study's findings from the primary and secondary research to evaluate the achievement of the objectives of the study. The significant findings are also related back to the relevant literature to assess the fitness of the findings with the existing theories and ideas, and to identify the study's original contributions from the findings. Finally, Chapter 8 provides summary and conclusions as well as the contributions to knowledge in the areas of research methodology, cross cultural studies and economic development. It also presents 'culturally sensitive' policy recommendations and analyses the study's limitations with a view to identifying areas for post-doctoral research.

## CHAPTER 2 • SOCIO-ECONOMIC ANALYSIS

### 2.1 Introduction

This chapter examines Ghana's socio-economic situation, highlighting problems which may have been caused by its cultural values and government policies. It therefore builds on the problems highlighted in Chapter 1 and provides the background for subsequent discussions of culture and economic development in Chapters 3 and 4 respectively. As the development literature dwells on comparisons between Ghana, Cote d'Ivoire and South Korea to a large extent, similar comparisons are made in relevant areas.

A lot of academics have sought to explain the differences in the development experiences of Ghana and South Korea, however, most of the academics fail to consider the physical and social infrastructures, the different cultural evolutions and the state of the institutions of the two countries on their eve of independence. Kang and Ramachandran (1999) explain how the rapid economic growth in Korea started with the heavy investment in the agricultural sector which was facilitated by the infrastructural and institutional improvement after colonisation by Japan in 1910 (p.784). They further argue that while output growth rates were higher for the post-Korean War period, much of that was due to the rapid recovery following the destruction due to the war.

In 1960, South Korea's economic structure, then quite similar to that of Ghana and Cote d'Ivoire, showed the following percentages of GDP: Agriculture 39.9%; industry 18.6% and Services 41.5% (Harvie and Lee, 2003, p.18). However, after forty years South Korea's structure has changed completely from an agricultural base to an industrial one while that of Ghana still remains agricultural (see Table 2.1 below).

**Table 2.1 Structures of the Economies of Ghana, Cote d'Ivoire and Korea**

	Ghana			Cote d'Ivoire			South Korea		
	1985	1995	2005	1985	1995	2005	1984	1994	2004
(% of GDP)									
<b>Agriculture</b>	44.9	38.8	38.8	26.5	24.7	21.7	13.7	6.7	3.7
<b>Industry</b>	16.7	24.3	24.6	19.7	20.8	21.2	39.8	41.6	40.8
<b>Services</b>	38.4	36.9	36.6	53.7	54.5	57.0	46.6	51.7	55.5
<b>Imports of goods/services</b>	13.6	32.9	49.5	32.4	34.4	40.3	33.6	27.4	39.7

Source: The World Bank Group, <http://www.worldbank.org/data>

International organisations classify countries in four ways: by human development level, income, major world categories and region. With the income classification, countries with gross national income lower than US\$765 in 2003 are classified as low income countries. The United Nations also classify certain developing countries including Ghana as Less Developed Countries (LDC). The UNDP for example, uses its most up-to-date multi-dimensional index to quantify the “quality of life”. The Human Development Index (HDI) uses the level of output, life expectancy and adult literacy in classifying countries and providing a reasonable summary of levels of development, though they may not be accurate in the detail or as comprehensive as desired. The Millennium Development Goals (MDGs) put forward at the United Nations Millennium Summit (2000) also extend the definitions of development and serve as major indicators of underdevelopment. These goals aim to halve extreme poverty by the year 2015, achieve universal primary education, promote gender equality and empower women, reduce child and maternal mortality, combat diseases, ensure environmental sustainability and develop a global partnership for development.

Griffiths and Wall’s (2007) consider the major features of LDCs as having: low real income per capita; high population growth rate; large-scale unemployment and underemployment; inequalities in the distribution of income; large but neglected agricultural sector; volatile export earnings; and market imperfections. The socio-economic analysis that follows will be based mainly on these features using World Bank’s World Development Indicators database, the UNDP’s Human Development Reports and other data and publications from reputable institutions.

## **2.2. Economic Growth**

By economic growth, economists are referring to the rate of increase in an economy’s real level of output over time. Growth is usually measured as the rate of change in Real Gross Domestic Product (GDP). It is generally agreed that the rates of change in per capita (adjusted for population change) real (corrected for price level changes) GDP, which is the total market value of final goods and services produced in an economy during a one-year period, by factors of production within the nation’s borders, is a good measure of an economy’s economic growth. Table 2.2 below provides an analysis of the GDPs, the growth rates and per capita real GDP for Ghana, Cote d’Ivoire and South Korea in constant 2000 US dollars for the period 1960-2000.

Griffiths and Wall (2007) attribute the causes of low real per capita income of certain countries to low productivity, low savings and low investment, few resources and backward technology which are related to high levels of population. Leith and Soderling (2003) who concluded that by the year 2000, the real per capita GDP in Ghana had only just recovered to the level achieved in 1960, also largely attributed the slow growth of per capita income growth in Ghana to low productivity, which they found lower than it was in 1960. They went on to explain that four major policy themes of excess demand, currency overvaluation, anti-export bias and financial repression have been a major feature of Ghana's modern economic history. A recent Financial Times Special Report on Ghana issued in 2005 aroused a lot of interest and criticisms from government officials. It concluded that Ghana's annual real economic growth which has stayed within the same range of between 3-6% since the mid-1980s is a "source of frustration" and falls short of its promise" (White, 2005a, p.1). According to the report, "deficiencies in infrastructure, including water supply, telecommunications and port facilities" inhibit growth activities (White, 2005, p.2).

As shown in Table 2.2 below, the average GDP per capita at constant 2000 US\$ for Ghana, Cote d'Ivoire and South Korea for the period 1960-1970 were 266.6, 700.2 and 1397.2 respectively. Going by the analysis of the World Development Indicators, it could be argued that although these three countries were all of low incomes they were at different levels of per capita incomes. However, the corresponding figures for the period 1991-2000 of 231.6, 624.5 and 9,035.2 reveal a striking trend which calls for a lot of explanations. Again, the average annual GDP growth rates for the period 1960-1980, were 1.7%, 7.2% and 7.8% for Ghana, Cote d'Ivoire and South Korea respectively. Huntington (2000) and other economists have argued that in the early 1960s South Korea was in many respects similar to Ghana in terms of per capita income, economic aid, and the relative importance of agriculture. Attributing the difference in development between the two countries to culture, Huntington (2000) states "South Koreans valued thrift, investment, and hard work, education, organization, and discipline. Ghanaians had different values ..."

According to Harvie and Lee (2003) during the period 1962-89, it was only in 1980 after the socio-political unrest that followed the assassination of President Chung Hee in 1979 that South Korea's economic growth was negative at -2.1% (p.12). They continue to explain that a number of factors accounted for the strong growth: the adoption of a sound export strategy; the development of growth-promoting institutions and public policies; the availability of high-quality workers and entrepreneurs; access to and adoption of readily- available technology as an economic latecomer; the appropriate

use of public resources for infrastructural development and education; population control; the capacity of entrepreneurs and policy makers to adjust rapidly and flexibly to external shocks; and the maintenance of a relatively equitable income distribution (Harvie and Lee, 2003, p.12). The evidence in this chapter will attempt to explain that Ghana followed almost the opposite route to South Korea's regarding these factors.

**Table 2.2. The Analysis of Gross Domestic Product of Ghana, Cote d'Ivoire and South Korea, 1960-2000**

Country	GROSS DOMESTIC PRODUCT				GROWTH RATE		PER CAPITA GROSS DOMESTIC PRODUCT			
	(Constant 2000 US\$ Billions)				(%)		(Constant 2000 US\$)			
	1960-70	1971-80	1981-90	1991-00	1960-80	1981-00	1960-70	1971-80	1981-90	1991-00
Ghana	2.2	2.6	2.7	4.2	1.7	3.3	266.6	256.5	200.3	231.6
Cote d'Ivoire	3.1	6.8	8.0	9.3	7.2	1.7	700.2	982.6	753.6	624.5
South Korea	40.4	95.1	197.7	409.7	7.8	7.5	1397.2	2661.0	4798.3	9035.2

Source: World Development Indicators Database, World Bank

In his paper, "Explaining the Growth Performances of Asian Developing Economies", Lim (1994) provides a useful approach for reviewing growth performance. Although he refused to step out of his economics discipline to explain the causal factors of policies, savings, investment, and work attitude, he recognised that by using his methodical way of presenting the market-friendly and international competitive hypothesis, there could be an "advantage of being able to incorporate the influence of non-economic factors at the appropriate level" (p.843).

Olson (1982) argues that estimates of the sources of growth do not tell us about the ultimate causes of growth, incentives that made the saving and investment to occur or what explained the innovations or why there was more innovation and capital accumulation in one society or period than in another. He adds that they do not trace the sources of growth to their fundamental causes, rather, "they trace the water in the river to the streams and lakes from which it comes, but they do not explain the rain. Nor do they explain the silting up of the channels of economic progress and the "retardants" of growth" (p.4).

### 2.2.2 Evaluating the Growth Performance

According to Lim (1994), the first explanation of why development performances differ is the one which argues that South Korea does not possess abundant natural resources and, therefore, it does not have to contend with the debilitating "Dutch

disease,” which refers to a situation where the existence of a buoyant primary export sector becomes a bane rather than a boon to development. Lim (1994) argued that, “the East Asian countries do have booming manufacturing export sectors but do not suffer from the Dutch disease in the way that Ghana ... and other natural resource-rich countries did .... It depends more on the macroeconomic policies pursued” (p.830). As observed by Landau (2003), large natural resource exports initially produce a large increase in GDP but unless accompanied by good definition and protection of private property rights, they will lead to slow growth or stagnation. This is what happened with Ghana’s cocoa industry through the marketing boards.

Having inherited huge government foreign reserves accumulated from the cocoa boom from the colonial authorities in 1951, the new Ghanaian government was quickly tempted to engage in large government expenditures in its first years of self-government leading to independence in March 1957. Between 1951 and 1960 the index of government expenditures rose from 100 (£17.2 million) to 443. By 1964 the index stood at 840 (£144.2 million). In the same period Government deficits increased by nearly five times, rising from £5.8 million to £24.5 million in 1961, with the increase in the deficits in 1962 over 1961 as 60% (Ofori Atta, 1967, p.38). As a result of policies to promote rapid economic development, the GDP per capita in 1966 was no greater than in 1951, but the budget deficit had risen to 6% of GDP in 1966 and reached a record level of over 11% of GDP in 1976 (Leith and Soderling, 2003, p.11).

It could be argued that these policies, which focused on the present and also aimed at quick results, were chosen as a result of the “short term orientation” culture (Hofstede and Bond, 1988) of the post-colonial Ghanaian leaders and these set them apart from the “long term orientation” of the South Korean leaders, particularly President Park Chung Hee.

Lim (1994) continues that the second explanation is that South Korea and Taiwan were lucky enough to receive massive foreign aid from the United States and other friendly and rich anticommunist countries. It is important to note that from the early 1960s until 1983, when Ghana embarked on the IMF backed economic reform, its development had not benefited from significant external capital inflows. This was due mainly to the financial indiscipline maintained by the successive post-colonial governments. Although Lim (1994) thinks that there are countries that receive significant foreign aid but grow slowly, Ghana’s experience since 1983 indicates that foreign aid makes a lot of difference to developing economies.

The third explanation holds that Korea has done well because of their common Confucian heritage, which gives them a labour force that is hard-working, loyal, thrifty, values education, factors that constitute a huge advantage over other countries. Lim's argument that "the workers work hard because they get paid well, remain loyal because they are treated fairly, value education because of the mobility it gives them, and save substantially because of high real interest rates" is only partly true and ignores the importance of cultural evolution and other non-economic factors. Work-related values and attitudes, such as power distance, tolerance for ambiguity, honesty, pursuance of group or individual goals, work ethic and entrepreneurial spirit, have been argued to be part of the cultural identity of a nation (Hofstede, 1980; Tayeb, 1988). Monir Tayeb (1988) adds that political, social and economic institutions, such as economic structure, trade unions, social stratification, educational systems and pressure groups, while having their origins in national culture, can in turn exert their own influences on national human resource management policies and practices. These themes would be further explored in Chapter 3, where culture and its effects on economic policies and development will be extensively treated.

Lim's fourth hypothesis is that countries which pursue a more market-friendly and internationally competitive approach to development will grow faster. When markets and governments have worked in harmony like in Japan, South Korea and Singapore, the results have been spectacular but when they have worked in opposition the results have been disastrous (The World Bank, 1991, p.2). Ghanaian entrepreneurship has mostly been discouraged since the period after Guggisberg's governorship in 1927, and Government Policies limited Ghanaians to "small-scale" enterprises. The post-colonial Government in Cote d'Ivoire, which was initially rather outward looking, relied on, to a greater extent than Ghana, on the market and incentives rather than on coercion to induce constructive activity. It also concentrated less on equity than on economic efficiency. Although one may argue that this lack of attention to equity and income distribution may have led to the recent instability in Cote d'Ivoire. By 1970, Cote d'Ivoire triumphed in terms of every measure used for economic growth and had even industrialised faster and more extensively than Ghana (Berg, 1971).

Lim (1994) further explains that "Internationally Competitive," refers to the need for market-government cooperation to provide goods and services at internationally competitive prices. For example, it is generally accepted that countries cannot produce manufactured goods successfully without some form of protection to begin with. Macroeconomic industry and trade policies must be introduced so that for industries, to grow up can become efficient without having to rely on state protection (Lim, 1994).

Industrialisation in Ghana in the 1960s was achieved behind an indiscriminating protection that paid little heed to efficiency and competitiveness thus setting in motion rapid economic deterioration (Killick, 2000). The Ghanaian Government granted a lot of concessions to pioneer industries that refused to grow. This explains the low export share of manufactured commodities in the Ghanaian economy, as shown in Table 2.5, p.38. It indicates the failure of the industrial protection policies to foster domestic industries towards a viable form that could withstand international competition to build a competitive industry thus explaining the lack of growth (Hayami, 2001).

By contrast, South Korea maintained low effective rates on the protection of manufacturing, ensured that intervention did not unduly distort prices and subjected their intervention to the discipline of international and domestic competition. For example, in the 1970s South Korea increased the level of protection to encourage the development of the heavy chemicals industry. The government withdrew its support and liberalised imports when the protected industry performed badly. The analysis suggests that more credence should be placed on those explanations of economic growth that emphasise the policies pursued by the developing countries themselves. The choice of an economic system that is market-friendly and internationally competitive is especially important (Lim, 1994).

Lim continues that, if policies were implemented pragmatically and were not rooted in ideology they would permit a flexible response to ongoing situations. According to Lee Kuan Yew, the First Prime Minister of Singapore, "I have a simple ideology. I tried something. If it worked I kept it. If it did not, I changed it." This means that the implementation of the policy is of equal importance as the policy (Forbes and Wield, 2002). The Korean recovery was previously based on an import substitution policy but after recognising the policy failure in the early 1960s, Korea shifted to the development of export-oriented industries in 1962 (Harvie and Lee, 2003).

### **2.2.3 The Supply of Capital**

Table 2.3 below shows that by far the most important source of output growth in Africa, has been increases in the capital stock and labour as compared to the Asian countries where technical progress was also a source of growth. Significantly, the advanced countries had their major source of growth from technical progress.



**Table 2.3 Contributions of Capital, Labour, and Technical Progress to Output Growth (%)**

Region	Capital	Labour	Technical Progress
Developing Countries, 1960-87	65	23	14
Africa	73	28	0
East Asia	57	16	28
Latin America	67	30	0
South Asia	67	20	14
Selected developed countries, 1960-85:			
United Kingdom	27	-5	78
Japan	36	5	59

Adapted from Lim (1994)

The size of the capital stock is determined by the investment level over a long period of time. Table 2.4 below compares the Gross Capital Formation and Gross Domestic Savings as a percentage of GDP of Ghana, Cote d'Ivoire and South Korea from 1960-2000. It shows that during the period 1960 to 1970 the average annual Gross Domestic Savings rate of Ghana (11.5%) was much higher than that of Korea (9.2%) but far less than half of Cote d'Ivoire's (28.5%). It is important to note that this was the period when Cote d'Ivoire was "doing the right things" and undergoing its "economic miracle." For the period 1971 to 1980, Ghana's Gross Domestic Savings fell to 9.6%, whilst South Korea's rose significantly to 23.0% and Cote d'Ivoire's slightly fell to 26.5%. Thereafter, Korea's rate rose to 32.1% and 36.0% for the periods 1981-90 and 1991 to 2000 respectively. The corresponding rates for Ghana were 4.8% and 7.3%. For Cote d'Ivoire the savings rates stayed around 18.5%. The Gross Capital Formation followed the same trend and it is surprising how Ghana's capital formation has always exceeded its savings.

**Table 2.4 Gross Capital Formation and Savings as Percentage of GDP, 1960-2000 (%)**

	GROSS CAPITAL FORMATION				GROSS DOMESTIC SAVINGS			
	GDP				GDP			
	1960-70	1971-80	1981-90	1991-2000	1960-70	1971-80	1981-90	1991-2000
Ghana	16.1	9.3	8.6	20.9	11.5	9.6	4.8	7.3
Cote d'Ivoire	19.5	24.5	14.5	11.7	28.5	26.5	18.6	18.5
South Korea	19.5	29.2	31	36	9.2	23.0	32.1	36

Computed from: World Development Indicators database, World Bank

It appears that the Korean and Ivorian economies have been more successful in introducing policies that encourage domestic savings and direct foreign investment than Ghana. This is because they pursued sound economic policies which included fiscal, monetary and budgetary policies. As Pomfret (1997) explains, governments use fiscal and monetary policies to increase investment and capital market reform to

improve the efficient match of savings and investment within the private sector. Without the appropriate education and training in the required skills, population increase can reduce the quality of labour leading to low factor productivity. The educational attainment of Korea is much higher than Ghana. Moreover, South Korea placed much greater emphasis on vocational and technical education as opposed to general education (Lim, 1994).

The institution of Exchange Control Act and import licensing and tariffs in 1961 after the balance of payment crisis (Beckman, 1981) had adverse impact on businesses in Ghana. Most of the businesses faced shortages of spare parts and other imported inputs and were forced to run under their capacities or close down. The overvaluation of the currency also reduced the returns on mine and cocoa returns and lowered the cost of imported goods thus increasing the dependence on imports. As a result, the demand for foreign exchange exceeded the supply and a parallel market developed (Huq, 1989) to provide lucrative opportunities for corruption. This was compounded by the earlier Ghanaian Government's attitude toward foreign investment and foreign aid, as Nkrumah believed that colonialism had been replaced by neo-colonialism. Moreover, the devices ranging from administered interest rates and credit allocation, state ownership of financial institutions, arbitrary confiscations of financial assets which were compounded by high inflation deterred both local and foreign investors (Leith and Soderling, 2003). Aryeetey and Harrigan (2000) also point out that the Government intervention in the economy and the expansion of the public sector discouraged private capital accumulation in Ghana. As Olson (1982) explains, countries follow bad policies because they benefit powerful or well-connected people.

Moreover, labour unions, labour codes and legislation and the pay policy of the public sector can raise wages above market-clearing levels and reduce the demand for labour (Fields and Wan, 1989). After independence, the trade unions in Ghana were restructured as large and industry-wide organisations during 1958 – 1960. Following noisy demonstrations in 1960, minimum wage legislation was introduced and public sector real wage was at its highest then but without commensurate productivity increase. However, as a result of the high rate of inflation after 1961, the real wage declined significantly as increases in nominal wages failed to keep up with inflation (Huq, 1989; Hart, 1973). For instance, an index based on real earnings revealed a decline of 55% from July 1960 to December 1965 (Hart, 1973, p.64).

## 2.3 The Market and Trade

### 2.3.1 The Market Economy in Ghana

In his *Wealth of Nations*, Adam Smith explains how in a very small market limited by the “power to exchange” few will be dedicated to one employment as the surplus of one’s labour can hardly be exchanged for someone else’s ([1776] 1991, p.15). In his time, when there was no railway, he found that “by means of water-carriage a more extensive market is opened to every sort of industry than what land-carriage alone can afford to” (p.16). Explaining the bottlenecks of trade in Africa, he said that “there are in Africa none of those great inlets, such as the Baltic and Adriatic” to facilitate commerce in parts of the interior. This bottleneck could have been overcome after the introductions of railways. However, as a result of competition and rivalry among the French, Germans and the British colonisers which was later continued by the post-colonial leaders, “few railways in Africa cross international frontiers; most do not even approach them” (Reader, 1997, p.608). As discussed in Chapter 1, the north and south divide in Ghana could be mainly attributed to the non-execution of the northern railway in the country during the colonial period. Reader (1997) adds that a “large section of eastern Ghana-separated from the rest of the country by the Volta river and dam could make good use of the Togolese railway” (p.608).

The Gold Coast, like any British colony, as confirmed by Joseph Chamberlain was to “be constructively developed in order to provide both outlets for British investment and markets for British goods in order to meet the British ‘national needs’ of industrial expansion and employment” (Cowan, 2000, p.275). The colonial development policies were therefore primarily based on promoting export industries with natural comparative advantage like cocoa and gold in Ghana to finance the importation of British manufactured exports. A vicious circle was then created in the sense that “as long as no industry developed in the colony, costs of production had to remain higher there than in the industrialised mother country and the colony remained best suited to specialize in the supply of natural products and raw materials” (Brenner, 1966, p.252).

The seeds for the divergence between production and consumption structures were sown giving rise to the situation where the country’s imports are expensive and its exports cheap. As observed by Kay (1992), Ghana on the eve of independence “suffered the acute form of structural dislocation characteristic of an open dependent economy: production and consumption were not integrated within the country but through external trade” (p. XV). Economic policy in Ghana mostly revealed a continual

reluctance on the part of the colonial government to maximise the trade of the colony (Kay, 1992; Frimpong-Ansah, 1991). Thus the nature and purpose of the Ghanaian economic system explains why Ghana cannot achieve accelerated economic growth during its cocoa boom era as the exports mostly pay for imported goods whose production base is outside the country (Kuada, 1979).

### 2.3.2 External Sector

The bulk of Ghana's trade is with OECD countries. Nigeria now supplies most of Ghana's oil imports which accounted for 12.8% of total imports in 2003, followed by China (9.1%), UK (7.1%), US (5.9%) and Germany (4.7%). Table 2.5 below shows the structure of trade of Ghana, Cote d'Ivoire and South Korea and reveals a quite serious picture of Ghana's continuing overdependence on relatively expensive imports and cheap exports, and unfavourable changes in its terms of trade between 1980 and 2003. This may be due to the fact that primary exports represented 84% of Ghana's exports as compared to only 7% for South Korea.

**Table 2.5 The Structure of Trade of Ghana, Cote d'Ivoire and South Korea.**

	Imports of goods and services		Exports of goods and services		Primary exports		Manufactured exports		Terms of Trade
	(% of GDP)		(% of GDP)		(% of exports)		(% of exports)		(1980 =100)
	1990	2003	1990	2003	1990	2003	1990	2003	2002
<b>Cote d'Ivoire</b>	27	34	32	47		78.0		22.2	103.0
<b>Ghana</b>	26	52	17	40		84		16	58
<b>Korea, Rep. of</b>	9	10	28	38	6.0	7.0	94.0	93.0	116

Source: Human Development Report, 2005

**Table 2.6 Merchandise Trade Balance (in Millions of U.S. Dollars)**

	2000	2001	2002	2003	2004*	2005*
<b>Exports (f.o.b)</b>	1,936.30	1,867.10	2,015.20	2,562.39	2,733.18	2,736.61
Cocoa beans & Products	437.10	382.70	474.40	817.73	1,071.10	843.21
Gold	702.10	617.80	689.10	830.13	838.68	945.82
Timber & Timber Products	175.20	169.30	182.70	174.74	211.70	226.85
Other Exports	621.90	697.30	669.00	739.79	611.70	720.73
<b>Imports (fob)</b>	2,766.60	2,968.50	2,707.00	3,232.83	4,148.80	5,279.81
Non-oil	2,246.47	2,451.74	2,199.95	2,669.88	3,383.50	4,171.57
Oil	520.14	516.76	507.05	562.95	775.00	1,108.24
<b>Merchandise Trade Balance</b>	<b>- 830.30</b>	<b>-1,101.40</b>	<b>- 691.80</b>	<b>- 670.43</b>	<b>-1,425.32</b>	<b>-2,543.20</b>

Source: Bank of Ghana, Statistical Bulletin, 2006, p.28

Total exports receipts rose from US\$1936.30 in 2000 to US\$2,736.61 million in 2005. Ghana's export income, derived mainly from primary goods fluctuates quite sharply due

to the low income and price elasticities of demand for primary goods as well as the volatility of supply, as in extreme weather conditions (Griffiths and Walls, 2001).

The UNCTAD report for 1979-80 pointed out that intra-regional trade in West Africa constituted less than 3% of total trade, compared with 20% in Latin America, 64% in Western Europe and 7% in Africa as a whole (Hart, 1982, p.25). The share of Ghana's total exports to Nigeria, which could have been Ghana's important export destination, fell from 4.8% in 2002 to 1.0% in September 2004, the trend reflecting in both volume and value (EIU, 2005).

Hoselitz (1952) advises that the long-run objective of economic development programs for one-crop countries, like Ghana, is greater diversification of production to make them less dependent on one or two or three staple exports (Hoselitz, 1952). Attempts at export diversification in Ghana since the colonial days have not been successful for a number of reasons. Some have attributed the failure of diversification to the "Dutch disease" from the comparative advantage of cocoa. Arthur Lewis explains that "Dutch disease" occurs when an export industry can afford to pay wages three times or more than the rest thus pulling up wages in all other industries beyond what they can pay (Lewis, 1984). However, when one looks at the diversification experience of Cote d'Ivoire, which also enjoys the same comparative advantage, the above explanation becomes difficult to justify. The responsibility for the lack of diversification of Ghanaian agricultural exports and food production rests with the colonial and successive post-colonial governments. All the governments sat back and just drew revenues at the ports from external trade (Hart, 1982, p.60). Table 2.7 below shows Ghana's cocoa production since 1989. This was mainly due to the low producer prices paid to the Ghanaian farmers over the years and the minimum government assistance in programmes to control diseases that affect the cocoa trees (Huq, 1989). This situation has been rectified and since October 2003 cocoa production has significantly improved (GOG, 2004).

**Table 2.7 Cocoa Production, 1989/90 -2003/2004**

Average for period			( '000 Tonnes)
1989/90-1993/94			279.6
1994/95-1998/99			368.6
1999/00-2003/04			480.1

Adapted from ISSER (2005)

Ghana's import bill rose by 32.9 % from US\$3,232.8 million in 2003 to US\$4,297.3 million in 2004 and to US\$5,279.8 million in 2005. Oil imports rose from US\$562.9 million in 2003 to US\$774.97 million in 2004 and US\$1,108 million in 2005 mainly due to rising crude oil prices. Non-oil imports were also up over the same period from US\$2,669.9 million to US\$3,522.3 million in 2004 and US\$4,171.6 million in 2005 (see Table 2.6 above). Europe's share of Ghana's imports was 26.7% compared with West Africa's share of 16.6% in September 2004, with Nigeria alone accounting for 13% of the merchandise imports (ISSER, 2005, p.94). With the rising population and low agricultural productivity and yield, food imports have also been on the increase. Table 2.8 below shows that there is an extraordinary increase (about twenty times) in rice imports from 37,868 tonnes in 1998 to 755,039 tonnes in 2003 compared with a stagnant local production. This could be explained by the trade liberalisation policies as well as the low productivity and yield of the Ghanaian food production. Recently, the import tariff on rice was raised to encourage local production only to be lowered again by the NPP government (ISSER, 2005). The removal of subsidies on agricultural inputs like fertilizer may have also contributed to the the stagnation in the local food production. The consumption of rice also increased to cater for the growing population.

**Table 2.8: Rice Production and Imports, 1998-2003**

Year	Milled Rice	
	Production (kg)	Imports (kg)
1998	179,911,040	37,867,684
1999	132,472,320	83,207,001
2000	159,549,440	138,542,997
2001	189,440,000	311,512,702
2002	179,200,000	296,952,620
2003	152,960,000	755,039,169

Adapted from ISSER (2005, p.121)

### 2.3.3 Industrial Sector

From the early 1960s until the introduction of the Economic Reform Programme (ERP) in 1983, the government's rapid, state-led modernisation strategy had been based on large-scale import substitution industrialisation and under high effective protection rates (ISSER, 1993, p.122). This industrial development has been dependent on foreign exchange proceeds from the neglected primary exports sector. The large-scale industries basically produce consumer goods for the low demand modern sector, resulting in chronic under-capacity utilisation of industrial plant. The neglect and low investment in the agricultural sector also resulted in the shortage of the type of agricultural produce needed by the domestic economy, necessitating the importation of

food and raw materials for some agro-based industries. This has translated indirectly into higher costs as the industries also face pressure for wage increases from workers due to rising food prices.

The past industrial policies have also led to the neglect of small scale industries operating in the informal sector, which employs a relatively larger proportion of the active labour force, engaged in manufacturing and selling their products to the broader masses of the people (Kuada, 1979). The neglect of this socio-economically important segment of the industry has resulted in low productivity and therefore low income of those engaged in it with the attendant disincentive to the young people to train for such jobs (Kuada, 1979). The Ghanaian industrial and agricultural sectors are each linked to the external market separately, while the agricultural sector earns the bulk of the foreign currency from exports necessary for the purchase of the inputs required. Table 2.9 below confirms the stagnation of the Ghanaian economy in general and the industrial sector in particular.

**Table 2.9 Sectoral Contributions to GDP and Share in Total Output, 1996-2003**

	1996	1997	1998	1999	2000	2001	2002	2003
Share of GDP*	(%)*	(%)*	(%)*	(%)*	(%)*	(%)*	(%)*	(%)*
Industry	24.90	25.40	25.10	25.20	25.50	24.90	24.93	24.90
Agriculture	36.54	36.58	36.72	36.60	35.60	34.99	35.84	36.13
Services	28.05	28.68	29.05	29.00	29.70	29.90	29.91	29.77
Total Industrial Sector								
Of which:								
Mining & Quarrying	22.50	22.40	23.00	22.60	22.10	21.10	21.10	21.10
Manufacturing	35.80	36.10	36.40	36.40	36.40	36.70	36.70	36.70
Electricity and Water	10.90	11.30	9.90	10.10	10.20	10.30	10.30	10.30
Construction	30.80	30.20	30.70	30.90	31.30	31.90	32.00	32.00

\*At 1993 constant prices

Adapted from Ghana Statistical Service, ISSER, 2005, p.130

### 2.3.4 Manufacturing

The Ghanaian private sector has always been blamed for the weakness in industry. For example, ISSER (1993, p.118) attributed the weak manufacturing growth to the slow response of the private sector to the economic reforms. However, ISSER also acknowledged that the sector's performance was being impeded by a number of institutional (mainly legal and administrative framework), structural and financial constraints (ISSER, 1993, p.118). The past nationalisation and indigenisation policies alienated foreign companies and multinationals, thus denying Ghana the technical resources and much needed investment capital. Local entrepreneurs had also been

discouraged from actively participating in the economy thus explaining the private sector's current slow response. With its share of total industrial output hovering around 36% for a decade, manufacturing has been under-performing (ISSER, 2004, p135). The growth of the manufacturing sector has also been retarded by the lack of credit, weak management and low demand for industrial goods (ISSER, 2005). Some of the industrial sector's problems have been unfair competition from product dumping and smuggling, depletion of forest reserves, obsolete machinery, high production costs and unreliable electricity supply. Since the 1990s, the lack of reliable energy supply has been among the obstacles to more rapid industrial growth.

After the implementation of the ERP in 1983, Ghana has attracted over US\$5 billion of foreign direct investment in the mining industry. However, due to a lack of low processing of gold and inadequate linkages of the mining sector with the rest of the Ghanaian economy the massive investment failed to provide a stimulus to the economy (ISSER, 2004). As Kuada (1979) explains, the underlying problem of industrial progress is the lack of an internal dynamism, which links the various industrial units together and increases the domestic value added to production in each unit. Related to this is the need to produce the type of goods that will increase the productivity of the informal industrial sector and also provide domestic market for the increased output from these sectors (p.96). In a well-functioning economic system, "the effect of an event at any one point is transmitted to the rest of the economy step by step via the chain of transactions that link the whole system together" (Leontief, 1966, p.74). Ghana's economy does not dispose of such an effect, due to the lack of linkages in its economy. Due to a lack of trust, few Ghanaians enter into partnership ventures. Table 2.10 shows significantly low numbers of partnerships registered in Ghana between 1993 and 2003.

**Table 2.10 Annual Registered Numbers of Businesses, 1993-2003**

Year	Limited Liability		Sole	
	Companies	Partnerships	Proprietorships	
1993	5,227	121	10,346	
1994	6,091	173	12,303	
1995	6,089	190	13,045	
1996	6,323	221	13,986	
1997	6,147	195	13,560	
1998	5,106	202	12,243	
1999	5,482	232	12,859	
2000	5,576	225	15,146	
2001	6,189	261	15,952	
2002	4,134	204	10,884	
2003	4,893	196	11,844	

Source: Registrar General's Department, ISSER (2005, p.129)



The low partnership registration compared with the high registration of sole proprietorship also contributes to the weakness in the industrial sector, as most sole traders are considered high risk by the banks and therefore find it difficult to access credit for business expansion. This means that most of the businesses are not benefiting from economies of scale.

According to Rostow (1984), the size of a population does not necessarily represent the size of its effective market, which is much smaller than the population. As the major industries in Ghana are dependent on imported raw materials, as well as on the modern sector in the urban areas for the demand of their products, they are mostly located nearer the cities with ports. Most of the small-scale industries in the informal sector involving bakers, tailors, shoe-makers, carpenters and other artisans are also concentrated in the urban areas closer to their market (Kuada, 1979, p.87). As Hart (1973) observes, the the multiplicity of income opportunities makes the towns more attractive. This has cut out the rural population from the internal exchange market and into subsistence production. However, the internal market is of major importance if production for sale is to continue to grow (Anthony *et al.*, 1979, p.77). In Ghana, the lack of development of the internal market has hindered the process of economic development as the export sector does not generate enough demand in the internal market to stimulate the growth of a locally-based industry.

## **2.4 Agriculture**

As the majority of the population in most low-income countries are engaged in agricultural employment, agricultural growth is always considered a catalyst for broad-based economic growth in these countries. When adequately linked to the non-farming economy, growth in agriculture generates considerable employment, income and growth in the rest of the economy. While agriculture is still the major economic activity of most working Ghanaians, its share of total output has fallen below 40%. Ghana's total land area is 23,947,820 hectares, with the major users engaged in small scale farming. Farming has been mainly rain-fed as a result of low investment, poor technology and resulting yields have been disappointing (EIU, 2003). The poor yield has been argued to be due to government's policy of removing subsidies on fertilisers at a time when soil quality, though high, was declining. Due to a lack of storage facilities, marketing chains and poor infrastructure, about 30-40% of Ghana's agricultural produce is wasted every year (Mahtani, 2005).

After gaining independence, the post-colonial leaders abandoned sectors like agriculture, which they associated with the colonial economy. As Brenner (1966) explains, in the fifties in particular, many African former colonies did little or nothing to promote agriculture because it was considered a colonial occupation. Lewis (1953) advised the then Ghanaian government on the need to make increased agricultural productivity and increased export of cash crops the keystone of their industrialisation strategy, so that the increased rural purchasing power would drive the industrial development. However, the government ignored the advice in favour of the more direct promotion of industry, largely financed by taxation of the agricultural export sector as they associated traditional farming with economic backwardness. They also concluded that the industrial sector will have more potential and therefore focused on industrialisation at the expense of agriculture (Pomfret, 1997). The government later embarked on large-scale mechanised state farming in 1962 and neglected the improvement of peasant farming which produced almost all the country's local foodstuffs. The mechanised state farm projects turned out to be disastrous and inappropriate to the local conditions at the time. As Pomfret (1997) "the transfer of agricultural techniques from one geographical setting to another is not as easy as industrial technology" (p.43).

The high levels of protection introduced for import substitution also had the effect of turning the internal terms of trade against agriculture, as the costs involved in maintaining high prices for domestic manufactures were borne largely by the agricultural sector. This was in the form of lower export prices (because of overvalued exchange rates) and the higher prices that farmers had to pay for imports and domestically produced consumer goods or inputs (Anthony *et al.*, 1979). According to Lele (1985), "it is the relative prices between exportables and importables and between food crops and export crops that influence the patterns of production and consumption and thus levels of poverty in Africa" (p.177). The low productivity of the Ghanaian rural economy is manifested in the failure of commercial agriculture to supply the growing home demand for foodstuffs and other raw materials and is the basis of Ghana's underdevelopment (Hart, 1982).

By contrast, the post-colonial Ivorian leaders encouraged the participation of their key political elites in plantation farming. This ensured the maintenance of high producer prices for export crops. The Ivorian industrialisation strategy which also included import-substitution industries was rather based more heavily in agro-processing. The Ivorian government also successfully diversified agriculture by introducing or expanding the cultivation of palm oil, coconut, pineapple, rice, rubber, cotton and, later, sugar

cane (den Tuinder, 1978). Hecht (1983) correctly argues that the Ivorian Government consistently followed a set of policies designed to encourage expansion of cocoa and coffee plantation, while at the same time taxing small-holders heavily for capital accumulation and reinvestment elsewhere in the economy. Ghana tried to finance its public expenditure in a similar fashion but ended up by crippling or retarding the cocoa sector. The Ivory Coast, on the other hand, successfully nurtured its golden goose and exploited its precious eggs without killing the goose (Hecht, 1983, p.26).

The current Ghanaian inheritance systems lead to excessive subdivision of land and property. Although this was not a problem when the population was low, but with recent the growing population it has resulted in seriously fragmented holdings (Anthony *et al.*, 1979) which make agricultural investment uneconomic. As a result, the customary holdings retard the introduction of new farming techniques, and therefore could inhibit agricultural development (Ollenu, 1974). Thus, the current trend of giving rights to all sons to inherit, rather than of the eldest alone, has led to the fragmentation of land and to small and economically unviable farms.

Traditionally, land in Ghana is owned by the community rather than by individuals but each family has access to land and water in the immediate vicinity (Kambhampati, 2004). The low population densities in the past also resulted in a pattern of shifting cultivation with a bush fallow system that proved efficient in regenerating soil fertility, particularly in food crop cultivation. Due to the recent high population growth, there has been the need to use cultivable land more intensively hence the recent move towards settled agriculture. However, given the poor soil and climatic conditions in the northern areas, such settled agriculture has not been very successful. Although there have been some attention in this area recently, due to the past neglect, rural and food crop agriculture still requires a lot of policy focus to render it productive and create employment for the rural population.

## **2.5 Population and Human Resources**

In Ghana both the patrilineal and matrilineal family patterns are all characterised by their common extended family structure, relatively large households and profound devotion to young children who are meant to provide financial security to their parents when they retire and also ensure their appropriate burial. The matrilineal family pattern which is practised in most of the southern forest areas also lead to high population as the responsibility for the children falls on the extended family. Based on the results of the 2000 Population Census, Ghana seems to be undergoing a significant demographic change with a significant decline in fertility rates from 6.47 children per

woman in 1979/80 to 4.71 per woman in 2000 (GSS, 2005, p.146). Fertility in Ghana had been high over the years as a result of pro-natalist traditional beliefs that look down on childless women with pity and contempt (see Chapter 3). This goes to confirm Sylos Labini's (2001) observation that economic development, driven by a process of cultural development, conditions the factors affecting the behaviour of both birth and death rates (p.121).

The 2000 population census gave an inter-censal population growth rate of 2.7% between 1984 and 2000 compared to the world's growth rate of 1.5%. Although the birth rate has been falling in Ghana, the population growth rate is still high at 2.7% due mainly to a rapidly falling death rate. Ghana's population almost tripled during the period from 1960 to 2000, rising to 18.9 million in 2000. Ghana also exhibits dualism in population. In the 2000 Population Census the total fertility rate (TFR) was 4.92 children per woman in the rural areas, while the comparable figure in the urban areas was 3.00, indicating a fertility gap of 64% between rural and urban women of 64% (GSS, 2005, p.150). The impact of education on the fertility rates is quite striking; the fertility rate of women with no formal education in 2000 was 4.64 children per woman, with middle school education it reduces 3.54 children per woman compared to 3.02 children per woman for those with secondary school or higher levels of education (GSS, 2005, p.153). Table 2.11 below compares the demographic trends of Ghana, Cote d'Ivoire and South Korea. It can be seen that the Ghanaian total population more than doubled between 1975 and 2003, and the Ivorian population which grew higher than Ghana's, nearly tripled during the period. However, the South Korean population only increased by a third during the same period. Again whereas the Ghanaian population under 15 in 2003 was 39.9 %, the corresponding figure for Korea was 19.5 %. The comparison of the percentages of urban population is more striking. Ghana's urban population increased from 30.1 % in 1975 to 51.1 in 2003, Korea's increased from 48.0 % to 80.3 % during the period.

**Table 2.11 Demographic Trends in Ghana, South Korea and Cote d'Ivoire**

Country	Total population (millions)			Annual population growth rate		Population Under age 15		Total fertility rate (births per woman)	
	1975	2003	2015	1975-2003	2003-2015	2003	2015	1970-1975	2000-2005
	Ghana	10.2	21.2	26.6	2.6	1.9	39.9	35.2	6.7
Cote d'Ivoire	6.6	17.6	21.6	3.5	1.7	42.4	38.2	7.4	5.9
South Korea	35.3	47.5	49.1	1.1	0.3	19.5	13.9	4.3	1.2

Source: Human Development Index, 2005

The British government restrictionist Aliens Compliance Order in 1969 has had various ramifications on Ghana's population and economy. It produced a significant loss of alien labour and high labour costs; leading most farmers to abandon their farms and others substituting with labour migrated from the north (Addo, 1970; Bequele, 1983). Most of the Hausa and Yoruba traders who were expelled had to resort to forced sale of their assets and businesses leading to loss of capital. The movement of labour from the north also created a labour shortage there and led to a decline in the area cultivated. As Bequele (1983) explains, the production of both cocoa and food crops declined in absolute terms in the 1970s, leading to low food production and loss in foreign exchange earnings with implication on the balance of payment crisis. With the 1974 Nigerian oil boom, the country became an attractive destination for Ghanaians, and the migration of Ghanaians to Nigeria and Cote d'Ivoires was estimated at two million in the period 1974-81 (UNICEF, cited by Tabatai, 1988, p.719). From 1977 political stresses increased the pressure to leave particularly on well-qualified people. According to Rado (1986, p.563), Ghana lost much of its labour force including about one-half or two-thirds-of its "experienced, top-level professional manpower." Most of those who remained without adequate capital resorted to various survival strategies including bribery and corruption. Finally in 1983, when oil prices fell, Nigeria also found it appropriate to expel about one million expatriate Ghanaians, and had to be rapidly reabsorbed into the Ghanaian rural areas (Toye, 1991, p.154).

### Urbanisation

The 2000 population census indicates that Greater Accra, the capital, is the most densely populated region, with 895.5 persons per square kilometre, followed by the Central region (162.2) and Ashanti (148.1). However, apart from Greater Accra (87.7%) and Ashanti (51.3%), the rest of the country remains predominantly rural in spite of the substantial increase in urbanization since 1984 (43.8% in 2000 compared to 32.0% in 1984) (GSS, 2002). According to the World Bank Country Director, Mr Karlson, in the last five years 9% of Ghana's population got uprooted from their rural homes to live in the cities giving rise to Accra's record as the fastest growing urban area in Sub-Saharan Africa. Interestingly, he acknowledged the lack of adequate recognition of the problem by town planners and service providers resulting in the failure of vital infrastructure to keep pace with the rapid rate of urbanisation. To him, "people are uprooted – they don't have the same social network and ties as they did". He continued that strong traditional communities had kept Ghana stable, but with large numbers of displaced youths living in communities to which they feel no particular sense of belonging or loyalty and where they struggle to find work, the precarious nature of this stability could all too easily be revealed (Ghanaweb, 2006).

It is important to note that most of the people claimed to have been 'uprooted' may be running away from certain anachronistic institutions like the extended family networks and chieftaincy which pose limitations to their personal development in the rural areas. Once in the cities, they do not have to cope with traditional customs, or relatives eager to stick their noses into their businesses. Again this shift, if accompanied by proper planning may lead to the weakening of the extended family network and produce other cultural shifts that will translate into higher productivity. As Berger (1994) observes, "when people are subjected to the intense pressures that arise from the economic and social transformations associated with migration from rural areas into ... the large cities, they often create genuinely new cultures with remarkable speed."

### Employment

Ghana's working population aged 15 - 64 has grown from 4 million in 1970 to 10.1 million in 2000 (GSS, 2002). However, the Ghanaian economy has so far failed to generate enough formal sector employment at a pace commensurate with the growth of the working population. The initial post-colonial Government policy of nationalisation of foreign-owned enterprises and the confinement of local entrepreneurs to "small-scale enterprises" had made the public sector the major formal sector employer (Mensah, 2004). However, as a result of mismanagement, inefficiency and non performance of the public sector, it failed to create the needed employment. Again, the public sector became a victim of patronage and nepotism as it served as the source of employment for party supporters and relatives of powerful people. Efforts to assist members of the family by finding jobs for them or by favouring them for promotion often leave offices and institutions staffed with unqualified and incompetent personnel. Family pressure for the employment of more members of the family also promotes overstaffing, inefficiency and laziness. Patronage destroys incentive just as it drives away well-qualified and competent people (Gyekye, 1997).

The growth in public sector employment in a declining economy resulted in low productivity, a significant decline in real wages, declining morale and absenteeism. The seeds of labour migration or "brain drain" were then sown and most of Ghanaian top professionals started leaving for jobs in international organisations and other countries. One may, however, argue that this process has resulted in recent significant expatriate remittances and has also produced a UN Secretary General, Kofi Annan. The structural adjustment measures since 1983 have also resulted in many job losses in the public sector but it appears that the expansion of the private informal sector has offset the decline of the public sector as employer of last resort. Private formal sector employment growth has, however, been disappointing (Killick, 2000).

Economic growth requires that people should be willing to work conscientiously. However, over the years the Ghanaian society has come to value clerical work more than productive employment. Again, the extended family network prevents the translation of hard work into self-improvement as extra income will have to be spent on other members of the family or on conspicuous social consumption (Brenner, 1966). Therefore, most enterprising Ghanaians are discouraged from engaging in most productive labour at home with the fear of reduction in social status without financial benefit, as the social institutions will deny them the enjoyment of the extra income. This is also the reason why so many of the more enterprising young Ghanaians leave their homes and work abroad (Brenner, 1996). The extended family network has also been blamed for “time wastage” and some of the “financial hardships” that most workers experience. Gyekye (1997, p.254) says that a culture that cultivates “such a system will never attain the high levels of efficiency and productivity” needed to realise the goals of development. A past Northern Regional Minister said that the country was suffering because many workers were of the opinion that whether they worked or not they would be paid at the end of the month and this has led to under-productivity and stagnation in the economy (GNA, 2006).

The educational attainment in the labour force is low and the majority of workers are unskilled and operates in the informal sector where the average earnings are not only low but irregular and often cannot meet basic household needs. The 2000 population census revealed an economically active population of 8,292,114, 80.3% of which worked in the private informal sector, 6.2% in the public formal sector and 8.0% in the private formal sector. This has a significant effect on Government revenue mobilisation, as only 19.6% of the working population are taxed at source (GSS, 2002). The analysis of Ghana’s 2004 direct tax revenue by the Ministry of Finance and Economic Planning indicates that contribution from the self employed accounted for only 5.35% as compared to 35.7% collected from Pay-As-You-Earn (PAYE). Obviously, the incentive may lie in operating tax free in the informal sector as the majority of the informal sector operators do not pay taxes and welfare contributions and do not comply with most regulations. As a result the Government must collect twice as much in profit, employment, value-added and sales taxes from corporations (Lewis, 2004).

Table 2.12 below provides the results of a national exercise carried out in 2002 to register unemployed and underemployed people in Ghana. It shows that among the 903,437 people registered only 11% had reached secondary school and more than half had never had any training for a trade. The few who had some training only qualified for low-income jobs in the informal sector.

**Table 2.12- A Survey of Unemployed and Underemployed in Ghana in 2002**

	(%, unless otherwise indicated)
1. Number of unemployed and underemployed covered	903,437
2. Those resident in urban areas	53.0
3. Gender distribution	58 (male), 42 (female)
4. Mean age of registered unemployed	30 years
Proportion aged 20-24	23.7
Proportion aged 25-29	21.9
5. Those unable to read at all	31.0
6. Those able to read English only	18.2
Those able to read a Ghanaian language	16.1
Those who had completed some form of schooling	64.0
Those who dropped out from school	17.9
7. Those with schooling up to middle school/JSS only	70.0
Those whose level of schooling reached SSS	10.8
8. Those living with parents	54.8
Those living alone	38.0
9. Those who never had any skilled trade/training	51.7
Those who completed some skilled training	35.5

Source: Ministry of Manpower Development and Employment, 2003

Since colonisation development projects have been largely driven by the location of mineral and forest resources as well as the proximity to the coast and favourable climatic conditions. This, combined with other government policies, have resulted in growing gap between the north and south, the urbanised, highly educated elite and the rest, a relatively undifferentiated class of poor workers and farmers. The educated and urbanised elite draw their power and principal employment from the state, while traditional rulers also draw their power from traditions. Quite recently, as a result of increased fatalism and proliferation of churches, some powerful religious leaders have also established their own churches the cities. Table 2.13 below compares the inequality in income and consumption in Ghana, Cote d'Ivoire and South Korea. It shows that of the three countries, South Korea's gini index was 31.6 in 1998 compared to Cote d'Ivoire's of 50.6 in 2002 which was worse than Ghana's 40.8 in 1998. It is important to note that Cote d'Ivoire underwent a long period of political instability with the inequality between the north and south as one of the important reasons.

**Table 2.13 Inequality in Income and Consumption**

		Share of income or consumption				Inequality measures		
		Poorest	Poorest	Richest	Richest	Richest	Richest	Gini Index
Country	Survey year	10%	20%	20%	10%	10% to poorest	20% to poorest	
Ghana	1998	2.1	5.6	46.6	30.0	14.1	8.4	40.8
Cote d'Ivoire	2002	2.0	5.2	50.7	34.0	24.9	12.8	50.6
South Korea	1998	2.9	7.9	37.5	22.5	7.8	4.7	31.6

Source: Human Development Index, 2005, Table 15, pp. 270-73.



## Education

The main means of upward social mobility in Ghana for the majority of the population is education. However, as a result of stagnant economic growth, population increase and inefficient performance of public institutions, major imperfections and inequalities have been introduced in the education system. There are also inequalities between urban and rural areas, private and public schools and the participation of boys and girls. This is really creating a gap between children living in the urban and rural areas and has led to the vicious circle of rural poverty as most teachers and doctors with children reject transfers to the rural areas because of the inadequate health and education services for their families. The country is therefore marginalising its intelligent, able-bodied, potentially useful citizens by not committing resources to ensure equality in education for all its children independent of their socio-economic positions.

Again due to a shortage of educated workers, there is a widening gap between the educated and uneducated workers. The ratio of income of the highest earners to that of the lowest in Ghana is 10:1. The people in professional, technical, administrative and managerial positions represented 3.4% of the work force in 1999-2002 and received 28% of the total earnings while 47% of the work force (comprising production and related occupations, transport equipment operators and labourers) received 8.6% of total earnings (UNPF/GOG, 2004, p.73).

## Regional Development

Development in Ghana has been uneven across the ten regions in the country, with the northern regions, home to about a fifth of Ghana's population falling further behind and overshadowed by the threat of intermittent internal violence (White, 2005c, p.5). Poverty rates in the north are more than double those in the south, with an overwhelming majority living on less than \$1 a day. Efforts by successive governments and donors to help the north have had relatively little impact on the rural areas where most people live. The fourth Ghana Living Standards Survey indicated that poverty in Ghana declined from almost 52% in 1991/92 to just below 40% in 1998/99. These gains were concentrated in Accra and forest localities, while other geographical areas saw only modest improvement or even a slight deterioration. Extreme poverty declined in the same period from 37% to 27%. However, the fall in the incidence of poverty was unevenly distributed; being more concentrated in Accra and the urban forest localities. Extreme poverty actually increased in urban coastal and rural savannah areas between 1991/92 and 1998/99. Table 2.14 below provides the details of investment projects

registered in Ghana in the years 2003 and 2004 showing uneven distribution in the various regions in Ghana.

**Table 2.14 Regional Distribution of Investment Projects in 2003 and 2004**

Region	% of		% of		% Change from 2003 to 2004
	2003	Total	2004	Total	
Greater Accra	1,217	78.77	1,363	78.88	0.11
Ashanti	108	6.99	120	6.94	-0.05
Western	68	4.40	82	4.75	0.34
Central	53	3.43	57	3.30	-0.13
Eastern	45	2.91	49	2.84	-0.08
Volta	25	1.62	25	1.45	-0.17
Northern	16	1.04	17	0.98	-0.05
Brong Ahafo	8	0.52	9	0.52	0.00
Upper East	4	0.26	5	0.29	0.03
Upper West	1	0.06	1	0.06	-0.01
<b>TOTAL</b>	<b>1,545</b>	<b>100</b>	<b>1,728</b>	<b>100</b>	<b>0</b>

Adapted from ISSER (2005, p.155), Ghana Investment Promotion Centre

## 2.6 Summary and Conclusion

Ghana's average annual per capital real GDP at constant 2000 US\$ for the period 1960 to 2000 was US\$238, compared with that of Cote d'Ivoire, US\$765 and South Korea US\$4,475. The average annual per capita growth rates for the period was 2.5%, 4.4% and 7.6% for Ghana, Cote d'Ivoire and South Korea respectively. This clearly shows that Ghana's economy has not grown since 1960 as the per capita GDP then was US\$266, compared with US\$562 for Cote d'Ivoire and US\$1110 for South Korea (see Table 2. 2). Evidence for this can be found in the lack of structural shift in Ghana's economic structure, with the agricultural and as compared with that and South Korea (see Table 2.1).

Ghana's average annual gross capital formation for the period 1960 to 2000 was 13.7%. This compares adversely with Cote d'Ivoire's 17.5% and South Korea's 28.9% respectively (Table 2.4). It has been claimed that savings are the most important source of capital. Again, Ghana's average gross domestic savings for the period 1960 to 2000 was 8.3% as compared to 23% and 25% for Cote d'Ivoire and South Korea respectively. Savings depend on the level of people's incomes, their expectations of inflation and their general level of "thriftiness" and savings provide capital for reinvestment leading to economic growth (Hofstede and Bond, 1988).

The demands of the extended family system, the high indulgence in rituals and the respect for traditions and ancestors combine to divert the required attentions of most

Ghanaians to their future. This contributes to the observed low savings rates. Most of Ghanaian government policies introduced during the period 1960-2000 included administered interest rates, credit allocation, and state ownership of financial institutions and confiscation of financial assets. These combined with nationalisations, exchange controls, budget deficits and inflation to discourage savings, and local and foreign investment. This attitude reflected in the repatriation of the Basel missionaries who were actively engaged in trade promotion in 1919 and the confiscation of their property. This action also led to the premature death of an otherwise successful rural capitalism in Ghana and explains the economic dualism in Ghana. Subsequent governments have also discouraged Ghanaian entrepreneurship. The private sector's performance in the manufacturing sector is impeded by a number of institutional (mainly legal and administrative framework), structural and financial constraints.

Due to lack of trust among people outside the family, few Ghanaians enter into partnership ventures. This is confirmed in the low levels of registration of partnerships and limited companies as compared to sole trading enterprises. As sole traders are considered high risk by the banks, most of these businesses do not grow to benefit from economies of scale. Again, due to the 'social security' requirement of the extended family system, most prosperous business owners find it difficult to accumulate capital for expansion. Moreover, the inheritance systems have worked against the growth of intergenerational businesses. The rapid state-led industrialisation and modernization, which were mainly financed by the surplus of neglected peasant cocoa farmers, led to budget deficits, inflation and consequently political instability. The long period of political instability also explains the low foreign aid and investment and the resulting low economic growth. Ghana has recently benefited from significant aid inflows and foreign investment and has experienced modest economic growth.

Clerical work has been historically preferred to productive labour, reflecting in high wages for secretarial and other clerical jobs than productive workers like tractor operators and drivers. This explains the migration of most of Ghana's educated and skilled labour abroad. The majority (80.3% in 2000) of the workforce operates in the informal sector with minimum contribution (5.35%) to the national tax revenue. Although the main activity of the Ghanaian workforce is agriculture, the agricultural share of GDP has fallen below 40%. Most farms are small-scale and rain-fed and there is generally, a lack of storage, marketing chains and infrastructure. The communal ownership of land, another aspect of the extended family system, affects private property rights and combined with other factors they prevent investment in agriculture. This explains the lack of technology transfer and the backward technology in

agriculture. The low productivity in agriculture has led to the inability to meet the needs of a growing population, thus leading to continual food shortages and rising imports of foodstuff from Cote d'Ivoire, Burkina Faso and other neighbouring countries.

As rightly depicted by Hart (1982), the situation in Ghana is that of a "low-productivity countryside and an almost wholly parasitic urban sector locked together in mutually damaging reinforcement of each other's stagnation" (p.153). Although the Asian states exploited agriculture, they did not neglect to make necessary investments in irrigation and agricultural research to increase land productivity (Hayami, 2001). Ghana's terms of trade in 2002 were only 58% of its level in 1980. For Cote d'Ivoire and South Korea the corresponding figures were 103% and 116% respectively. This indicates that Ghana's imports are expensive and its exports are cheap. While the percentage of South Korea's primary exports had fallen to 7% in 2003, Ghana's primary exports dominated by cocoa, timber and gold still accounted for 84% of its exports. Ghana has always suffered from trade deficits. The trade deficit of US\$2.54 million recorded in 2005 was almost equivalent to a year's total exports of US\$2.74. The poor export performance in Ghana could be explained by the lack of diversification of export goods.

There has been no effective population policy in Ghana since independence to change the pro-natalist and traditional beliefs that are adverse to childless women. The rate of urbanization has recently intensified, however, due to the lack of planning and adequate appreciation of the problem by the authorities. Vital infrastructure has failed to keep pace with the rapid rate of urbanization. However, the lack of infrastructure and employment in the cities has resulted in the proliferation of slums and mass unemployment that pose a serious threat to the stability of the country. This led to the World Bank's country director's consideration of urban poverty and unemployment as Ghana's "biggest problem and the biggest risk picture." Excessive rates of population increase without adequate attention to rural development and relatively poor performance in tax collection for redistribution in social services have resulted in high inequality in income.

Due to the limited demand and the lack of skilled labour in the rural areas, investment projects have also concentrated in the capital and a few other regions. After the ERP, Ghana has attracted a lot of foreign direct investment mainly in the mining industry. However, due to a lack of internal dynamism and adequate linkages in the economy, the investment failed to provide stimulus to other sectors of the economy. Also, the production processes in Ghana's main activities of cocoa and gold mining do not generate enough demand to stimulate the growth of locally based industry. For

instance, Ghana is a leading producer of gold in sub Saharan Africa. However, its jewellery industry is insignificant compared to that of its neighbouring francophone countries.

The factors explaining Ghana's economic failure have been inappropriate export strategy, the development and maintenance of growth-inhibiting institutions and public policies. The lack of incentive to high-quality workers and entrepreneurs, the heavy investment of public resources in rapid state-led import substituting industrialisation have led to an appropriate neglect of agriculture. A lack of population control, failure of policy makers to adjust rapidly and flexibly to external shocks and a lack of attention to the low production capacity have also played their part. Culture, particularly in the extended family and its inheritance systems, has also combined to retard the growth of the Ghanaian economy.

## CHAPTER 3 • CULTURE

### 3.1 Introduction

This chapter reviews the theory of culture and cultural evolution from the problem-solution perspective. Hofstede's (2001) Value Dimensions are applied to the classification of the existing writings on Ghanaian culture.

In his *Rules of Sociological Method* (1964), Emile Durkheim (1858-1917) suggests that in explaining social facts investigators should first find their causes and then proceed to find the functions of social facts. In search of causes, we should look for social facts that precede and seem to produce the particular social facts under investigation and in searching for functions we should look for the "general needs" of the social organism. Building on the studies of Durkheim, Pareto, Weber and Marshall, Talcott Parsons observed that in any actual society there will be "interpenetration" of three elements: culture, personality and social system. For example, social systems and personalities are shaped by culture, whilst culture (shared ideas) has to be rooted in individuals (personalities) and social relationships (social systems) (Cuff *et al.* 1990), p.42).

According to Parsons and Smelser (1956, p.296), "If an economy is treated as a social system, the four factors of production (land, labour, capital, and organization) and the four corresponding shares of income (rent, wages, interest, and profits) correspond exactly to the categories of input and output respectively, of any social system."

#### 3.2.1 The Concept of Culture

Kroeber and Kluckhohn (1952) cited 164 different definitions of culture, only a few of which have gained universal acceptance indicating that culture is a complex concept to define, has more than one meaning and sometimes means different things to different people. Tyler (1873) "portrays culture as that complex whole which includes knowledge, morals, religion, customs and habits or any other capabilities acquired by man as a member of society." De Graft-Johnson (1970) also considers culture as a whole way of life of a people, embracing a body of techniques, tools and artefacts, pattern of behaviour established in institutional contexts, ideas and values deriving from sustaining and shaping these patterns and techniques. However, Geertz (1973) observes that "the complex whole" seems to have reached the point where it obscures

a good deal more than it reveals (p.4). Perhaps, the most extensively used definition could be Kluckhohn's (1951, p.86) as:

Culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artefacts; the essential core of culture consists of traditional ideas and especially their attached values.

Hofstede (2001, p.9) simplifies this definition as "the collective programming of the mind that distinguishes the members of one category of people from those of another." He further observes that we begin to acquire the mental programming (culture) from the very day we are born, with the process continuing throughout our life in a particular society. Monir Tayeb (1988) also adds that culture is a "set of historically evolved learned values and attitudes and meanings shared by the members of a given community that influences their material way of life" (p.43). Like Hofstede she observes that members of the community learn these shared characteristics through different stages of the socialization processes of their lives in institutions, such as family, religion, formal education and society as a whole.

Schein (1997) also defines culture "as a pattern of shared basic assumptions that the group learned, as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to problems" (p.12). Trompenaars (1993) also defines culture as a "group's unique shared solutions to human problems in the key areas of how to relate to other people, nature and time." To Geertz culture is "an historically transmitted pattern of meanings embodied in symbols, a system of inherited conceptions expressed in symbolic form by means of which men communicate, perpetuate and develop their knowledge about and attitudes towards life" (1973, p.89). He sums up culture as being "the way in which a group of people solves problems."

### **3.2.2 Characteristics of Culture**

Culture is beneath awareness in the sense that no one bothers to verbalise it, yet it forms the root of actions. That is why anthropologists liken it to an iceberg, with its largest implicit part beneath the water. Cultures are formed through the interactions of different personalities, both conflicting and complementary, which create a whole that is more than the sum of its parts (Hofstede, 2001). Trompenaars (1993, p.25) adds that culture is not a "thing," a substance with a physical reality of its own but rather made by

people interacting and at the same time determining further interaction. Geertz (1973) treats culture as the fabric of meaning. It helps human beings to interpret their experience and it guides their actions. Durkheim (1964) also saw culture as a social construct enabling members of a group to co-ordinate their activities. Hofstede (2001) considers mental programs as intangibles and the terms used to describe the construct, a product of imagination, as helping understanding (p.2). Dickson (1975) observes that any cultural given is seldom static and no cultural system can lay claim to the fullest possible accumulation of insights and ideas, and hence to being a closed system into which new ideas could not be absorbed. Thus in the encountering of other cultures, borrowing becomes inevitable. Trompenaars (1993) also considers technology as part of an environment, like fruit on a tree, which wise people pick and incorporate into themselves and that taking something from the external environment and then refining or improving it is not “copying” but celebrating that environment, letting the finest forces shape your character.

### 3.2.3 Layers of Culture

Culture comes in layers, like an onion and in order to understand it one has to peel it layer by layer. The observable level covers behaviour, artefacts and rituals while the questionable or discussible level or layer of values and norms are deeper within the ‘onion’ and are more difficult to identify, and the interpretable level covering assumptions are subconscious beliefs and values (Trompenaars, 1993).

**Table 3.1 Layers and Levels of Culture and their Methods of Discovery**

<b>Layers of culture</b>	<b>Levels of Culture</b>	<b>Methods for discovery</b>
Outer	Artefacts and behaviour	Observation
Middle	Beliefs and values	Interviews and surveys
Core	Basic assumptions	Inference and interpretation

Source: Schneider and Barsoux (2003, p.20); Trompenaars (1993, p.6).

Schneider and Barsoux (2003) also compare the exploration of culture to the exploration of the ocean. In that on the surface, riding the waves, we can observe artefacts, rituals, and behaviour which provide the clues as to what lies underneath (p.20). Schein (1985) describes three levels of culture: basic assumptions and premises (covering relationship of man to nature, time orientation, beliefs about human nature, the nature of man’s relationship to man, and man’s concept of space and his place in it); values and ideology; and artefacts and creations including language, technology and social organisation.



### The Outer Layer - Artefacts, Rituals, Behaviour, Language and Symbols

Artefacts embrace all the physical "tools" designed by human beings for their physical and psychological well-being including works of art, technology, products, buildings and so on. A ritual is a type of activity that takes on symbolic meaning, consisting of a fixed sequence of behaviour repeated over time. Ritualised behaviour covering religious services, marriage ceremonies and court procedures tends to be public, elaborate, formal and ceremonial. Observing artefacts and behaviour provides clues to assumptions regarding external adaptation and internal integration (Schneider and Barsoux, 2003, p.30). Shared language and symbolism give shared meaning in that a symbol may carry a number of different meanings and associations for different people. Language influences both the relationships with the environment and the relationships with other people (Schneider and Barsoux, 2003). In low-context cultures, communications are expected to be clear and direct or explicit whereas in high-context cultures communication is highly dependent upon the person and the situation. There is much communicated in what is not said and ambiguity and subtlety are expected and highly valued (Schneider and Barsoux, 2003).

### The Middle Layer – Norms and Values

Norms are the mutual sense a group has of what is "right" and "wrong". They develop on a formal level as written laws and on an informal level as social control. Values, on the other hand determine the definition of "good and bad" and are therefore closely related to the ideals shared by a group. The most basic value people strive for is survival (Trompenaars, 1993). Beliefs are statements of fact about the way things are whereas values are preferred states about the way things should be about ideals (Schneider and Barsoux, 2003, p.30). In challenging utilitarianism, which treated people's ends as random, Parsons (1937) argued that wants are not randomly assorted but are related and that only certain sorts of wants are recognized and approved in any given society. He referred to the ends as "values" and the rules governing how to achieve the ends as "norms."

### The Core – The Basic Assumptions

Basic assumptions represent the deepest level of culture. It is at this level that meanings of behaviour, beliefs and values are sought. Managing "relationships with the environment" or solutions to problems of external adaptation include assumptions regarding control and uncertainty, the nature of human activity and the nature of truth and reality or the way we know the environment. Managing "relationships among people" or solutions to problems of internal integration include assumptions regarding

the importance of relationships over task achievement, relationships with superiors and subordinates (hierarchy) and relationships with peers (individualism and collectivism). Assumptions regarding time, space and language are related to both relationships with nature as well as relationships with people (Schneider and Barsoux, 2003).

Schneider and Barsoux (2003) further explain that lower perceived control over nature places greater emphasis on people (relationships) rather than tasks. Assumptions regarding human nature and how relationships are managed provide the solutions to problems of internal integration (p.39). Assumptions regarding space, language and time as discussed by Hall (1960) relate to both issues of external adaptation and internal integration. For example, while language reflects and creates the relationship with nature it also provides the means for having relationships among people. It determines what gets said and how it gets said.

Assumptions regarding space can refer to how a group has managed its relationship with the environment through the use of physical space, as seen in architecture and interior design, as well as how relationships are managed through personal space, how much physical and emotional distance exists between people. And our view of time and how we manage it is in part determined by the degree to which we assume control of nature and, in turn, determines the importance placed on relationships versus tasks (Schneider and Barsoux, 2003). Cultural attitudes to time also differ in the relative importance accorded to the past, present, and future. Some cultures do not worry about what has happened in the past and even see the present as relatively unimportant, compared to “what happens next.” In other cultures like in Africa, there is greater emphasis on the past and on the importance of tradition. Time orientation also influences attitudes to change. Some societies tend to view change as inherently good; there is a perpetual search for new and better ways of doing things and the future is optimistically viewed as an improvement on the past. Yet, in other societies, the past is often invoked as a reason for not doing something: “It’s not possible, it’s never been done that way before” or, “This is the way our ancestors did it!” This means that the present and the future are determined by what has happened in the past (Schneider and Barsoux, 2003).

#### **3.2.4 Culture and Social Systems**

According to Parsons and Shils (1951), we can see culture as an “ordered system of meanings and of symbols, in terms of which social interaction takes place” and we can also see “social systems as the pattern of social interaction itself.” In other words,

culture is the framework of beliefs, experience, symbols, and values in terms of which individuals define their world, express their feelings, and make their judgements, while the social system is the ongoing process of interactive behaviour, whose persistent form is social structure. Culture is the fabric of meaning in terms of which human beings interpret their experience and guide their action; social structure is the form that action takes, the actually existing network of social relations. This leads Geertz (1973) to conclude that culture and social structure are different abstractions of the same phenomenon.

According to Parsons any social system must meet two important conditions of relating effectively to the environment and maintaining its own internal integrity. He further breaks down the vital conditions into four “functional imperatives,” which any system must satisfy:

- Adaptation: where any society must be able to mobilize resources to get things done in order to meet the physical needs of its members for survival.
- Goal Attainment: any society must have some common agreement between its members about their priorities, goals to realize and the system must organise to ensure people achieve the goals set for it. The two imperatives of adaptation and goal attainment refer to the condition of survival;
- Pattern maintenance and tension management – Any social unit will only get things done, fulfil its goals, if its members are loyal to those purposes and motivated enough to put in the effort, thereby providing ‘pattern maintenance’;
- Integration: Social units involve relations among individuals and among sub-units to ensure a measure of co-ordination and control between the internal elements of the social system.

**Table 3.2: Society as a social system**

**INSTRUMENTAL FUNCTIONAL IMPERATIVES**

ADAPTATION	GOAL ATTAINMENT	PATTERN M'TCE/ TENSION MNG'T	INTEGRATION
ECONOMY	POLITY	KINSHIP	CULTURAL AND COMMUNITY ORGNS.
Major sub-systems made up of INSTITUTIONS (eg. Factory system, banking system)	Major sub-system made up of INSTITUTIONS (eg. Political parties, state bureaucracies)	Major sub-system made up of INSTITUTIONS (eg. Nuclear family, marriage)	Major sub-system made up of INSTITUTIONS (eg. Schools, churches, media organizations)
Each institution is made up of SET OF ROLES. Specific norms giving concrete behavioural prescriptions define roles. These concrete norms are underpinned by FUNDAMENTAL VALUES.			

Adapted from Cuff *et al.* (1990, p.44)

### 3.3 The Key Dimensions and Measurement of Culture

#### 3.3.1. Kluckhohn and Stodbeck (1961) – Six basic orientations

The widely influential comparative model by Kluckhohn and Stodtbeck (1961) claims that members of a cultural group exhibit constant “orientations” towards the world and other people (Mead, 1998):

##### (1) What is the nature of people?

Good (changeable/unchangeable), evil or a mixture of good and evil. Some religions take as their point of departure the idea that people are basically evil (original sin) and can be redeemed only through certain acts of religious faiths (Schneider and Barsoux, 2003, p.39). People are expected to sin, to confess, to ask for forgiveness and to repent. Others assume that people are basically good and that they live and work to fulfil or maximise their human potential. Hard work and task mastery (achievement) are seen as ways of achieving these ends (Schneider and Barsoux, 2003, p.40). These assumptions regarding human nature relate to the nature of relationships. For example, if we assume that people are basically “good,” we are more likely to give people greater autonomy and to allow them to go off on their own way. This encourages a more task orientation. If human nature is considered basically “evil”, then there is a greater need for external controls and supervision. This encourages a more relationship-oriented culture and a greater emphasis on hierarchy and other forms of social controls, such as group pressure. Thus, assumptions regarding human nature influence assumptions regarding the nature of relationships, how important they are, and how they are structured (*ibid.*).

##### (2) What is the relationship to nature? Dominant, in harmony or subjugation?

The very notion of “management” implies that, managers have control over nature. While in some cultures nature may be seen as controllable, in others it is accepted as a given. Destiny, or fate, is predetermined. Rather than try to change things or make things happen, it is considered to be more natural to let things happen (Schneider and Barsoux, 2003, p.36). Whether managers are valued for, what (and who) they know or what they are able to accomplish, depends on assumptions regarding the relationship with nature (*ibid.* p.38).

##### (3) What is the relationship to other people? Lineal (hierarchical), collateral (collectivist) or individualist.

A key assumption differentiating cultures is the importance of relationships over tasks. In certain cultures, managers prefer to do business with people they know. In some cultures, objective “reality,” the truth about what really happened is more important than

personal ties. In other cultures, reality must be considered in the context of the nature of the relationship and circumstances. “In universalist cultures people believe that the rules and regulations should apply to everybody and not just your enemies” (Schneider and Barsoux, 2003, p.41). Another difference relates to taking care of people versus taking care of business, femininity and masculinity (Schneider and Barsoux, 2003). This also refers to how these relationships between people are structured, notably the extent to which hierarchy is *revered*.

(4) What is the modality of human activity? Doing, being or containing?

The assumption of control over nature versus fatalism is connected to the desirability of taking action. When managers assume that they have control over nature they are more likely to take action. In turn, greater importance is placed upon doing versus being. When managers assume that they have little control over nature, they are more likely to take time to reflect and plan, to watch how events evolve and to adapt to the emerging situation. Thus, the quality of thinking (of education) and of personal character (who you are) is more important than what you do. This relates to Trompenaars “achievement versus ascription”.

(5) What is the temporal focus of human activity? Future, present or past?

(6) What is the conception of space? Private, public or mixed?

Assumptions about space are expressed in many ways, both physical and personal and at many levels, from what can be observed to what must be inferred. Assumptions regarding personal space determine the nature and degree of involvement with others, what is expected from friendships, family and from colleagues: relationship building versus getting down to business. It is expressed in artefacts and behaviour such as the use of formal titles and address (formal versus informal “you”), what is discussed or not discussed and how. It also reflects the degree to which information is embedded or direct, in other words, how much is left unsaid (Schneider and Barsoux, 2003, p.44).

### **3.3.2 Hofstede’s (2001) Value Dimensions**

Hofstede’s (2001) work covers 50 countries and 3 regions of which one includes Ghana (p.41). According to Hofstede (2001), one should realise that dimensions like “culture” itself are constructs or products of imagination that have been introduced because they subsume complex sets of mental programs into easily remembered packages (p.71). The dimensions are ecologically derived; they apply to countries as social systems and not to individuals within those countries.

1. **Power Distance (PDI)** indicates “the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally” (Hofstede, 2001, p.98). Power and inequality are of course very fundamental aspects of any society. This dimension applies to the fundamental problem of human inequality and the translation of biological differences in strengths and talents into social difference in power and health (Hofstede, 1983).
2. **Uncertainty Avoidance (UAI)** is “the extent to which the members of a culture feel threatened by uncertain or unknown situations” (Hofstede, 2001, p.161). Uncertainty Avoidance refers to man’s search for truth. Uncertainty avoiding cultures try to minimise the possibility of such situations by adhering to strict laws and rules for safety and security measures, and on the philosophical and religious level, a belief in absolute Truth. This applies to the problem of life and death associated with the one-way arrow of time, the inescapable uncertainty about tomorrow and the ways in which societies nevertheless try to enable their members to sleep in peace.
3. **Individualism (IDV)** “stands for a society in which the ties between individuals are loose and one is expected to look after oneself and one’s family only. **Collectivism** “stands for a society in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people’s lifetime continue to protect them in exchange for unquestioning loyalty” (Hofstede, 2001, p.225). This dimension applies to the problem of relationship of the individual to his or her fellows.
4. **Masculinity (MAS)** “stands for a society in which social gender roles are clearly distinct: focused on material success; women are supposed to be more modest, tender, and concerned with the quality of life. **Femininity** stands for a society in which social gender roles overlap: Both men and women are supposed to be modest, tender, and concerned with the quality of life” (Hofstede, 2001, p.297). This dimension applies to the fundamental problem of the division of mankind into sexes, and what represents the appropriate role of men (Hofstede, 1983).
5. **Long-Term Orientation (LTO)** stands for the fostering of virtues oriented towards future rewards, in particular perseverance and thrift. Short Term Orientation stands for the fostering of virtues related to the past and present, in particular, respect for tradition, preservation of face and fulfilling social obligations” (Hofstede, 2001, p.359). This dimension is strongly associated with economic growth over the period between 1965 and 1985 across all 22 countries, rich or poor, that were covered (Hofstede and Bond, 1988).

### 3.3.3 Criticisms of Hofstede's work

Mead (1998) lists the following problems of Hofstede's theory:

- a. Like all national cultural studies, it assumes that national territory and the limits of the culture correspond. But cultural homogeneity cannot be taken for granted in countries which include a range of ethnic culture;
- b. The informants worked within a single industry and a single multinational;
- c. There are technical difficulties in Hofstede's research. Intuition suggests that some of the connotations overlap. For instance, in small power distance, powerful people try to look less powerful than they are and in large power distance, powerful people try to look as impressive as possible;
- d. Technical problems also occur at the dimensional level. Hofstede applied the English concept of individualism - in terms of the competitive need to achieve.

There have also been recent critiques of Hofstede's work by critics in various disciplines such as Myers and Tan (2002), McSweeney (2002a, 2002b) and Baskerville (2003). Some of the criticisms raised have already been mentioned above by Mead (1998).

**Table 3.3 The Key Dimensions and Measurement of Culture**

Kluckhohn and Strodtbeck (1961)	Schein (1985)	Trompenaars (1993)	Hofstede (1980, 2001)
Relationship with nature	Relationship with nature	Relationship with nature	Uncertainty Avoidance
Human activity	Human activity	Achievement / Ascription	Uncertainty Avoidance
Human nature	Human nature		Uncertainty Avoidance
Relationship with Time	Time	Relationship with Time	Long /Short Term Orientation
Relationship with people	Relationship with People	Universalism/Particularism Individualism/ Collectivism Affectivity Diffuse/Specific Achievement / Ascription	Individualism/Collectivism Masculinity/Femininity Power Distance
	Truth and reality		Uncertainty Avoidance
Space		Diffuse/Specific	

Source: Kluckhohn and Strodtbeck (1961); Schein (1985); Trompenaars (1993); Mead (1998); and Hofstede (2001)

### 3.4 Culture and Institutions

According to North (1995), "institutions are the rules of the game of a society, or, more formally, are the humanly devised constraints that structure human interaction" (p.23). He goes on to explain that institutions are "composed of formal rules (statute law, common law, regulations), informal constraints (conventions, norms of behaviour and self-imposed codes of conduct), and the enforcement characteristics of both." Interestingly, North (1995) distinguishes institutions from organisations and considers organisations as the players made up of groups of individuals bound by a common purpose to achieve objectives. They include political bodies (political parties, the senate, city council, regulatory agency); economic bodies (firms, trade unions, family farms, cooperatives); social bodies (churches, clubs, athletic associations); and educational bodies (schools, colleges, vocational training centres). Thus, organisation can be defined as "a functional body organised by a set of rules," and institution can be defined as "a set of rules to organise people into a functional body."

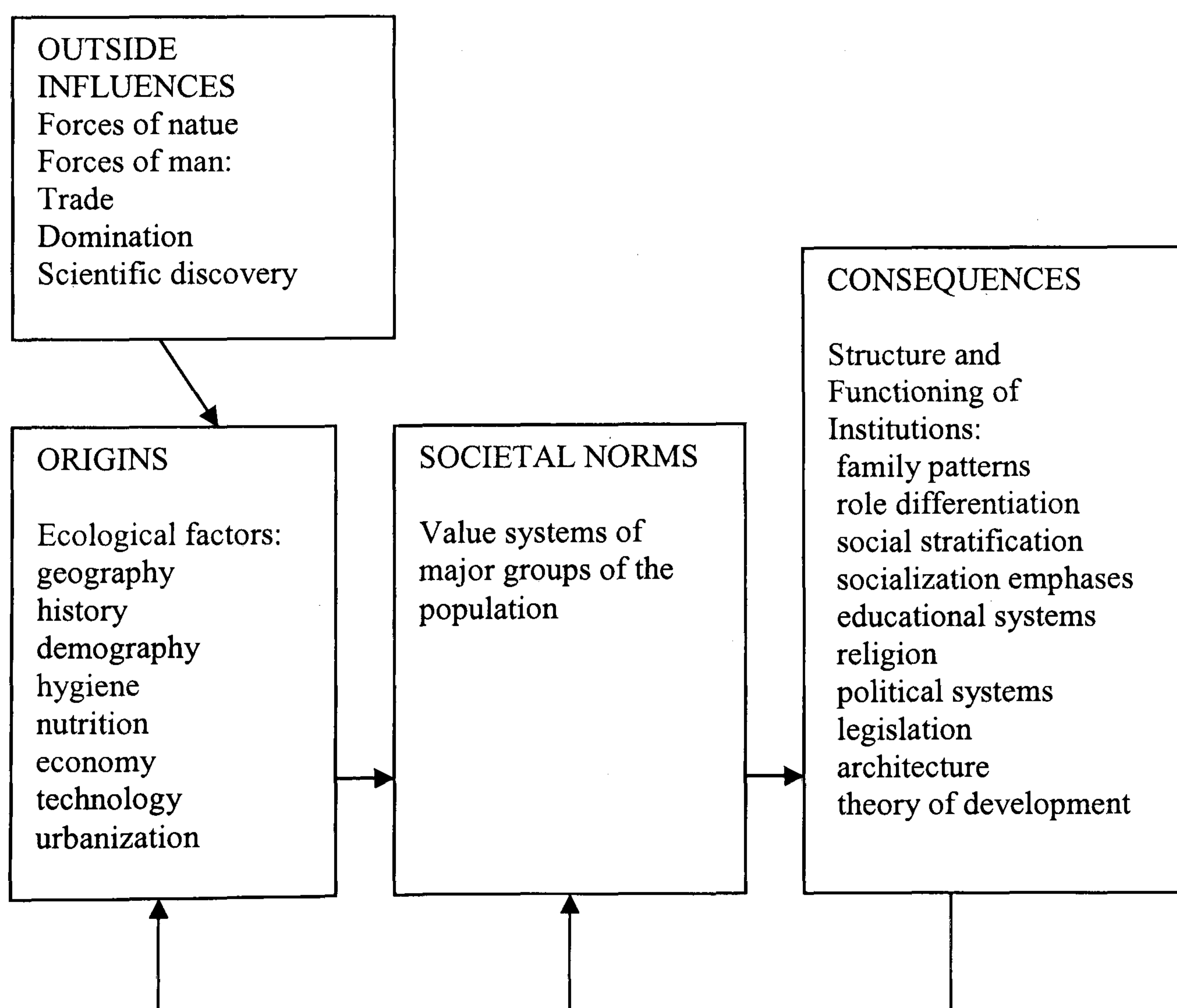
Inkeles (1974) considers that unless the attitudes and capacities of the people keep pace with other forms of development, nation and institution building could be empty exercises. He further explains that modern institutions need individuals who can keep to fixed schedules, observe abstract rules, make judgements on the basis of objective evidence and follow authorities legitimated not by traditional or religious sanctions but by technical competence. A country's economy cannot be highly productive, or its political and administrative institutions very effective, unless the people who work in the economy and staff the institutions, have attained some degree of modernity (Inkeles, 1974). According to Bellah (1957), the consequences for economic development depend as much on the institutional channelling of motivation as on the presence or absence of certain kinds of motivation. The productivity of an economic subsystem is conditioned by culture and institutions in society. The rules that contradict the morals of people would not be sanctioned socially and, if stipulated formally, would not function effectively and it is the ethics, as part of culture, which reduce the cost of enforcing the rules of society (Hayami, 2001).

The primary function of the economy is to produce and distribute the material resources that people need to live their lives and carry out their social responsibilities and this is mainly done by organizations whose sole business is to manufacture goods. The primary work of the "polity" (i.e. institutions of government) is organising the achievement of collective goals. The problems of pattern maintenance and tension management are mostly handled by the family. Among the features that may give an institution a strong character are being governed by strict rules and procedures, being



able to dispense powerful reward and punishment, and being dominated by very strong sentiments of group solidarity (Inkeles, 1974). Community and cultural institutions, such as organized religion, education and mass education, serve the function of integration. The police and the courts play prominent roles here. Kinship groups are the main organisational feature of the society and everything is done through kinship - economic activity, political business, the socialization and education of the young, religious rituals, control and punishment of offenders. The four functional requirements must be satisfied in such a society but they are not met by specialized means (Cuff *et al.*, 1990). Every society is made up of many constituent parts and institutions such as political, legal, economic and religious systems that work together in such a way as to build the society into a system. As shown in Figure 3.1 below, cultures, especially national cultures, are extremely stable over time and are maintained by the reinforcement of cultural patterns by the institutions that themselves are products of the dominant cultural value systems (Hofstede, 2001). Change mainly comes from the outside in the form of forces of nature or forces of human beings: trade, conquest, economical or political dominance and technological breakthroughs (Hofstede, 2001). Any significant alteration or modification in the structure or functions of any of these parts leads to alterations in others and eventually in the shape of the whole society (Parsons, 1951).

**Figure 3.1: The Stabilization of Culture Patterns**



Source: Adapted from Hofstede (2001, p.12).

Arthur Lewis (1955) viewed both institutions and ideologies as adjusting to economic opportunities when he said “probably the most important characteristic of institutions from the angle of economic growth is the amount of freedom of manouevre that they permit. He adds that once it is possible for people to seize economic opportunities, growth will occur, and as it occurs, institutions will accommodate themselves so as to protect incentives and to encourage trade” (p.142).

### **3.5 National Culture**

In every culture, a limited number of general, universally shared human problems need to be solved. One culture can be distinguished from another by the specific solution it chooses for those problems (Trompenaars, 1993, p.25). National cultures refer to the common elements within each nation, the national norm, not individuals. People within a culture do not all have identical sets of artefacts, norms, values and assumptions, rather there is a wide spread which has a pattern around an average, the variation around the norm can be seen as a normal distribution. The dominant social pattern of a given culture is a recognisable whole that may differ in significant ways from another recognisable whole in another place or time. Many social scientists contend that there is in fact no such thing as national culture because subcultures within a country can vary so greatly in their values and beliefs (Eckhardt, 2002). Wiredu (1980) observes that there are deep underlying affinities running through the cultures of the various states that justify speaking of a Ghanaian traditional culture.

As Nukunya,(2003) confirms, in the period before the arrival of the Europeans in the Gold Coast, few conditions for innovations either existed or the pace of change was slow and most changes were in response to special situations such as wars (p.7). He continues that the wars following the contact and trade with the Europeans provided the major means of pre-colonial change through conquest and absorption, while others sought accommodation with their more powerful neighbours. Thus, the Ashanti influence extended far beyond their original boundaries due to ingenious use of their military power. Colonialism, as shown above brought together previously independent ethnic groups and political entities into the Gold Coast colony and introduced new laws, new procedures and ways of doing things.

### 3.6 Applying Hofstede's Dimensions to Ghanaian Culture

Dimensions do not exist because they are imaginary and “subsume complex sets of mental programs into easily remembered packages” (Hofstede, 2001, p.71). The differences that exist between various cultures are of degrees rather than kind, and cultural values and attitudes can be considered in terms of dimensions placed on continua ranging from low to high (Tayeb, 1988, p.43). Table 3.4 below compares the main variables of Ghanaian culture with Hofstede's Value Dimensions.

**Table 3.4 Comparison of Aspects of Ghanaian Culture with Hofstede's Value Dimensions**

Ghanaian Culture	Hofstede's Value Dimensions
Dualism	
Kinship, Extended Family, Inheritance and Ancestorship	Individualism and Collectivism, Power Distance
Spirituality, Religiosity, Witchcraft	Uncertainty Avoidance/ Power Distance
Authoritarianism and Institutional Framework	Power Distance
The concept and attitude to time	Short versus Long Term Orientation
Intuitiveness, Unanalytical and Unscientific	Power Distance/ Uncertainty Avoidance
Basis of selection to high office other than competence, eg, charisma	Power Distance
Ceremonies and rituals	Uncertainty Avoidance / Short Term Orientation
Land Customs and tenure	Power Distance/Uncertainty Avoidance
Attitude towards Public or Government Matters	Uncertainty Avoidance
Gender roles	Masculinity/Femininity

#### 3.6.1 Power Distance

The connotations of this dimension are that there should be an order of inequality in this world, in which everybody has a rightful place, with the high and low being protected by this order. In high Power Distance societies, a few should be independent and most should be dependent; superiors consider subordinates as different from themselves and vice versa. Power holders are entitled to privileges. Other people are a potential threat to one's power and can rarely be trusted and cooperation among the powerless is difficult to achieve because having little faith in people is the norm (Hofstede, 2001). The Ghanaian society is based on unequal relationships between people. As in the key principles of Confucian teaching “wu lun” or the five basic relationships are ruler/subject, father/son, older brother/younger brother, husband/wife and older friend/younger friend. These relationships are based on mutual, complementary obligations. The ideal leader in a culture in which Power Distances are large is a benevolent autocrat (or ‘good father’) (Hofstede and Bond, 1988).

### Chieftaincy, Ancestralship and Respect for Elders/Tradition

In Ghana the institution of chieftaincy (composed of traditional rulers) has remained the focus and rallying point for the preservation of traditions in the political, cultural and social spheres, especially in the rural areas where the majority of the population live. This gives a varied assortment of traditions differing from each other in origin, age and degree of emotional spontaneity (Boateng, 1975). A traditional ruler's responsibility is to maintain a link between his people and the ancestors, to maintain law and order within his state, division or town and to ensure the security of the subjects and has the responsibility for allocating rights of land use to newcomers. The ruler embodies the moral and ritual purity of the people and leads them in prayer during ancestral rites and important festivals (Nukunya, 2003). The relative unity and stability in Ghana, despite the traumatic political experiences of the past, is because the family system and the institution of chieftaincy are so deeply entrenched in the society (Boateng, 1975).

The accumulated wisdom built up by a defined population occupying the same territory for generations gave authority automatically to those who embodied the community's traditions, the older members. The prevalent pattern was one of rural communities built around the reproduction of a stable population and the production of subsistence needs, with a hierarchy restricted to the prerogatives of age and position in a kinship system (Hart, 1982, p.44). This pattern is changing, with importance being attached to the educated members in the kinship systems. The beliefs and practices of the worship of ancestors help to maintain the authority structure within the kinship system and to enhance the continuous working of existing relationships (Nukunya, 2003). Respect for elders and their way of doing things is an attitude that does not encourage innovation or change. As a result of Ghana's highly conservative gerontocratic form of social and political organisation, its agriculture and economy have remained practically unchanged for a long time.

The excessive and incessant attention Ghanaians pay to their ancestors has resulted in their considering the modes of thought and action of the ancestors as embalmed and unalterable. Excessive and undue attention to the ancestors constrains people from giving the necessary attention to the future dimension of their mundane existence (Gyekye, 1997). A mentality that is an impediment to the cultivation of innovative spirit or outlook required for making progress in the various spheres of human existence and the transition to modernity (Gyekye, 1997). The traditional society does not encourage questions about the reasons behind established practices or institutions and it has the principle of unquestioning obedience to the rulers and elders, thus inhibiting the

development of inquiring and independent minds in the youth (Wiredu, 1980). The colonial officers were also great authoritarians, as the District Commissioners were the embodiment of the law and only they knew what was good for the people and obedience to them was an unquestioned procedure (Nukunya, 2003). After independence, nationalistic politicians who condemned the evils of the colonial system have also become paternalistic, patronising and authoritarian and enjoy benefits of the colonial system (Nukunya, 2003). This has undoubtedly led to the political and administrative authoritarianism that has facilitated corruption and other malpractices in the Ghanaian modern sector. The following observation of Hart (1982) of African states is relevant to Ghana:

The main feature of the last few decades has been the emergence of the state as an economic and political force on an unprecedented scale. Power is shared by three classes: the holders of political office and the political parties; the military and the police; and an administrative bureaucracy that carries on the traditions of the colonial state. These ruling classes are supported or lightly checked by civil interests that are basically very weak: chiefs, unions, and a miniscule indigenous business class (p.46).

### **3.6.2 Individualism and Collectivism**

Parsons and Shils (1951) describe Individualism as a “prime orientation to the self” and collectivism as “a prime orientation to common goals and objectives.” To Weber (1957) individualism means dignity, autonomy (self-rule), privacy and the opportunity for the person to develop. In individualist societies people are supposed to take care of themselves and remain emotionally independent from the group. Self-interest is the dominant motivation. In collective societies, the concern is for the group rather than for the individual. Individuals define their identity by their relationships to others, through group membership, and strive for a sense of belonging (Schneider and Barsoux, 2003, p.42). In traditional Ghanaian society, people are born into extended family networks or clans that protect them in exchange for their loyalty. Identity is mostly based on a social system as individuals are mostly defined primarily in terms of their surrounding collective of the family, the clan, the tribe, the city, state or the ethnic group (Hofstede, 2001; Trompenaars, 1993). There is a wide belief in group decisions and value standards differ for those who belong to groups.

At the national economic level, individualism and national wealth are quite strongly related (Hofstede and Bond, 1988).

## Kinship and Extended Family Networks

The fundamental unit of social organisation in the traditional system was one bound by ties of kinship or descent from a common ancestor. Authority in this unit, exercised by a chief with the advice and consent of elders representing the kinship segments, would at once be political, social and religious. At its smallest, the unit would be little more than an extended family. At its largest, it is properly described as a tribe (Rimmer, 1992, p.15). The Ghanaian extended family includes grandparents, relatives, in-laws, grand children and “adopted” children. Such a family may function as a single household or a series of adjacent households linked together by a common head and with mutual benefits, roles in child care, catering arrangements, economic activities and collective funeral responsibilities (Fiawoo, 1975). There are two types of family systems in Ghana: the matrilineal, which consists of all descendants in the direct female line of remote ancestors, and the patrilineal, which is made up descendants in the direct male line of remote ancestors. The Akan ethnic group which accounts for nearly 50% of the population, practise the matrilineal inheritance system where the succession is of the maternal uncles rather than the fathers. The Ghanaian family is a traditional institution that widely determines rights and obligations of an individual. In some family networks, like the researcher’s, the membership is so large that members may not know one another. However, once membership is invoked all assistance is expected to be given to any unfortunate member. Unsurprisingly, most Ghanaians, especially those in the urban areas resort to their extended family networks only in times of crisis. It is common knowledge that unethical acts committed by a member of one cultural group are condoned, if not positively accepted, when done against members of another group. It is more a matter of moral ambivalence or double standards than one of ethical relativism (Gyekye, 1997).

Although the family networks have contributed to the stability of the Ghanaian society (Boateng, 1975), a strong sense of family obligation often leads to such malpractices as nepotism and patronage. As members who hold positions of responsibility undergo constant pressure from their relations for help and favours, they regard less the claims of other people. Hence, jobs are given by one to one’s family relations or kinsmen, contracts are directed to relatives and if, for some reason, the jobs or contracts cannot go to relatives then those who come after them must bring along “presents” (Dickson, 1975). This has led to the prevalence of corruption. Kinship that refers to social relationships derived from consanguinity, marriage and adoption is important in economic organisation as it determines inheritance, property relations and residence patterns (Nukunya, 2003). Primordial loyalties in Ghana were given to extended families or clans. The strengths of these links impeded the disinterested application of

laws and administrative rules and retarded national integration (Rimmer, 1992, p.226). In the rural homogenous community, kinship also determines political relations and economic and legal obligations (Nukunya, 2003, p.7).

As Gyekye (1997) explains, the individual in a communitarian social context is expected to contribute to the welfare of the group (clan) and to bear at least part of the burden of the unfortunate members of the group, while taking care of his or her own interests. It also encourages materialism and corruption, as the individual needs to be in a social or economic position to help the unfortunate members of the kinship or family (pp. 253-54). Gyekye (1997) is right in saying that the practical application of savings and thrift is “thwarted in a social context in which profits and other resources have to be consumed in the furnace of largess distribution” (pp.254-255).

Lewis (1969) found the extended kinship ties as a drag on effort, which is supported by Lord Bauer’s observation as “a serious obstacle to economic progress.” An extended family or other system of kinship, may lead to unflinching ethnic loyalty that is always exploited by morally corrupt politicians, who could not otherwise have been suitable for the positions they seek to occupy. Recently, public ministers facing allegation of malpractices have resorted to their local support to resist public calls for resignation. A modern nation needs participating citizens who take an active interest in public affairs and who exercise their rights and perform their duties as members of a community larger than that of the kinship network and the immediate geographical locality (Inkeles, 1974).

Since independence political parties have become part of the kinship system and power of the state has been used to redistribute income from political losers to political winners. As rightly observed by Leith and Soderling (2003), the winner-take-all system of government, meant that the political losers were also the economic losers - permanently, until power was wrestled from them by force or through the democratic system, as is currently the case. This has introduced lies into Ghanaian politics as most politicians would do anything and everything to avoid being economic losers. Politicians and citizens have a stronger sense of belonging to their local and tribal communities than to their nation. In order to safeguard national stability, obligations towards people outside the kinship system should be considered as having binding force. Appointments must be based on competence and public officials should exercise their duties with strict impartiality and objectivity (Dickson, 1975).

In Ghana, at the small community (village) level, the extended family serves to foster unity among the people who relate to one another as one and the same people who always share everything among themselves in the form of wealth or problems (Kondor, 1993). One of the system's disadvantages is that it often makes people look up to others for assistance when they could work to achieve the object for which they need assistance. It also encourages laziness in some people as they know they have someone to whom they can look up to for every bit of help. In the long run, the only well-to-do person within the family becomes over-burdened with the problems of more people than he can really cope with. With the extended family system, its survival in the city or urban centre is highly dependent on the ability of individuals to cater for the needs of other people in addition to their own "family" (husband, wife and children) (Kondor, 1993, p.16).

### Land Tenure and Property Rights

The importance of agriculture in the Ghanaian rural economy life renders land the most important asset. It is still believed in most parts in Ghana that 'wanton alienation of land is irresponsible and despicable behaviour capable of provoking ancestral sanctions' (Nukunya, 2003).

The development of the gold mining industry and cocoa industry gave rise to a rapid appreciation in land values in Ghana (Kimble, 1963) and as shown in Chapter 1, after the aborted land bills the traditional rulers were left with the enforcement powers. This sowed the seeds for land litigations and chieftaincy disputes in Ghana. "A nation's land or ownership pattern should be considered as comprising a honey comb of many inter-related proprietary cells, with the content of each cell being capable of making a decisive contribution to national land use patterns" (Ofori, 1971). When travelling through Ghana one comes across a lot of uncultivated lands that are supposed to belong to a stool or skin or an extended family. Mostly, these lands are left unfarmed due to lack of clarity of land title because commercial, long-term investment in land requires clarity of title. The Ghanaian courts abound with litigations on land ownership, with most of the litigations dating back more than ten years.

Under customary land tenure only traditional rulers or family heads acting with the consent of other principal elders can alienate corporately owned land. In most cases, a person requiring the use of land would need to identify the elders who are eligible to alienate land for their consent and concurrence. This process can be long-winded and frustrating to a person strange to the area. Again, the chiefs have been responsible for allocating inheritable rights of land use to their subjects without need for support of firm legal titles. Chiefs have not always been reliable and disputes over land abound. It is



even claimed that most judges are hesitant to handle land cases. This frustration of a colonial governor reported by Kay (1992) is valid today:

The state of affairs brought about by the existing system of land tenure in the Colony presents the most important problem which the administration has to face. The essential principle is that all land, including waste or unoccupied land, is community land at the disposal of the chiefs and elders of the stool, and is allocated for farming by them under native customary law. It has been Government policy to recognise this, and there is no considerable area of the land of the Colony at the disposal of the Government. At present litigation about land is a curse to the country. It arises from disputes not only over boundaries between tribes and chiefdoms, but also between families and individuals who have acquired claims to land in certain places" (p.212).

Effective economic development calls for effective administration of land tenure by or on behalf of the stool, skin, clan, or family. Successive post-colonial governments in Ghana have failed to reorganise land tenure systems to improve the marketability of lands, their use as collateral for bank loans, and also to offer security for anyone investing significant capital sums in its improvement (Hart, 1982, p.91).

### Inheritance

In Ghana, one's family membership status may determine his or her right to responsibilities in the areas of ownership or enjoyment of property, succession to either property or status, and the obligation to contribute to funeral expenses of a deceased member or for the observance of some customary rites. In the traditional inheritance system, particularly the one practised by the matrilineal extended family in Ghana, members of the extended family automatically claim and takeover the property of a deceased member who dies intestate, almost to the neglect of the inheritance rights or interests of the wife and children of the deceased (Gyekye, 1997). Consequently, wives and children of deceased members of matrilineal family networks are prevented from participating in the inheritance of the husbands and fathers and most become destitutes after the deaths of their husbands and fathers. The systems raise the expectations of a number of the members of a lineage to inherit, or at least have a claim to the property left by a deceased wealthy member of the family (Gyekye, 1997). The wills of business or propertied persons are quite often contested in the courts either by their children or by other members of the extended family, on the grounds that they "have reason" to believe that the original will of the deceased has been tampered with, by some interested party or parties leading to long legal battles. Sometimes this could lead to the fragmentation of property, including business capital.

Many business enterprises which once flourished have now been abandoned or closed down due to capital distribution on the death of the founders. In a recent case involving a deceased wealthy person in Kumasi, in the Ashanti Region, the extended family, eighteen of the deceased's children and the wife are challenging the validity of the will, which is said to have been written by the deceased. This wrangle has gone beyond the family and certain allegations have been made in the sections of the Ghanaian media regarding bribery of the Chief Justice. The allegation has, however, been refuted by the widow claiming that she only sought the intervention of the Chief Justice (Daily Graphic, 2006). This goes a long way to confirm Gyekye's (1997, p.253) observation that the inheritance systems have worked against the "development, proper maintenance, smooth management, and continuous survival of businesses." This contributes to the lack of the likes of Marks and Spencers and Sainsburys, which have outlived their founders for many generations. This could be argued to be a major contributing factor to the weakness of the Ghanaian private sector. Although there has been a recent legislation, PNDC Intestate Law 111, to protect the nuclear family of the intestate deceased, the law is hardly applied in the rural areas and the problem of fragmentation persists.

### **3.6.3 Uncertainty Avoidance**

In societies with high uncertainty avoidance, the uncertainty inherent in life is felt as a continuous threat and is fought. There is great concern for security in life and a search for absolute truths and values that reflects high religiosity. There is also great need for written rules and regulations. There is a need for consensus and conflict and competition can unleash aggression and should therefore be avoided. There is also the belief that ordinary citizens are incompetent compared with authorities. In many Anglo-Saxon cultures, truth is synonymous with facts and figures. Some cultures rely more on feeling, intuition, and spirituality. The solutions to problems of external adaptation are revealed in assumptions regarding control over nature, human activity and how truth is established. These solutions, which undermine the relationship with nature, also have implications for how relationships among people are managed. For example, it may be that a perceived lack of control over nature increases the perceived need to have control over people. Under these circumstances, social controls would become more important than task controls and change efforts would be geared to developing internal capabilities rather than reengineering tasks. Thus, lower perceived control over nature places greater emphasis on people (relationships) rather than tasks. Some cultures see the world as more powerful than individuals and nature as something to be feared or emulated (Trompenaars, 1993).

Uncertainty avoidance is closely linked with the desire for control over nature. These assumptions about control over nature are reflected in planning rituals, the importance placed on schedules and belief in taking initiative and responsibility (Schneider and Barsoux, 2003). The centralised control of the communist regime served to reduce uncertainty. This experience, however, created a sense of learned helplessness, a sense of being unable to make an impact, as well as a strong fear of making mistakes. This poses one of the biggest challenges to improving performance at both individual and collective levels (Schneider and Barsoux, 2003).

### Spirituality and Religiosity, Beliefs and Witchcraft

There is widespread belief in Ghana that “there is a spiritual counterpart to everything” - land, rivers, mountains, trees, forests and human beings (Assimeng, 1999, pp.42-43). The people in most parts of the country (especially farmers and fishermen) including Accra, are forbidden to work two or three days a week or to cross certain streams one or two days a week, these being days set aside for worshipping “mother earth”, their gods and/or ancestors. In certain parts of Accra, there is also a ban on drumming during a particular month of the year. This ban has always resulted in violent conflicts among the Christians and the traditionalists.

There is also the belief that people are born with unchangeable destinies given by God. Although this belief seems to be waning, it seriously undermines the spirit of individual perseverance leading to fatalism. As correctly argued by Dickson (1970), it is erroneous to refuse to assess the reasonableness of one’s beliefs and that when faith remains on the level of feeling, then reason becomes suspect and indeed undesirable. Wiredu (1980) also considers the strength and spread of the belief in witchcraft as inversely proportional to the scientific orientation and the continuous existence of the poorly supported beliefs about man and external nature and the customs associated with them, to the lack of analytical attitude and scientific minds. This agrees with Hofstede’s (2001, p.6) observation that witchcraft is irrelevant to most people today but it is relevant to some people in primitive societies.

Religion is the strongest element in traditional background, and exerts probably the greatest influence upon the thinking and living of the people concerned (Mbiti, 1990, p.1). “Africans are notoriously religious or spiritual, and each people has its own religious system with a set of beliefs and practices. Religion permeates into all the departments of life so fully that it is not easy or possible to isolate it” (Mbiti, 1970). In the Ghanaian traditional society, the rulers and elders who interpret and enforce the law derive their authority and legitimacy from religious beliefs particularly ancestor

worship (Nukunya, 2003; Dickson, 1975). However, certain traditional rulers now claim that they are Christians and do not believe in the worship of ancestors and therefore have problems with the pouring of libations and offering sacrifices to the ancestors. It can be argued that by these acts they may be questioning their source of their authority and that their only interest may be in the office and the vested interest in the lands that goes with it. The religious situation in Ghana presents a complex collection of both foreign and indigenous denominations and faiths but plays an integrating role within the various bodies in the distinctive religious traditions (Dickson, 1975).

One of the most effective agents of Cultural Revolution is religious conversion. The less recognised gathering power of Evangelical Protestantism (mostly Pentecostal), which is now rapidly spreading over huge areas of Africa originates in Evangelical Protestantism in the United States. This has reflected in strong indigenous churches in sub-Saharan Africa, where it has been fused with local, non-Christian, African religions. Martin (1990) shows that conversion to protestantism often brings about nothing less than a cultural revolution: the individuals who join these protestant churches change their behaviour abruptly, radically and in many cases, permanently (Berger, 1994). As Martin also found, the women influenced by this new protestant ethos insist that their husbands stop drinking, gambling, having women on the side and spending money on endless celebrations. Instead, they must go to church services and contribute a hefty portion of their income to the church, which redistributes it by religious affiliation rather than kinship ties (Berger, 1994).

These newly-tightened families also display a strong interest in educating their children. As cross-national research clearly shows, education is seen to be a key factor in upward social mobility. These social changes are associated with comparable changes in economic behaviour. The evidence demonstrates that the people in these churches begin to practice in their lives the same virtues that Weber called the "Protestant ethic." This is an ethic of discipline and self-denial, hard work, saving rather than consumption and systematic planning for the future (Berger, 1994).

#### Intuitiveness, Unanalytic, and Lack of Technological Capacity

Although the empirical basis of knowledge has practical results in such areas as agriculture and herbal medicine (Gyekye, 1997), Ghana's traditional culture does not attach importance to logical, mathematical, analytical and experimental procedures essential in the quest for knowledge and in the endeavour to improve the condition of man. This explains the weaknesses in traditional technology, architecture, medicine and others. Again, the Ghanaian traditional culture appreciates the notion of causality,

which is crucial for the pursuit of science but due to intense religiosity, causality is generally understood in terms of mystical power. Surprisingly, there is no evidence that such an empirical orientation of thought in the traditional African cultures led to the creation of the scientific outlook or a deep scientific understanding of nature (*ibid.*)

The progress in experimental science is to be seen principally as a social phenomenon and that a fundamental handicap of Africans may lie in an inferior scientific culture that negatively conditions economic growth by limiting the capacity to innovate (*ibid.*, p.53). According to Wiredu (1980), Ghanaians have through literacy, science and industrialisation chosen modernization but culturally ingrained intuitive attitudes frequently prevent the precision measurement and systematic analysis of cause and effect required for industrialisation resulting in ruined machines, shaky constructional works and delayed projects. The need for exact measurement does not seem to have been pursued by our African cultures and this defect is still taking its toll also in the maintenance of machines. If one considers that precision measurement is basic not only to the proper maintenance of machines but also to the quality of manufactured products of all kinds, one can appreciate the seriousness of the damage done to the growth of technology and caused by the failure of African cultures to promote the practice of precision measurement (Gyekye, 1997).

This depends on the intelligent and efficient exploitation of the resources of nature. If exploitation is to be effected through science and technology, the need to cultivate the appropriate scientific attitudes is imperative (Gyekye, 1997). Once some technique or equipment was known to be working, there was no desire or effort on the part of its creators or users to innovate and improve on its quality, to make it work better or more efficiently, to build other and more efficient tools. "Man's economic development can be viewed as a gradual strengthening of his devices to keep nature at bay" (Trompenaars, 1993, p.125).

#### **3.6.4 Long/Short Term Orientation**

The people in short term orientation society expect quick results and consider as nice people, those who know how to spend. This contrasts with one of the key principles of Confucian teachings, where virtue in life consists of trying to acquire education, working hard, not spending more than necessary, being patient, and persevering. The investment determining parameter of ratio of savings to income is determined largely by people's time preference for consumption, which is a part of their value system (Hayami, 2001). No attempt has been made by Governments since independence to

develop a savings culture in Ghana. Again, the extended family system in Ghana acts as a serious obstacle to economic progress, as it discourages its members to rise in the income scale and to save and invest, with the knowledge that should they succeed in improving their positions they would have to maintain a large number of distant relatives. It also adds to the reluctance of foreign firms to employ members of the local population in positions of trust and responsibility (Bauer and Yamey, 1957, p.66). Land tenure is also insecure as most titles to land are not properly registered. Proprietary boundaries - communal, family and individual - were often vague if not indeterminate. Litigation over land rights has therefore become common place in Ghana (Rimmer, 1992).

In the Ghanaian traditional setting time is conceived in terms of two main parts, namely day and night when all things are perceived to be finished or standing still. The idea of twenty four hours a day, sixty minutes an hour and sixty seconds a minute, are still new to most Ghanaians (Antubam, 1963). Kuada and Chachah (1999) observe that time passes by, mostly without notice in Ghana and most people on private or public invitations are not expected to arrive on time, and that the attitude to time remains the same, irrespective of the seriousness of the event. As Ghana is on the Greenwich Meridian, some visitors to the country who have had adverse experience of the Ghanaian attitude to time have changed it to "Ghana Maybe Time."

Trompenaars (1993) adds that in synchronous cultures like Ghana, the time agreed for a meeting may be approximate ranging from part or all of a day. He goes on to observe that the time allocated to complete a task may be merely a guide (p.109). This makes considerable differences in planning, strategy, investment and views on home-growing your talent as opposed to buying it (Trompenaars, 1993). Synchronous cultures where time is conceived more as moving in a circle are found more in the collectivist and usually more particularist, which value people known to be special (*ibid*, p.116). As Hofstede (2001) argues, "behind honouring of elders and ancestors is a static or circular concept of time, in which things of the past retain full relevance for the present and the present exists for the future" (p.228). According Kluckhohn and Strodtbeck (1962) there are three types of culture: present-oriented; past-oriented; and future oriented, and that it is mostly people in the future-oriented category that enjoy economic or social development.

In Ghana every gift calls for a favourable reciprocal reaction from the recipient, because it is believed that it is accompanied by the giver's personality. That is why refusing a gift is translated as a declaration of "open enmity." To neglect to show

gratitude is no less offensive. Sooner or later a donation is happily repaid many times over (Sarpong, 1974). The “reciprocation of greetings, favours and gifts” is more connected with good manners than with performance (Hofstede and Bond, 1988).

Too much respect for tradition impedes innovation and part of the secret of the Five Dragons economic success, is the ease with which they accepted Western Technological innovations. Personal steadiness and stability, if overstressed, would discourage the initiative, risk seeking, and changeability required of entrepreneurs trying to exploit the vicissitudes of world trade. The African situation reflects what people are capable of doing to one another, when short-term exploitation supersedes long-term regulation and when the notion of accountability has been swept aside and the promise of the future is hidden by the trials of surviving in the present (Reader, 1997).

Losing face happens when something is made public that people perceive as being private. The fear of losing face is why, in diffuse cultures, so much time is taken to get to the point: it is necessary to avoid private confrontation because it is impossible for participants not to take things personally. In a diffuse culture, everything is connected to everything (Trompenaars, 1993, p.78). There is, in a Ghanaian, a complex of superiority, a feeling that he has a personal human dignity and so does not like to be despised or condemned by anybody. He is very sensitive to offensive allusions and correction in public (face). To the Ghanaian, to be dead is better than to be living in disgrace. The Ghanaian’s conception of disgrace extends over anything from the loss of face in marriage to the loss of reputation in society. Protecting one’s face, if widely shared as a concern, would detract from getting on with the business (Hofstede and Bond, 1988).

### Ceremonies and Rituals

Certain traditions, notably those connected with deaths, burials, births and religious ceremonies, which were once quite sensible and well-suited to the character of simple, leisurely and closely knit societies, have now been blown out of all proportion and turned into occasions for the display of wealth and conspicuous consumption. Funerals and memorial services have been turned into spectacles and occasions for expensive, free-for-all drinking and feasting (Boateng, 1975). This explains the Anthony *et al.*’s (1979, p.205) observation that there is in all African societies a cultural pressure to convert a high proportion of an individual’s tangible wealth into intangible prestige symbols, in the form of elaborate funerals for deceased relatives or taking a costly title, which seriously limits capital accumulation and thus inhibits economic development.

When these excesses happened in countries like France, England, Scotland, the U.S.A and Japan they led to the passing of sumptuary laws (Boateng, 1975). According to Hofstede (2001), rituals like paying respect to others and religious ceremonies are collective activities that are technically unnecessary for the achievement of desired ends, but are considered socially essential in keeping the individual bound within the norms of the collectivity (p.228).

### **3.7 Summary and Conclusions**

In Ghana, manual labour is usually despised and clerical work is highly valued. For example, a messenger in any office earns more than a labourer and often more than a tractor driver (Brenner, 1991). Brenner (1966) argues that “one of the worst impediments to progress in Africa is the traditional ‘social security’ system of the extended family” (p.255). He further explains that since it is left to the moral obligation of the unemployed to find work, the extended family system leads to diminishing productivity. Similarly, the member of the family who goes into public administration or starts some enterprise in town will hardly find it possible to recruit labour by the criterion of maximum efficiency as he is morally obliged to look after “his own” and use his position for their betterment (Brenner, 1966).

According to Forbes and Wield (2002), “culture matters in considerations of success and failure in innovation.” They go on to postulate that “it affects the policies that will work since practices need to accord with cultures.” (p.154). “Inferior scientific culture negatively conditions economic growth, by limiting the capacity to innovate” (Sylos Labini, 2001, p.53). According to Assimeng (1999), the intense religiosity and widespread belief in spirituality in Ghana is inversely proportional to the spread of scientific orientation. In order to facilitate the establishment of nationwide government, colonial administrators and academics identified the “traditions” of social practice and codified and promulgated them thus transforming the flexibility of customary practice into hard, immutable, prescriptive law (Reader, 1997, 650). “Europeans believe Africans belonged to tribes; Africans built tribes to belong to” (Illife, 1979, p.323-4).

Although organised for the struggle for independence, once independence had been achieved, the nationalist movements all too often split into political groupings of ethnic dimensions leaving national issues and injustices inadequately addressed. Due to ethnicity, what prevails is a “limited group morality” rather than a “generalised morality” applicable to the wider society (Plateau, 1992). The traditions acquired on colonisation



have been added to the traditional pattern leading to a multiplicity of parallel systems, in the areas of politics, law, religion, marriage, inheritance and social practices (Boateng, 1975).

These have resulted in litigations, lack of enforcement of laws and clear lines of irresponsibility. Granting authority automatically to the elders (Gerontocracy) led to veneration of elders and ancestors and their way of doing things, an attitude that discourages change. Behind this practice is also a “static or circular concept of time, in which things of the past retain full relevance for the present and the present exists for the future” (Hofstede, 2001, p.228). The traditional systems also work against the development, proper maintenance, smooth management and continuous survival of business enterprises (Gyekye, 1997). This could also explain why the banks do not favour the financing of sole trader businesses.

Power is shared by the holders of political office and political parties, the military and police, and an administrative bureaucracy that carries on the traditions of the colonial state. The ruling classes are supported or lightly checked by civil interests that are basically very weak: chiefs, unions and a small business class (Hart, 1982). There is a pervasive influence of magic, witchcraft and sorcery as well as the belief that there is a spiritual counterpart to everything (Assimeng, 1999). This practice discourages the search for scientific knowledge and stifles the development of analytical attitude. There is also the belief that people come to the world with a specific and unalterable destiny granted by the supreme god and this belief affects people’s conduct, perseverance and self-worth. The chief, the councillors and elders in the traditional system, constitute the three arms of government and have total authority. This was continued by the colonial officers and recently inherited by the post-colonial politicians who have rather become paternalistic, patronising and authoritarian and virtually conferring on themselves everything from the colonial system that could benefit them (Nukunya, 2003).

# CHAPTER 4 • RESEARCH METHODOLOGY

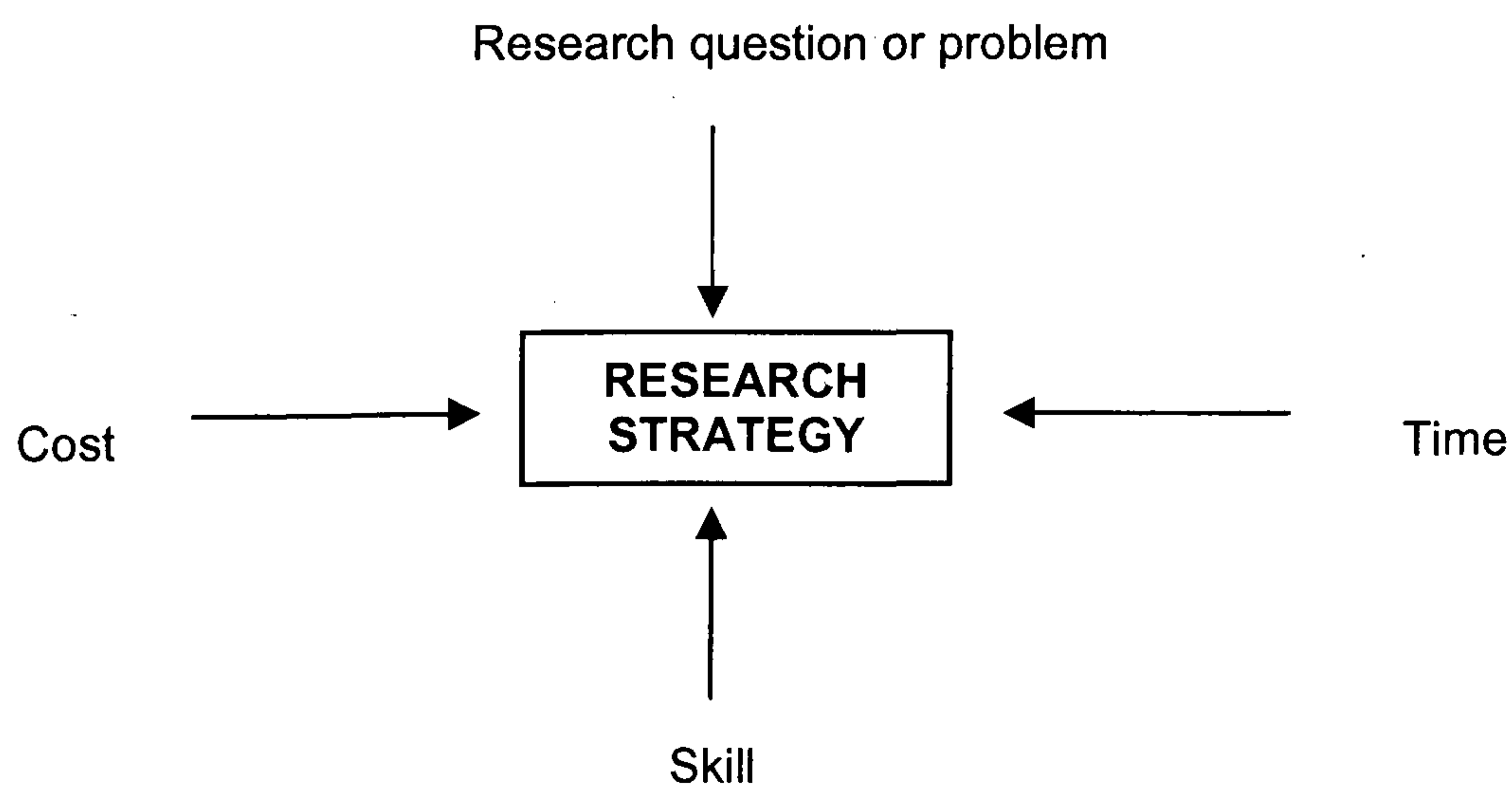
## 4.1 Introduction

This chapter outlines the research methodology of the study, the framework that relates to the entire process of research (Cresswell and Plano Clark, 2007). It also sets out the research approach and strategy, aimed at achieving the research objectives outlined in Chapter 1 for exploring the impact of culture and government policies on Ghana’s economic development. According to Hart (1998), a research strategy also provides the overall direction of the research including the research process, which, at strategic level, takes into account the general philosophical approach adopted by the researcher. It includes “being aware of the ontological and epistemological assumptions that underpin each different methodological strategy” (Remenyi *et al.*, 1998, p.44). A conceptual framework is also provided to elaborate the research process.

## 4.2 Research Approach and Strategy

As advised by Remenyi *et al.* (1998), the research strategy was determined by four key issues: the research question, the costs or budget available to the researcher, time available and target date for completion and the skills of the researcher. The strategy is illustrated in Figure 4.1 below.

**Figure 4.1 - The four issues affecting the research strategy**



Source: Remenyi *et al.*, 1998, p.45

The University's PhD registration process, though demanding during the early stages of the research process, was instrumental and useful in ensuring that the above issues were adequately taken up in the research strategy. A research design is a procedure for collecting, analysing, interpreting, and reporting data in research studies. It guides the method decisions that researchers must make during their studies and set the logic by which they make interpretations at the end of the studies (Cresswell and Piano Clark, 2007).

#### **4.2.1 Conception of Research**

Two Ghanaian professors of economics and philosophy contributed to the conception of this research. In an encounter with the renowned economics professor, Ernest Aryeetey, the researcher seized the opportunity and put to him the question of Ghana's stagnant economic development: What, precisely, is the real problem with Ghana's economic development? The professor replied that "the main problem is because Ghanaians do not solve problems."

The professor's answer connected with Geertz's (1973) definition of culture as "a group's way of solving problems" and challenged the researcher to build on his newly completed Masters' dissertation, which had also concluded that cultural values might be significant barriers to Ghana's economic development. It emerged from the discussions that Ghana's culture had not been quantitatively measured before and that the research question necessitated this sort of information.

The researcher then pursued the professor of philosophy, Kwame Gyekye, who has done extensive work on African culture and philosophy for an opportunity to review the research proposal with him. The professor obliged the researcher with an hour's review meeting which generated incisive comments. One of the significant observations made was the paucity of references to African writers in the research proposal and therefore the researcher was pointed to important sources on Ghanaian and African culture and philosophy to commence the literature review.

An initial qualitative review analysis was conducted to provide knowledge of the social problem and the preparatory information used to develop a preliminary model of the social problem and formulate specific research objectives (Majchrzak 1984). This revealed a lot of theory in the area of government policy, economics and culture, thereby providing the theoretical framework for a deductive approach (Saunders *et al*, 2002).

## 4.2.2. Research Aims and Objectives

The research objectives as outlined under section 1.6 are the following:

- To evaluate the main causes of Ghana's economic performance since independence, with specific focus on the role culture has played in this;
- To investigate the dominant cultural values in Ghana today;
- To contribute to the understanding of the link between culture, institutions and economic development;
- To contribute to knowledge in the field of economic development by offering a new conceptual approach to the development of 'culturally sensitive' economic policies.

## 4.2.3 Choosing a Case Study Policy Research Approach

Policy research efforts study fundamental social problems in an attempt to create pragmatic courses of action for ameliorating those problems (Majchrzak 1984, p.12). This is in line with Hakim's (2000) consideration of policy research as being concerned with knowledge for action and factors of enduring social importance, with the aim of changing the world rather than only understanding it. Thus, policy research fits in nicely with critical theory methodology. Majchrzak (1984) finds an ideal policy research study as one that combines a number of different research methods, such as survey with focused synthesis, or case study with secondary analysis. The combination provides the advantages of increasing the perceived validity of the study when the two methods yield corroborating results and provide additional insight (Majchrzak, 1984).

Usunier (1998) also adds that "combining qualitative and quantitative approaches seems a significant avenue in cross-cultural ...research, because both the assessment of differences in nature and the assessment of differences in degrees make sense" (p.136). However, he considers the main risk in doing cross-cultural research as underestimating the complexity of the data collection process and finds it "always easier to master a relatively complex design with a quantitative approach" (Usunier, 1998, p.160). In order to know about "how widely a view, attitude or belief is held, or whether a situation is perceived in a particular way by people at large, or whether many people explain certain set of actions in the same way, then self-administered questionnaires are often the preferred method" (Arskey and Knight, 1999, p.16).

The short timescales imposed on a PhD dissertation mean that costs, time and feasibility are the overriding factors in the choice of design and subject (Hakim, 2000). In his PhD dissertation, Trompenaars' combined different types of organisations as

regards size and industry (cited by Usunier, 1998). Hofstede's comparative study of work-related values in 40 industrialised societies was based mainly on a survey among the employees of a large multinational company, supplemented with demographic, economic and social indicators for each of the countries (Hofstede, 1980, 1991).

Remenyi *et al.* (1998) explain that case study is a research tactic for the social scientists as experiments are a research strategy for the natural scientist. A case study may be defined as an empirical inquiry that investigates a contemporary phenomenon within its real life context. Also, it involves multiple sources of evidence and is valuable in answering who, why and how questions (Yin, 1989). It provides the required multi-dimensional picture of the situation and illustrates relationships, political issues and patterns of influence in particular contexts. It benefits from the flexibility of being an almost entirely positivistic or entirely phenomenological study or anything between these two extremes (Remenyi *et al.*, 1998).

#### **4.2.4 Research Ethics**

Issues relating to ethics frequently arise from the clash between personal and professional interests, especially when researchers may breach the bounds of privacy and confidentiality for their career's sake (Punch, 1986). For studies involving qualitative methods, the nature of information generated is sensitive to human feelings and requires additional responsibility for its safeguarding. The researcher needs to exercise due ethical responsibility by not publishing or circulating any information that is likely to harm the interests of individual informants (Easterby-Smith *et al.*, 1991).

The University's ethics application procedures ensured that issues relating to confidentiality, anonymity, privacy and other risks to the researcher and informants were addressed. Most importantly, the participant information sheet and the informants' consent reassured the participants and secured their wide participation. After an extensive familiarisation with the ethics requirements of the study and through the assistance of the Business School's Research Ethics Officer, we completed the required documentation for submission to the University's Ethics Research Committee and obtained ethics approval in March 2006. The documentation used in the application proved useful as a reference guide for fieldwork and also for the safeguarding of evidence collected from the participants.

### 4.3 Literature Review

According to Hart (2000, p.13), literature review can be defined as the selection of available topical literature that contain information, ideas, data and evidence written from a particular standpoint to fulfil certain aims on the nature of the topic and how it is to be investigated. Jankowicz (2000) argues that “knowledge does not exist in a vacuum and your work only has value in relation to other people’s.” In order to provide a wider view of the relevant areas and concepts as well as to identify areas with incomplete knowledge requiring further investigation (Remenyi *et al.*, 1998), the study began with an extensive review of literature and databases on economic development and policies, cultural theory and information and writing on Ghana’s culture and economy. An extensive review of the Ghanaian economic literature assisted the researcher with the identification of areas with unsolved problems at the end of the studies of certain economists who have been engaged with Ghana’s economy since independence (Gall *et al.*, 1996). Huq (1989) recommends the study of the “deep-rooted historical, social and cultural factors” to remove Ghana from this stagnant economic situation. At the end of the study by Leith and Soderling (2003), for example, they called for the investigation of all the economic, political, and institutional factors.

The research objectives were also refined after a review of literature on economic development, government policies and culture (Gall *et al.*, 1996). Furthermore, the literature review was quite useful in providing the researcher with ideas for suitable research designs and procedures to address the research problem, particularly in the area of culture measurement (Gall *et al.*, 1996). The literature review included all available references, including textbooks, academic papers, mass media websites and newspapers. Wherever possible we made the effort to review the most recent material available. Oxford Brookes University Library’s electronic catalogue was the main source for locating textbooks that were required for long periods. Most of the journals for the research were also obtained from the University’s Athens account. In addition, the Google scholar website located at [www.google.co.uk](http://www.google.co.uk) was quite useful for the access to certain documents at low cost. Finally, the facilities at the British Library in London enabled the researcher’s exposure to important materials required for research. It must also be mentioned that the environment in the reading rooms, especially in the Humanities section, was conducive to the research work and proved instrumental in the completion of the literature review.

The results of the literature review have been incorporated in the first four chapters of the thesis, covering the introduction to the research methodology. The conceptual framework derived from the review was also important in the data analysis.

#### 4.4 Secondary Analysis

Secondary analysis is any re-analysis of data collected by another researcher or organisation, including the analysis of datasets collated from a variety of sources to create time series or area-based datasets and is the most cost-efficient method for answering policy research questions (Majchrzak, 1984). Secondary data including both quantitative and qualitative data provide quick and sometimes higher-quality data than could be obtained by collecting your own (Stewart and Kamins, 1993) and facilitates the analysis and interpretation of large data. Statistics from the population census and other sources can provide a variety of social, economic and political indicators (Hakim, 2000).

The objectives of the present study required historical and compiled data that have already been collected so that changes that have already taken place could be explored. Secondary data available from the World Bank's Development Indicators database and Ghana Statistical Service facilitated the coverage of extended period from 1960 to 2006 required in order to be able to observe medium-to long-term trends in Ghana's economic performance (Remenyi *et al.*, 1998, p.43). National statistics were used to check the reliability and representativeness of parts of the survey data as well as for determining the correlations between the cultural values and socio-economic variables.

Secondary analysis also permitted the comparative analysis of economic variables of Ghana, Cote d'Ivoire and South Korea. The comparative analysis followed Rosenstein-Rodan's (1984) observation that similar countries differ from each other in one or two but not in all respects thus making it easier to examine 'what is cause and what is effect'. Berg (1971) also adds that when two neighbouring countries are so similar in social structure, stage of development, and general environmental conditions and opt for markedly different development strategies with very different results, they invite comparison. Other sources of secondary data include Institute of Social, Statistical and Economic Research's (ISSER) annual series of the State of the Ghanaian Economy Reports dating back to 1992, books, journals, newspapers, Government publications including annual budget statements, the Economists' country reports, the International Monetary Fund's statistics, Bank of Ghana's annual reports and the United Nations Human Development Reports. The secondary analysis helped to meet the research objective (2).

## 4.5 Primary Data

There is an ongoing debate surrounding the best paradigm and method for collecting data in cultural studies. While anthropologists advocate the study of small samples of informants in depth, psychologists recommend controlled small group experiments with 'subjects' (Hofstede, 2001; Tayeb, 2001). The anthropologists' approach has been challenged primarily because of the heterogeneous and complex nature of modern states, with nationals of different tribes, educational levels, socio-economic status, occupations and religions. Again, whereas qualitative researchers argue that culture can only be studied through interview based investigations, quantitative researchers find it difficult to accept results that are not factor analysed, correlated with one another and put into well organised categories (Tayeb, 2001). However, as Hofstede (2001) observes, an ideal study of culture should combine emic and etic as well as qualitative and quantitative aspects.

The present study carries the assumption that cultures can be compared based on of the universality of human problems as observed by Clyde Kluckhohn (1952):

Every society's patterns for living must provide for approved and sanctioned ways for dealing with such universal circumstances as the existence of two sexes; the helplessness of infants; the need for satisfaction of the elementary biological requirements such as food, warmth, and sex; the presence of individuals of different ages and of differing physical and other capacities" (pp. 317-318).

This was later empirically tested in Kluckhohn and Strodtbeck's (1961) seminal work on *Variations in Value Orientations* of culture groups in the United States, which, as already mentioned above, used factor analysis extensively for the measurement of culture. Their pioneering work involving analytical and dimensional approach to culture measurement has been found "useful for studies of various micro-aspects of a culture and also for cross cultural studies" (Tayeb, 2003, p.47). While the dimensionality of culture facilitates comparisons across cultures, it leads to the simplification of a complex and dynamic construct, and the bi-polar dimensions ignore the fact that the two opposing poles of each dimension may exist in the same culture (Tayeb, 2001). Hofstede (2001) also admits that the dimensions cannot do justice to the profound meanings of local practices in the cultures. Therefore, the combination of qualitative and quantitative data will provide a more complete picture by noting trends and generalizations as well as in-depth knowledge of participants' perspectives (Cresswell and Piano Clark, 2007, p.33).



#### 4.5.1 - Research Setting for Survey and In-depth Interviews.

The measurement of cultural values does not necessitate the use of representative samples from the full national population (Hofstede and Bond, 1988). Moreover, case studies are frequently used for policy research methods because they are normally quick, cost-efficient and allow room for impressionistic analyses of a situation (Majchrzak, 1984). Differences in work-related values among matched employees of an organisation should be a conservative estimate of differences among regional or ethnic populations at large as participants are supposed to share the same organisational and occupational culture (Hofstede *et al.*, 1990, p.288). Therefore, as basic social values get expressed in the workplace setting as work values, the survey and in-depth interviews were conducted in the following three areas chosen to provide clear contrasts of interested variables (Sudman, 1976).

a) A key government revenue collection organisation, which administers exports and imports regulations in the country. The organisation employs about 3,000 highly educated Ghanaians in 9 out of the 10 regions in Ghana. Initially, the survey questionnaires were extensively administered to 500 employees in 10 out of 15 locations spread over Ghana during April and May 2006. The aim was to ensure that access was gained to many employees in order to facilitate purposive and quota sampling to ensure adequate coverage of the various ethnic and regional groupings in the country required for matching samples. The preliminary survey yielded 401 usable returned questionnaires. At the same time we conducted six in-depth interviews to help with the explanation of the survey results and to help identify and establish contradictions and ideologies for the critical theory research.

Following an initial analysis of the survey and interview data, 17 additional in-depth interviews were conducted in January 2007 to explore most of the trends detected in the survey results. In August and September 2007, further 400 confirmatory questionnaires were administered, this time targeting those employees born in their native regions and of specific occupational groups to facilitate the matching of samples required for the calculation of regional and ethnic cultures.

b) An export-free zone subsidiary of a multinational company located in Ghana's main harbour and industrial city, which is engaged in fish processing and employs about 1,500 mostly unionised Ghanaians and 10 expatriates. As a major exporter of its range of products to Western Europe, the company currently faces fish supply constraints, weak local demand for its products, a high rate of labour absenteeism and labour claims leading to low productivity. As this organization employs a lot of women in its

process, it was considered an ideal setting for meeting the quota of women workers. 200 questionnaires were administered in April 2006 to the employees located at the factory and 150 questionnaires were returned. At the same time we conducted two in-depth interviews as in a) above. In January 2007 10 further in-depth interviews were conducted to confirm the preliminary results. Our initial analysis indicated that this organisation did not have representative numbers of employees from the 10 regions of Ghana and therefore was not considered as a suitable candidate for the confirmatory survey. However, the analysis of the results will provide contrast to a) above.

c) A cluster of about 100,000 indigenous engineering and trading entrepreneurs and workforce generally with low level of education operating in the informal sector in the capital (Kumasi) of a major gold mining, timber and cocoa growing region of Ghana. The local infrastructure is quite basic and these entrepreneurs face serious constraints mainly from power supplies, improper road networking and minimal government assistance. Their major sources of capital are owner-funds or credit from extended family or friends. Despite these constraints, they provide vehicle repair and maintenance services to motor operators in Ghana and to its neighbouring countries, including Nigeria, Cote d'Ivoire, Burkina Faso, Mali and Niger. As most of the operators in the cluster are not literates, the survey instrument was translated into a widely spoken Ghanaian language (Twi) by an academic from the linguistic department of the University of Ghana. As Twi is the native language of the researcher, he made appropriate efforts to ensure the maintenance of meaning in the translation process (Usuinier, 1998). 100 questionnaires were administered in this area and 80 completed questionnaires were received mainly from two ethnic groups. This area was aimed at providing an appropriate setting for measuring the work values of operators in the informal sector with minimum education.

#### **4.5.2 Survey/Quantitative Methods for Measuring Cultural Values**

This research adopts mixed method design using both quantitative and qualitative methods to study the impact of culture and government policies on Ghana's economic development. The survey will generate quantifiable data on respondent's own behaviour and experiences, values, attitudes, personal characteristics and social circumstances (Hakim, 2000) so that the number of variables from the numerous respondents can be examined to discern patterns of association (Bryman, 1992). Although surveys offer an opportunity to collect large quantities of data or evidence (Oppenheim, 1996) in a quick and convenient manner, they only allow evidence to be gathered concerning *how much* or *how long* or *when*, but are of less value when the

researcher is asking about *how* or *why*. The logic of a traditional survey is strictly positivistic (Remenyi *et al.*, 1998). A significant limitation is that surveys place emphasis upon cross-sectional analyses, taking a snapshot of a situation in time and using standardised measures to compare across situations.

### Unit of Analysis

As Leung (1989) observes, “in a culture-level analysis, aggregate or structural variables are involved, and such variables are usually sociological rather than psychological in nature” (p.711). Hofstede (2001) also adds that that cultures are wholes and their internal logic cannot be understood in the terms used for the personality dynamics of individuals, as eco-logic differs from individual logic. Moreover, at the level of (national or regional) cultures, phenomena on all levels (individuals, groups, organizations, society as a whole) and phenomena related to different aspects (organization, polity, exchange) are potentially relevant (Hofstede, 2001, p.20). The multilevel analysis of surveys, analysing the same database simultaneously at two or more levels provide crucial insights into the working of social systems (Hofstede, 2001, p.17). In his classical article “Ecological Correlations and the Behaviour of Individuals”, Robinson (1950) states that the numerical values on which the ecological correlation is based may be on means, medians, or percentages and their combinations (p.355). Meltzer (1963) analysed survey data using individual and average variables and concluded that an individual’s behaviour and attitudes are often more highly related to average responses of members in the individual’s group than the individual’s own responses. Hofstede (1980) used both means and percentages in the factor analysis of the value dimensions.

In policy research, the relevant unit of analysis is more likely to be determined by practical policy-related considerations and often requires multi-level analysis rather than the choice of one main unit of analysis. As multi-level analysis is usually necessary when research is intended to inform debate on the need for changes to existing legislation and provide possible options for new legislation. Again, as most national statistical data such as population density or per capita gross national product are collected at the level of society, national statistics can be used to check the reliability and representativeness of parts of the survey results (Hofstede, 2001). Hofstede used significant correlations of his dimensions with with national statistics and other secondary data related to the dimensions by some kind of theory or logic to prove the reliability and validity of his work. As Leung (1989) argues in a culture level analysis patterns of differences as reflected by correlations and similar statistics, are the real concern” and a “well-developed theory can generate a priori predictions” (p.715).

Hofstede's comparative study of work-related values in 40 industrialised societies was based mainly on a survey among the employees of a large multinational company, supplemented with demographic, economic and social indicators for each of the countries (Hofstede, 1980; 1991).

The factor analysis in the next chapter is based on group level data and will confirm Robinson, Meltzer, Hofstede and others' works on ecological correlations. The factors derived are also be correlated with the available regional socio-economic indicators to confirm their validity.

### Participant Selection and Administration of Questionnaires

Mindful of the criticisms of Hofstede's work relating to cultural homogeneity (McSweeney, 2002; Myers & Tan, 2002; and Baskerville, 2004) it was ensured that the sample covered the major ethnic and all the regional groupings as well as other demographics representing age, gender, education and employment. According to Tayeb (2001), "one's education, age, occupation and life experience in general exert powerful influences on one's values and assumptions that are taken for granted" (p.96). She elaborates that an older person might be more tactful in encounters with others, and a senior manager may be more time conscious than a junior office clerk. The main groups of people surveyed were employees, entrepreneurs, technicians and apprentices.

It was decided to use the researcher's existing contacts in these organisations as gatekeepers for access to the participants. Following ethics approval, the research instruments and participants information were finalised and 800 questionnaires were printed for administration. Formal letters enclosing participant information sheets were also sent to the gatekeepers of the public sector and the multinational organisations requesting for access to respondents. In most locations, lists of employees were used as the basis for selecting participants. In others, where no lists of employees were provided, the researcher was assigned a responsible official to go round to the various work places for distribution of the questionnaires.

Due to the objectives of the study (the measurement of dominant cultural values) the selection of a random sample was not indicated. Rather, there was a need for the judgement or purposive samples. The participants were selected with the specific purpose of obtaining matched samples of employees from the various regional and ethnic groups and other demographics for the computation of the mean scores for factor analysis. The aim of quota sampling is to produce a sample that reflects a population in terms of the relative proportions of people in the different categories of

gender, ethnicity, age groups, socio-economic groups, region of birth and a combination of these categories (Bryman, 2001).

The original VSM 94 questionnaire was pilot-tested in the multinational organisation. This test revealed problems with the understanding of certain words in the questionnaire and the test also indicated the length of time it took to complete the original VSM 94. We then made changes to the words highlighted by the pilot and included additional questions from VSM 82 and the World Values Survey. The adapted questionnaire was also tested with selected individuals for comprehension.

The questionnaires were originally meant to be administered through the post but the postal service in Ghana provided such a poor service that it necessitated the researcher's physically handing the questionnaires to the participants to be completed in their own time. This last point helped to ensure that the responses were free of possible interviewer influence. The questionnaires were only given to participants who indicated their agreement to participate after reading the participant information sheet, which outlined the nature of the study, its importance, its intended purpose, the time it would take to complete the questionnaire and the benefits to be gained from participating.

Anonymity was ensured by repeatedly reminding the respondents not to write their names on the questionnaires. Although this approach proved expensive in terms of administration time and travel costs, the time required to gain access to informants and to answer the questions of enthusiastic respondents, in the end, was reflected in the good response rates and the researcher was also able to benefit from the insight of certain participants. Wherever possible, the completed questionnaires were checked and the attention of the participants was drawn to omissions that were not deliberate.

### **4.5.3 Research Instrument Design**

Hofstede (2001) is based on a large research project into differences in national culture among matched samples of employees of a multinational across more than 50 countries, as well as a series of follow-up studies on other samples. These studies together identified five independent dimensions of national cultural differences, each rooted in a basic problem with which all societies have to cope, but on which their answers vary (Hofstede, 2001, p.29). Hofstede's data, based on his claimed methodology of positivism, were totally quantitative and the original data analysis

indicated four statistically independent dimensions. However, VSM 94 consists of five subscales with each subscale measuring a value dimension:

1. *Power distance*, which is related to the different solutions to the basic problem of human inequality;
2. *Uncertainty avoidance*, which is related to the level of stress in a society in the face of an unknown future;
3. *Individualism versus collectivism*, which is related to the integration of individuals into primary groups;
4. *Masculinity versus femininity*, which is related to the division of emotional roles between men and women;
5. *Long-term versus short-term orientation*, which is related to the choice of focus for people's efforts: the future or the present (Hofstede, 2001, p.29).

The values as the desired are measured by such words as important/unimportant, expressing activity as well as evaluation, and usually refer to the respondent in the first or second person. Values as the desirable are measured by such words as agree/disagree, expressing evaluation only, and usually refer to people in general (Hofstede, 2001, p.8).

Since the issue of VSM 94, many academics have subjected it to various tests and replications (e.g. Pizam and Pine, 1997; Hoppe, 1998; Ho and Chiu, 1994; Spector et al., 2001) with varied results. Table 4.1 below provides the sources and purposes of the final questionnaire used for the survey.

**Table 4.1 - Survey Questionnaire Sources and Purposes**

No.	Source	Purpose
1-8,	VSM 94	Work values
9-13	IBM	Work values
14-19	VSM 94	Personal beliefs and behaviour
20	IBM	Personal beliefs and behaviour
21-22	Adapted from World Values Survey 90	Time use and rituals
23-28	VSM 94	General Beliefs
29-38	Adapted from literature	General Beliefs
39	Adapted from literature	Socio-economic views
40-50	Adapted from World Values Survey 90	Views on institutions
51-53, 55, 59-60	VSM 94	Demographics
54, 56 and 58	Ghana Statistical Service	Demographics
57	Introduced by researcher	Affinity to place of birth

The instrument seeks to identify the dominant cultural values and also provide the data for exploring their contributions to economic development in Ghana.

In empirical research, we look for measures of the constructs that describe mental programs; that is we have to operationalise them. The general problem of all operationalisations is how to achieve validity, that is, correspondence between observed behaviour and the underlying constructs. Constructs such as attitudes and values, are not directly conceptually related to behaviour, but are only through other constructs, according to some assumed relationship. To achieve good construct validity, therefore, we need both good measurements and good theory (Hofstede, 2001, p.4). In practice this means where possible interviews and questionnaires should be supported by, for example, available descriptive statistics.

The following are the common criticisms of Hofstede's approach (Mead, 1998; Usunier, 1998; McSweeney, 2002):

1. The survey samples are not enough and surveys are not a suitable way of measuring cultural differences.

*The present study combines in-depth interviews with the survey for triangulation of the survey findings and to provide further insights.*

2. Nations are not the best units for studying cultures as 'some countries are multi-cultural with diversified ethnic, religious and linguistic groups ... for African countries, "ethnic culture" matters whereas "national culture" is in many case meaningless (Usunier, 1998, p.80).

*As discussed above, the present study was designed specifically to measure the Ghanaian ethnic and regional cultural values to determine the validity of this critique.*

3. A study of culture, using employees of subsidiaries of one company cannot provide information about entire national cultures.

*The results from the three area case study will ascertain the effectiveness of using a well-matched company for measuring national culture.*

4. The IBM data are old and therefore obsolete.

*The national culture derived from the study is compared with Hofstede's score to determine the obsolescence of the IBM data.*

5. Five dimensions are not enough (Hofstede, 2001) and important dimensions may not be represented. This situation was confirmed by Chinese Values Survey and was later recognised by Hofstede which led to the fifth dimension of Long/Short Term Orientation or Confucian Dynamism (Hofstede and Bond, 1988).

6. The masculinity/femininity dimension was misnomered. The term masculinity puts too much emphasis on sexism while the dimension highlighted many additional aspects such as materialism, assertiveness, etc.
7. The individualism dimension appears to be defined primarily in relationship to the private self, as opposed to one's family. Some cultures can espouse individual loyalty to the family (like in Ghana) but not to one's work place (like in Japan).
8. The results reflect the methodology used and therefore are culturally biased.  
*The present study has factored in methodology triangulation by using mixed-methods.*

In the particular case of Ghana a lot has happened since the 1970s and the relevance of Hofstede's classifications may need to be enhanced by conducting a more extensive cultural survey of Ghanaians. The inclusion of Ghana as part of a group in the West African region could conceal most Ghanaian cultural values as Nigeria's population alone is more than six times that of Ghana's.

Although widely criticised, 'most cross-cultural researchers praise Hofstede's work for its "insight, comprehensiveness, simplicity, choice of informant population and managerial applicability" (Pizam and Pine, 1997, p.130) and as Tayeb (2001) observes, "few people have been fortunate to be in the position to perform this feat" (p.97). Also, Hofstede's dimensions tap into deep Ghanaian cultural values, we adopted Hofstede's Values survey Module 94 with some adaptation for extension of Hofstede's work to Ghana and also to address some of the critiques of his study. This is in line with Eckhart's (2002) advice that researchers interested in cross-cultural issues should use Hofstede (2001) as a starting point for thinking about categorising cultural differences, but go beyond Hofstede's model and investigate and represent the dynamism and complexity of culture in their own research.

#### **4.5.4 Qualitative Approach and In-depth Interviews**

The qualitative study offered a greater depth of information to complement the quantitative results and informed the interpretation of the statistical data by reducing the risk of drawing invalid conclusions from the assumptions about the motivations and processes underlying correlations, as well as the attitudinal factors underlying the observed behavioural differences between sub-groups (Hakim, 2000). It also served as a means to uncover and explore the meanings that underpin people's lives, routines, behaviours, feelings (Rubin and Rubin, 1995). The participants spoke from meanings shaped by their social interaction with others and from their own personal histories and



the research was shaped from individual perspectives to broad patterns and, ultimately, to theory (Cresswell and Plano Clark, 2007, p.22).

It must, however, be emphasised that generally people are more accurate in describing others than in describing themselves (Hofstede, 2001, p.76). Arnskey and Knight (1999) have also noted that what people claim to think, feel or do does not necessarily align with their actions, and therefore interviews mostly get at what people say, rather than at what they do (p.15).

The main criterion used in the selection of the interview participants was the assumption that they would be sufficiently reflective and communicative to participate in valuable and informed discussion of the Ghanaian situation. Great efforts were also made in choosing a cross-section of Ghanaians of different occupations, gender, age and covering the ten regions, as indicated by the nature of study. However, in common with most qualitative research, the sample of thirty-five interview participants cannot be taken as representative of Ghanaian culture. The informants were also interviewed in sufficient detail and the interviews were audio-recorded to allow for the results to be taken as true, correct, complete and believable reports of their views and experiences. The interview schedule in Appendix 6.1 comprised open questions and was mainly based on the survey questions and the literature review. The objective was to collect information on the manifestation of the various levels of culture in Ghana as well as political and socio-economic to corroborate the survey and secondary data.

Mason (1996) notes that the researcher using in-depth interviews is ontological, in that “people’s knowledge, views, understanding, interpretations, experiences, and interactions are meaningful properties of the social reality” for which research questions are written. She adds that, the epistemological position suggests “a legitimate way to generate data on these ontological properties is to interact with people, to talk to them, to listen to them, and to gain access to their accounts and speculations” (pp.39-40).

Generally, the interviews helped to clarify the reasons for discrepancy between stated attitudes and behaviour and offered different and complementary information on the way in which attitudes and experiences cohere into meaningful patterns and perspectives (Hakim, 2000). As Hakim (2000) further observes, qualitative research plays an important part in policy research as the rich depth of information are more accessible and attractive to special interest groups, pressure groups, the media and the public at large, thus facilitating the public understanding and debate of policy issues.

The first eight interviews conducted in April 2006, were hand-written but with hindsight it was realised that the data could have been richer when recorded, as the writing was time consuming and prevented the free flow of the discussions. In January 2007, additional 27 interviews were conducted of 90 minutes average duration and all the discussions were audio-recorded. As interview responses could be subject to the problems of bias as well as poor and inaccurate articulation and listening, the evidence data were corroborated wherever possible through other respondents, by documents, survey results or secondary data. The playback provided a lot of insights previously missed and the data generated were relatively richer. However, it must be mentioned that the playback and transcription of the twenty-seven interviews took about three months of the researcher's full time hours to complete. An experience which reinforces the need to strike a balance between note-taking and audio-recording of interviews based on the availability of time resources and the importance of interview detail.

It must be emphasised here that this is an area where the nature of the project and researcher's background, seniority and skills play an instrumental role. As observed by Arskey and Knight (1999, p.39), senior people are more likely to get an interview, especially with elite informants, than are junior researchers. Also, if the project is intriguing, or if the potential respondent can see a possible pay-off, then there is a greater likelihood of getting the interview. Most of the informants assessed the researcher through their own questioning before agreeing to the interviews. Here, it is very important to sound personable, trustworthy and interesting to secure an agreement for an interview.

## **4.6 Data Analysis**

The procedures used to analyse the primary data collected from the surveys and in-depth interviews and integration in the mixed-methods study are outlined below.

### **4.6.1 Quantitative Analysis**

Based on the requirement of matching respondents for the measurement of culture, the public sector organisation which employs people from all the regions and main ethnic groups was extensively covered to ensure that there was enough data for all the statistical tests. The first step of the data processing was to review the questionnaires for invalid answers comprising mainly items left blank and double answers, re-coding, removing partially completed questionnaires, and discounting suspect information in order to arrive at results that make sense (Hofstede, 2001).

The questionnaires were then entered into SPSS for Windows statistical software, cross verification was mainly used to ensure the accuracy of input. As the questionnaires were given serial numbers corresponding to their entries in the package, extensive verification of data was carried out by comparing the SPSS data with the information in the questionnaires. The SPSS' descriptive statistics facility was also used to screen for unusual entries. The researcher's data input skills proved quite useful here and saved a lot of time.

The data collected represent a multilevel and multicriteria database. The main criteria responsible for group differences in the survey data and that apply to all data are regions of birth, ethnic groups of respondent, religion of respondent, occupation, gender, and age of respondents, and educational level. The major analysis tools used are frequency distributions, the mean and standard deviation, analysis of variances (ANOVA) and factor analysis. For each question and in each region and ethnic group, mean scores were calculated for the respondents' different educational levels. The average of the educational level means served as the regional or the ethnic group's score for the question. The regional scores therefore were based on the central tendencies in the answers by the individuals in each region. The standard deviations served as the control for the reliability of the mean scores for the regions or ethnic groups as large standard deviations are a warning that a respondent group was heterogeneously composed or indications of suspicious answers in the questionnaires of the group.

For the few questions with nominal scales, used to place individuals with respect to some characteristics (e.g. gender or ethnicity), the frequency distributions were dichotomized at the most meaningful point and the answers summarised in percentages. However, most of the other questions used 5-point ordinal scales (Likert scales), and the answer categories showed a natural and unambiguous rank order from less to more important, satisfied to dissatisfied, or vice versa (Hofstede, 2001).

ANOVA techniques were used to determine the criteria with significant variances. "The ANOVA quickly enables the factors or interactions that are significant to be identified and then the means to be examined in each case to decide why the factor or interaction influences the result" (Remenyi *et al.*, 1998, pp.222). Factor analysis, a data reduction tool, provides insights which are not otherwise obvious to the researcher. It can be used to locate and identify fundamental properties underlying the results which cannot be measured directly and can also be used to provide a

parsimonious description of a complex multi-faceted intangible concept (Remenyi *et al.*, 1998) such as culture.

The first step in the factor analysis procedure is to compute the correlation matrix, which shows the relationship between every possible pair of variables to be analysed. Each factor produced from the factor analysis is then treated as a variable and each region is given a score on it, called a factor score. The factor scores are then used in subsequent statistical analysis, like correlations. The Ghana Statistical Service's "Ghana Living Standards Surveys of 1992, 1999 and 2006" on 6000 households of 30,000 members provided information on demographic characteristics, education and skills, employment and time use, household income, consumption and expenditure for this purpose. Adelman and Morris (1967) used factor analysis of a matrix of 41 ecological variables for 74 developing nations to identify social, political and economic factors that accompany economic development of less developed countries.

#### **4.6.2 Qualitative Analysis**

Saunders *et al* (2000) observe that qualitative data collection and analysis are inter-related and interactive and should, therefore, be undertaken in a systematic and well-planned manner in order to be able to analyse data rigorously and to draw verifiable conclusions from them. The interactive nature of data collection and analysis allowed the recognition of important themes, patterns and relationships as new data were collected. The approach for analysing qualitative studies to discover theory is sometimes called grounded theory because the researcher starts by collecting data and then searches for theoretical constructs, themes, and patterns that are "grounded" in the theory (Gall *et al.*, 1996, p.52). Glaser and Strauss (1967) define grounded theory as "an inductive, theory discovery methodology that allows the researcher to develop a theoretical account of the general features of a topic while simultaneously grounding the account in empirical observations or evidence."

Of the thirty five interviews, the initial eight were hand written and the remaining audio recorded for later transcription. Few of the initially transcribed interviews were read to identify emerging themes, meanings and interesting lines of inquiry. With the guidance of the literature and the objectives of the research, initial categories were developed for the analysis of the data. The transcribed interviews were then exported into the NVIVO for Windows package for analysing qualitative data. The data were then coded at their appropriate categories and new categories were created when necessary with the effect of reducing and rearranging the data into a more manageable

and comprehensible form. As Yin (1994) suggests, theoretical propositions we used the from the theory used, in formulating the research objectives, namely, the dimensional approach to culture using the VSM 94 questionnaire, as a means to devising a framework to organise and analyse data directly. This approach demonstrates a preference for commencing with and utilising theory in qualitative research.

#### **4.7 Limitations**

This research project was based on a three-area case study and may not necessarily be representative of the Ghanaian population. Although necessary efforts were made to cover a cross-section of the Ghanaian population in the most important demographic attributes through the purposive and quota sampling in the organisations selected for the study, it was impossible to obtain a full representation of all the ethnic groups in Ghana in a PhD study. Therefore, the restriction of the research settings could be said to impose some limitation on the generalisability of the findings. Other limitations on the wide applicability of the results could include the fact that, it was difficult to recruit respondents who had not travelled or lived in the other regions of Ghana. This led to the reduction of numbers of respondents used in computing regional means for the factor analysis.

#### **4.8 Developments for the Future**

As the nature of the present study required the collection of primary data for the first time, to test empirically and systematically test cultural values of Ghana, the resources and time constraints did not permit us to include another country so that we could compare the scores with Hofstede's results. It would have been useful to include participants from the United Kingdom, Cote d'Ivoire and South Korea so that the possibility of correlating the dimensions with statistics and other survey data collected at national level could have been explored. We could have also determined whether the criticism surrounding the age and obsolescence of the IBM data is valid or not. Nevertheless, the present study will serve as a stepping stone to the much-awaited cross-cultural studies in Ghana and Africa to highlight culturally sensitive economic policies required for economic development.

## CHAPTER 5 • SURVEY FINDINGS

### 5.1 Introduction

The objective of this chapter is to present the results and findings from the surveys conducted for both 2006 and 2007 in the three areas in Ghana, comprising a strategic public sector organisation, a subsidiary of a multinational and clusters of informal operators. First, it begins with the description of the samples and then goes on to outline and to discuss the respondents' demographics, which are important for understanding the contemporary culture. This demographic information then provides reference for interpreting the trends in the frequencies of the participants' responses to the fifty (50) main questions used in the survey. As the means of the scores are the focus of the statistics analysis, a detailed exploration of the means of the variables, using analysis of variance (ANOVA) was carried out where necessary, to determine the appropriate unit of analysis for the measurement of culture.

The chapter then moves to the measurement of Ghana's regional and ethnic cultures using the statistical method of factor analysis. This will be based on the responses to the twenty (20) content questions of the Values Survey Module (VSM 94) discussed in the methodology chapter, using the mean score combination of eleven (10) regions and ethnic groups as the unit of analysis. Here, the results and validation procedures of Hofstede's Five Values Dimensions discussed in the methodology chapter under section 4.5.3 are described. This is aimed at the replication and extension of Hofstede's work to the regional and multi-ethnic level. As Hofstede (2001) explains, the VSM 94 was developed especially for replications and in cultural-level studies societies are operationalised as nations or as ethnic or regional groups within or across nations.

After the replication and extension of Hofstede's five cultural value dimensions, the factor scores for each of the 10 regions of Ghana are derived for subsequent correlations with the available regional socio-economic indicators. This is aimed at establishing the link among the cultural factors and the socio-economic regional indicators and also to validate the results of the culture measurement. As discussed in Chapter 4, the best proof of the reliability of the dimensions is their validity in explaining outside phenomena according to some theory or logic.

## 5.2 Description of Survey Sample

### 5.2.1 Response Rates

In Chapter Two, the importance of quota sampling in reflecting the Ghanaian population in terms of the relative proportions of people in different categories such as gender, ethnicity, age groups, socio-economic groups, and region of birth, and a combination of these categories was highlighted. This necessitated the focus of the present study on the public sector organisation, which is nationally representative and, in a practical way, provides access to employees born in the ten regions of Ghana. Out of the survey questionnaires administered to 500 public sector employees in 10 out of 15 locations, chosen to ensure comprehensive coverage of the required demographics in 2006, 401 questionnaires were returned with 396 of them passing as usable. This gave a response rate of 79.2% (396/500).

Concurrently, 200 questionnaires were administered to the multinational employees at a single location which returned 145 questionnaires, thus giving a response rate of 72.5%. The questionnaires administered in the informal sector also yielded 82 usable questionnaires from the 100 (response rate of 82%). Sudman (1976) advises that if local case studies have to be used as substitute for a national survey, at least two or three sites should be chosen in order to provide clear contrasts on the variables of interest. On the whole, the major cause of missing questionnaires was the absence of the respondents from their workplaces on the days of collection. There is, therefore, a low concern for understanding the causes of non-response in the data collection process as it could be argued that those individuals who failed to return their questionnaires are not significantly different from those who did. Moreover, the high response rates confirm the lack of bias in the responses and the non-responses therefore, cannot have significant impact on the analysis, the results, or their interpretation (Hair *et al.*, 1998).

In August and September 2007, 400 confirmatory questionnaires were administered to the public sector employees at five (5) out of the fifteen (15) locations in Accra, the capital of Ghana, Tema, the major industrial and harbour city, and Aflao, the busiest border town for the entry of persons and goods from Togo, Benin and Nigeria. Together, these five locations employ more than 70% of the public sector employees. In this survey, employees who were born in their native regions and in specific occupational groups were targeted to facilitate the satisfaction of matched sample criteria required for the cultural-level factor analysis. The number of usable questionnaires obtained this time was 357, giving a response rate of 89.3%.

### 5.2.2 Analysis of Missing data

According to de Vaus (2002, p.64), missing values occur when we have neither a response to a question nor a non-valid response. In the two surveys, missing values mainly occurred because a respondent:

- refused to answer the question (for example, the question on marital status);
- provided illegible or ambiguous answers (e.g. ticked two answers when only one was allowed);
- stopped cooperating or began to hurry (some employees found 60 questions as too long);
- made a mistake (interestingly, it was observed that few employees inadvertently ranked the responses from the lowest to the highest);
- gave a do not know or no opinion response.

Missing data are one of the most pervasive problems in data analysis and the seriousness depends mostly on the pattern of missing data, how much is missing and why it is missing. As Tabachnick and Fidell (2007) observe, missing values scattered randomly through a data matrix pose less serious problems (p.62). Since the effects of missing data based on actions by the respondents are rarely known, efforts were made in line with the advice of Hair *et al.* (1998) to identify any patterns in the missing data that would characterise the process of its loss. A Missing Values Analysis (MVA) using SPSS was carried out, which confirmed that there were no variables with 5% or more missing values (see Appendix 5.1).

According to Tabachnick and Fidell (2007, p.63), SPSS' MVA is extremely helpful for assessing patterns of missing data, providing *t* tests to predict its missing from other variables in the data set and testing for Missing Completely At Random (MCAR). If 5% or less of a variable are missing in a random pattern from a large data set, the problems are less serious and the results will not depend on procedures for handling missing values (Tabachnick and Fidell, 2007; de Vaus, 2002, p.67). In the 2006 survey 8 cases (5 from the public sector, 1 from the multinational and 2 from the informal operators), which had multiple missing data on the demographics and were considered unusable were deleted, whereas in the 2007 survey only three cases were deleted. This is because the questionnaires were consistently checked for their completeness whenever the opportunity arose on collection.

In SPSS, the pair-wise deletion option for missing values was selected, which excludes a case that has a missing value on either of the pair of variables for which a



relationship is being examined thus leading to fewer cases being discarded from analysis. Although pair-wise deletion is known to cause problems in some multivariate analyses including factor analysis, which relies on equal case correlation matrices, in the present study, factor analysis was based on the means of the matched regional responses and not on individual cases and, therefore, this option was not considered problematic.

### **5.2.3 Outliers and their Treatment**

An outlier is a case with an extreme value on one variable (a univariate outlier) or a strange combination of scores on two or more variables (multivariate outlier) that distorts statistics thus leading to both Type I and Type II errors and limited generalisability (Tabachnick and Fidell, 2007). In this study, it was found that some respondents mistakenly considered the rankings as starting from the lowest to the highest and thus provided scores that were completely opposite to those of the other respondents. This was confirmed in the 2007 survey when some of the responses were verified with some of the respondents on collection.

Mahalanobis distance, which is used to detect outliers, measures the distances of cases from the point of intersection of the means of all the other variables, the centroid. SPSS data explore and syntax, which combine Cook's distance and Leverage values were used to identify cases with outliers. It was found on investigation that on most occasions the extreme values were found on the same few cases, which further confirmed that those respondents mistook the ranks as starting from lowest to highest. Following the advice of Tabachnick and Fidell (2007) and considering the requirement for enough matched cases for the regional means, appropriate corrections were made to the few identified extreme cases. This treatment is often considered an attractive alternative for reducing the impact of univariate outliers (Tabachnick and Fidell, 2007). However, during factor analysis some imperfections were detected in the Mahalanobis indicators for detecting all outliers. The regional means were therefore compared to spot the group outliers. Most of the group outliers in the present study were found in the four northern regions of Brong Ahafo, Northern, Upper East and Upper West, where, despite the active efforts to recruit participants in the organisations, there were adequate respondents. This, as shown later, will be one of the few limitations of the present study.

## **5.3 Sample Characteristics**

### **5.3.1 Response Rate**

The survey procedures outlined in Chapter 4 entitled “Research Methodology” resulted in the administration of an initial 800 questionnaires to three areas, with 631 returned responses during April to June 2006, thus giving an overall 78.9% response rate. A further 400 questionnaires were administered in selected locations of one of the three areas previously surveyed in January 2007, with 357 usable returned responses providing a response rate of 89.25%. The survey data represent a multilevel and multi-criteria database, since responses can be analysed for individuals across occupations, ethnic groups, and regions of birth, between sexes, among age groups and among highest education levels.

### **5.3.2 Respondents’ Statistics**

The area of ethnicity and regions of birth posed a significant problem for this study. Again, as already noted above, education seems to be the major key to employment in the Ghanaian formal sector and with the concentration of educational facilities and economic resources in the southern parts of Ghana, it is not surprising that most of the 2006 survey’s formal sector respondents came from the southern parts of Ghana; Greater Accra, Volta, Central, Western and Eastern Regions. The efforts in 2007 brought a few more from the Ashanti, Northern and Upper East Regions but not from the Brong Ahafo region. This explains why 30% of the respondents come from Volta and Greater Accra Regions in both surveys. The lack of a database on the regions of birth in both the public sector and the multinational may have also contributed to this bias. By contrast, the informal sector is dominated by the respondents from Ashanti and Northern regions. The 2006 survey data comprise 63.6% public sector respondents, 23.3% multinational and only 13.1% informal sector respondents. It shows that the public and informal sectors are male dominated with percentage males of 75 and 85.4, respectively, as compared with the multinational where the females dominated at 56.6%. In the 2007 data, the public sector male percentage was nearly repeated at 72.8%. The public sector respondents are relatively older with more than 78.2% above 40 years in 2006 (77.6% in 2007) as compared with the multinational, where only 26.2% are above the age of 40 years. Again, the public sector respondents are more educated and highly trained than the multinational and then the informal sector respondents. Table 5.1 below provides a summary of the respondents’ statistics that are considered useful and relevant for the rest of the analysis.

**Table 5.1 Respondents' Statistics**

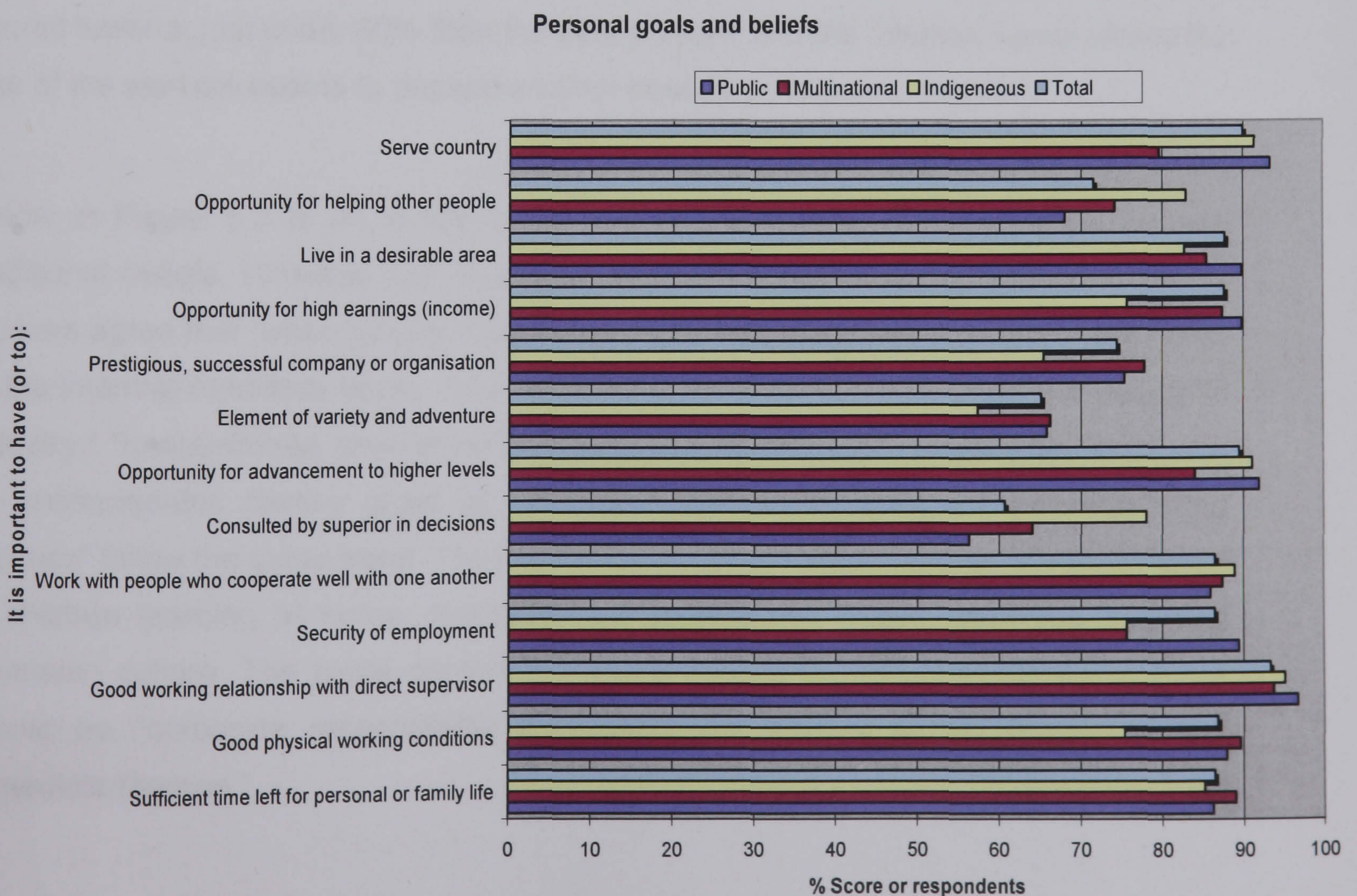
		Public Sector 2007		Public Sector 2006		Multinational 2006		Informal 2006		Total 2006	
		No.	%	No.	%	No.	%	No.	%	No.	%
<b>Total Respondents</b>		<b>357</b>	<b>100</b>	<b>396</b>	<b>63.6</b>	<b>145</b>	<b>23.3</b>	<b>82</b>	<b>13.2</b>	<b>623</b>	<b>100</b>
<b>Gender- Male</b>		260	72.8	297	75.0	61	42.1	70	85.4	428	68.7
Female		88	24.6	96	24.2	82	56.6	10	12.2	188	30.2
Missing		9	2.5	3	0.8	2	1.4	2	2.4	7	1.1
<b>Total</b>		<b>357</b>	<b>100.0</b>	<b>396</b>	<b>100.0</b>	<b>145</b>	<b>100.0</b>	<b>82</b>	<b>100.0</b>	<b>623</b>	<b>100.0</b>
<b>Age</b>											
20-29		15	4.2	14	3.5	37	25.5	33	40.2	84	13.5
30-39		57	16.0	72	18.2	70	48.3	30	36.6	172	27.6
40-49		206	57.7	254	64.1	26	17.9	12	14.6	292	46.9
50 and above		71	19.9	56	14.1	12	8.3	6	7.3	74	11.9
Missing		8	2.2		0.0		0.0	1	1.2	1	0.2
<b>Total</b>		<b>357</b>	<b>100</b>	<b>396</b>	<b>100</b>	<b>145</b>	<b>100</b>	<b>82</b>	<b>100</b>	<b>623</b>	<b>100</b>
<b>Job Category</b>											
Unskilled/Semi-skilled		0	0.0	2	0.5	47	32.4	23	28.0	72	11.6
Generally Trained		59	16.5	88	22.2	14	9.7	5	6.1	107	17.2
Vocationally Trained		8	2.2	30	7.6	34	23.4	41	50.0	105	16.9
Academically Trained		204	57.1	177	44.7	32	22.1	4	4.9	213	34.2
Manager		81	22.7	97	24.5	16	11.0	5	6.1	118	18.9
Missing		5	1.4	2	0.5	2	1.4	4	4.9	8	1.3
<b>Total</b>		<b>357</b>	<b>100.0</b>	<b>396</b>	<b>100.0</b>	<b>145</b>	<b>100.0</b>	<b>82</b>	<b>100.0</b>	<b>623</b>	<b>100.0</b>
<b>Religion</b>											
Catholic		70	19.6	74	18.7	16	11.0	14	17.1	104	16.7
Pentecostal/Charismatic		120	33.6	152	38.4	72	49.7	23	28.0	247	39.6
Other Christians		118	33.1	125	31.6	46	31.7	15	18.3	186	29.9
Islam		27	7.6	28	7.1	4	2.8	25	30.5	57	9.1
Traditional		1	0.3	1	0.3	2	1.4	1	1.2	4	0.6
No Religion		1	0.3	2	0.5	1	0.7		0.0	3	0.5
Other		8	2.2	12	3.0	0	0.0	3	3.7	15	2.4
Missing		12	3.4	2	0.5	4	2.8	1	1.2	7	1.1
<b>Total</b>		<b>357</b>	<b>100.0</b>	<b>396</b>	<b>100.0</b>	<b>145</b>	<b>100.0</b>	<b>82</b>	<b>100.0</b>	<b>623</b>	<b>100.0</b>
<b>Highest level of schooling</b>											
Up to middle school		0	0.0	25	6.3	31	21.4	46	56.1	102	16.4
Secondary/SSS		56	15.7	91	23.0	38	26.2	20	24.4	149	23.9
Vocational		16	4.5	44	11.1	28	19.3	11	13.4	83	13.3
Post Secondary		55	15.4	65	16.4	11	7.6	1	1.2	77	12.4
Tertiary		227	63.6	169	42.7	35	24.1	3	3.7	207	33.2
Missing		3	0.8	2	0.5	2	1.4	1	1.2	5	0.8
<b>Total</b>		<b>357</b>	<b>100.0</b>	<b>396</b>	<b>100.0</b>	<b>145</b>	<b>100.0</b>	<b>82</b>	<b>100.0</b>	<b>623</b>	<b>100.0</b>
<b>Regions of birth/ethnicity</b>											
Western -Akan		17	4.8	25	6.3	11	7.6	3	3.7	39	6.3
Central-Akan		28	7.8	31	7.8	13	9.0	2	2.4	46	7.4
Greater Accra -Akan		20	5.6	38	9.6	25	17.2	1	1.2	64	10.3
Greater Accra -Ewe		12	3.4	16	4.0	10	6.9	0	0.0	26	4.2
Greater Accra-Ga		54	15.1	72	18.2	23	15.9	0	0.0	95	15.2
Volta-Ewe		41	11.5	62	15.7	23	15.9	0	0.0	85	13.6
Eastern-Akan		31	8.7	33	8.3	1	0.7	0	0.0	34	5.5
Ashanti-Akan		39	10.9	21	5.3	1	0.7	51	62.2	73	11.7
Brong Ahafo-Akan		13	3.6	7	1.8	1	0.7	3	3.7	11	1.8
Northern-Others		18	5.0	15	3.8	1	0.7	16	19.5	32	5.1
Upper East -Others		19	5.3	9	2.3	1	0.7	2	2.4	12	1.9
Upper West -Others		11	3.1	12	3.0	1	0.7	2	2.4	15	2.4
Various regions and ethnic groups		52	14.6	55	13.9	31	21.4	2	2.4	88	14.1
Missing		2	0.6	0	0.0	3	2.1	0	0.0	3	0.5
<b>Total</b>		<b>357</b>	<b>100</b>	<b>396</b>	<b>100</b>	<b>145</b>	<b>100</b>	<b>82</b>	<b>100</b>	<b>623</b>	<b>100</b>

In 2006, about 70% of the public sector workers were academically trained professionals or managers as compared to 33% in the multinational and 11% in the informal sector. These percentages go together with the highest level of education; the public sector has more than 59% of its workers with post secondary education and above as compared with only 32% in the multinational and even lower in the informal sector. This confirms the general observation that in the Ghanaian formal sector, especially in the public sector, all employment revolves around education. In contrast, the religious denominations of the respondents are quite similar with roughly similar percentages for the three areas for the Christian denominations.

### 5.3.3 Frequencies of Survey Responses to Content Questions

In this section, the findings and discussions of the trends in the respondents' responses to the 2006 survey in the three areas as well as the total for the three samples (see Appendix 4.4 for the questionnaire used in both surveys) are presented. Appendix 5.2, which summarises the responses for the two surveys indicates similarities of responses for both 2006 and 2007 in the public sector, despite the differences in their demographics. Figure 5.1 below provides the frequency of responses to the work-related value questions based on the percentage of respondents scoring at least very important.

**Figure 5.1 Respondents' Work-Related Values**



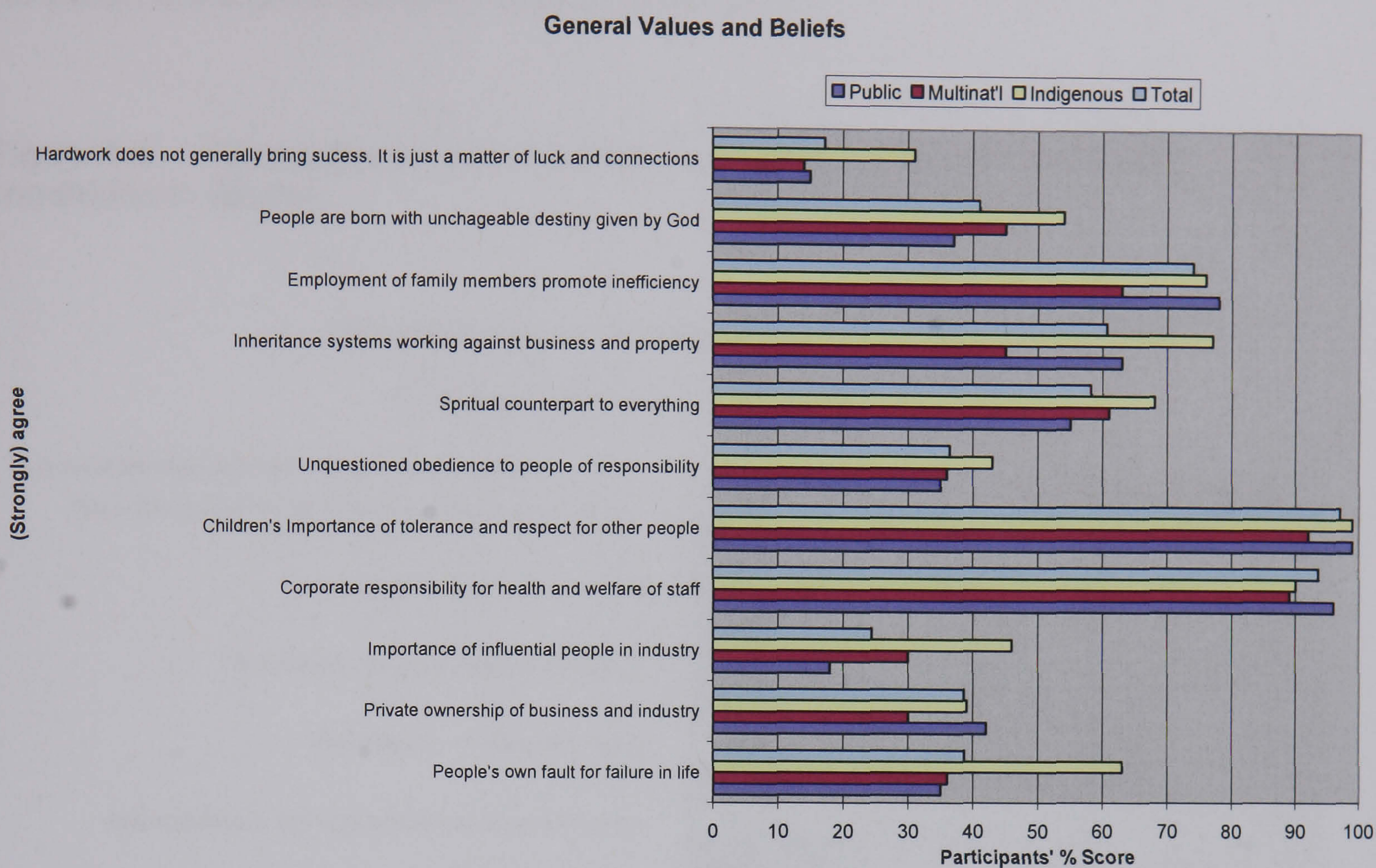
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over 20% accept a manager without precise answers to most questions. With trust, apart from the multinational which was slightly above 40%, we also have a low percentage – well below 40% - for the rest. On time use, we have under 20% of the public sector and multinational workers attending one funeral a month, which sets them apart from the operators of the informal sector where 50% attend funerals once a month. These are mainly operators in Kumasi, Ashanti Region where funerals have become a major activity and pastime.

With the attendance of religious services, we have more than 80% of the multinational and the informal sector workers scoring at least once a month compared to just over 60% of the public sector workers. The only explanation here could be the higher education of the public sector workers and the posting of most of the public sector workers to remote border areas, where most of the latter-day Pentecostal churches do not operate. On “respect for tradition,” with the exception of the informal operators, at just under 60%, the public sector and the multinational workers scored just below 40%. The scores for “persistence,” “thrift,” “personal steadiness and stability” and “following of rules and procedures” were all above 80% for the three areas. However, the same could not be said for “competition” and the “breaking of organisational rules.” Here again, there were differences in the responses in the various sectors with the informal sector scoring over 60% on “competition between employees does harm” and “organisation’s rules should not be broken.” When it comes to “one boss organisational structure,” the multinational, as expected, due to their American management structure scored lower at just under 60% than the public sector and the informal sector where the fate of the workers seems to depend on their bosses.

Below in Figure 5.3 is an illustration of the most enduring Ghanaian attitudes and traditional beliefs. Whereas just less than 40% of the public sector and multinational workers agree that “when people have failed in life it is often their own fault,” over 60% of the informal operators agree. The responses for “importance of influential people in industry,” “unquestioned obedience to people of responsibility,” “people are born with an unchangeable destiny given by God” and “hard work does not generally bring success” follow the same trend. The near 100% common agreement to “the importance of children learning at home, tolerance and respect for others” indicates a strong Ghanaian culture. The same percentage score applies to the expectation that there should be “corporate responsibility for health and welfare of its employees and immediate families.”

**Figure 5.3 Respondents' Attitudes and Beliefs**

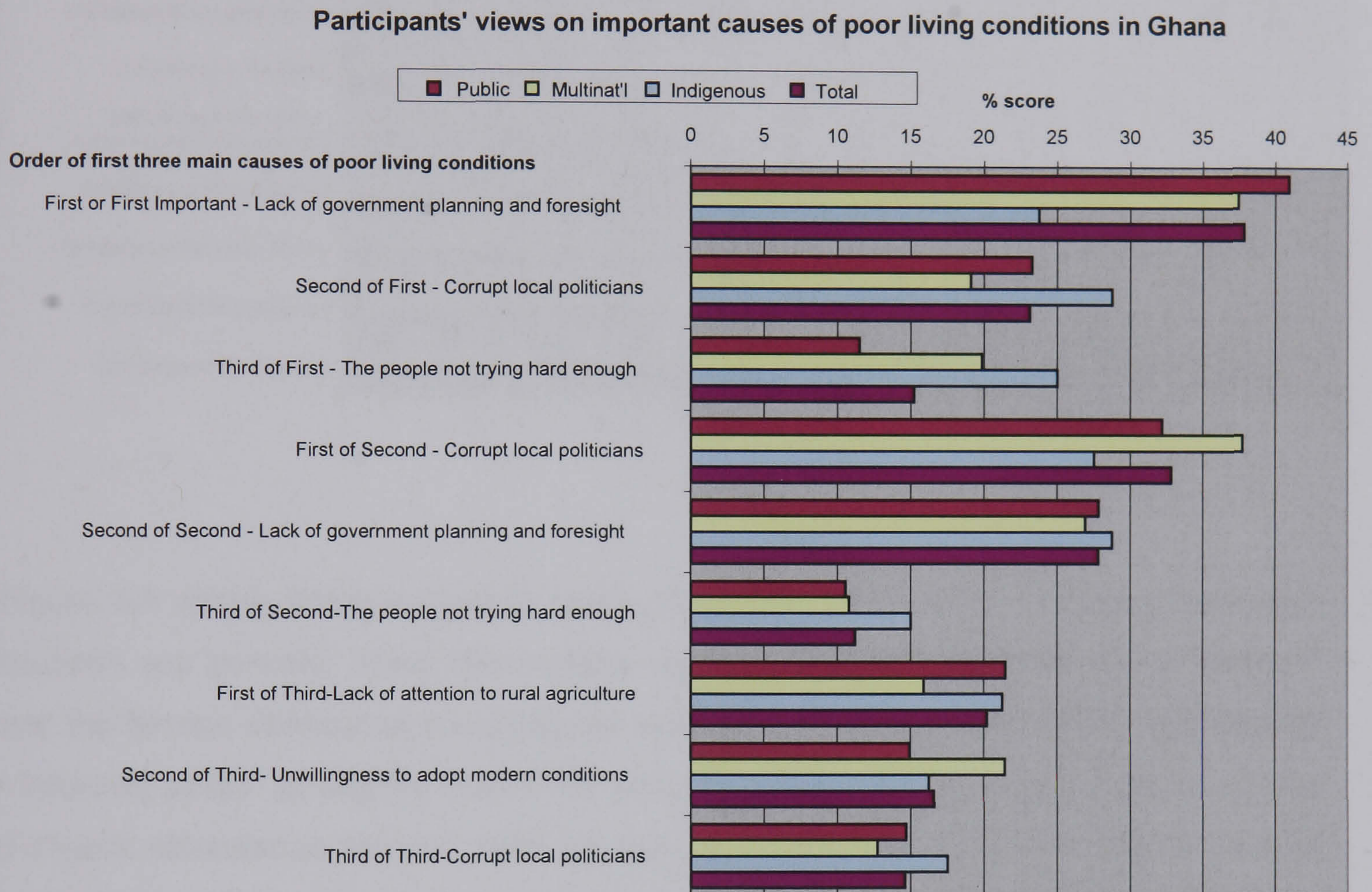


This expectation usually translates into high staff cost for most private sector employers in Ghana. The 60% agreement on “spiritual counterpart to everything” is arguably an indictment on the educational and scientific development in Ghana. This belief has been argued to be inversely proportional to the development of science and technology (Wiredu, 1980; Gyekye, 1997). Finally, with the exception of the multinational workers who scored just over 40% to “inheritance systems working against the development and survival of businesses and property,” the public sector workers scored above 60% whereas the informal operators scored just under 80%.

This reflects the current problems with inheritance in some ethnic groups in Ghana. The Akan ethnic group which accounts for nearly 50% of the population, practise the matrilineal inheritance system where the succession is of the maternal uncles rather than the fathers. Arguably, undergoing a slow death as a result of legislation and urbanisation, the system still wreaks havoc on business survival and maintenance of property, and accounts for most of the litigations in the Ghanaian courts. The lower agreement of the multinational workers reflects the situation of its workers, the majority of whom come from Greater Accra and Volta Regions where a relatively fairer patrilineal inheritance system, which ensures that children inherit from their fathers or parents, is practised. The percentage agreement on “employment of family members promotes inefficiency” follow the same trend with the multinational workers scoring lower, this could indicate affinity for the extended family system.

The bar chart below, Figure 5.4, demonstrates the respondents' views on the three most important causes of poverty in Ghana. The scores here provide a lot of insights into the politics and the economic stagnation in Ghana.

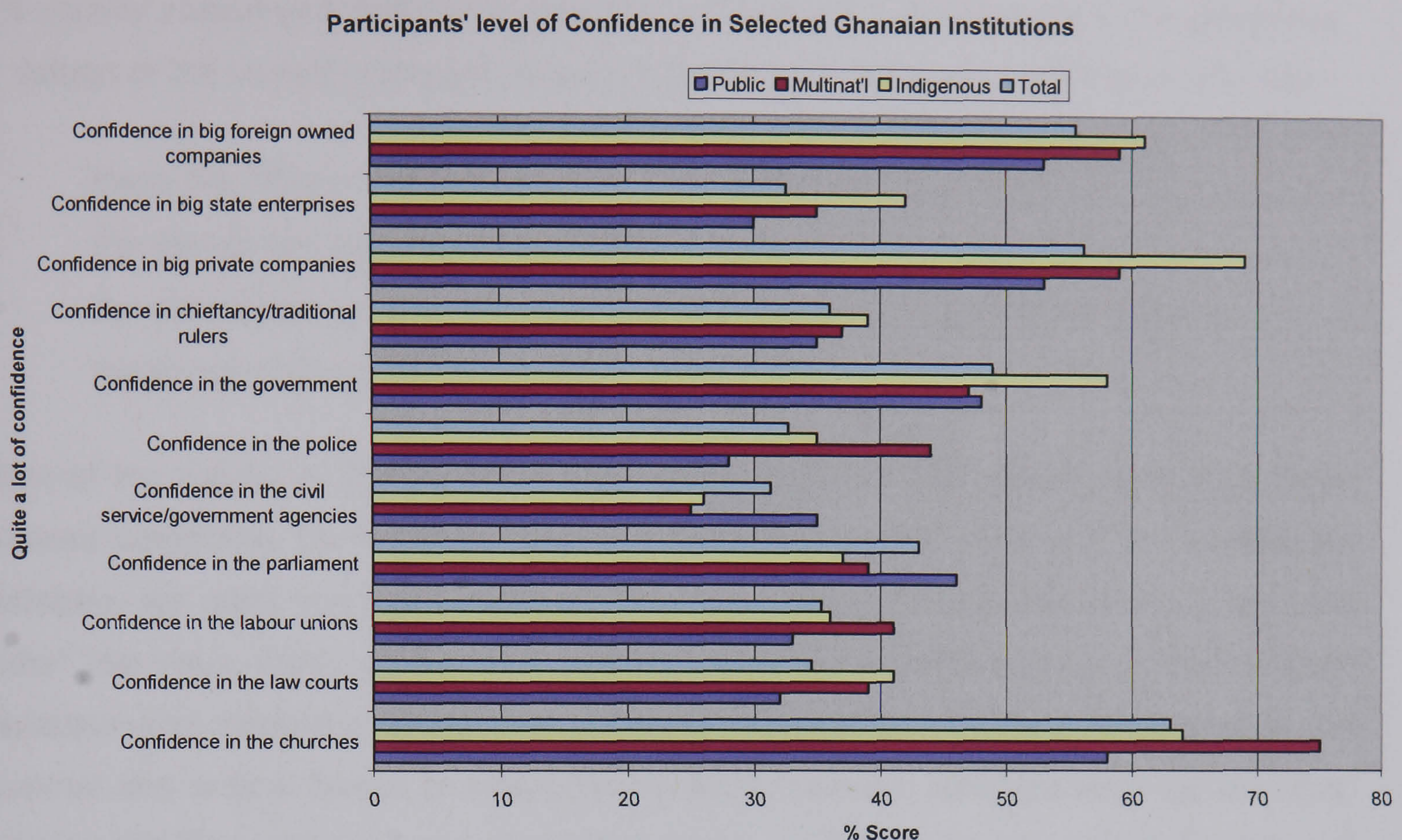
**Figure 5.4 Respondents' Views on the Important Causes of Poor Living Conditions in Ghana**



The public sector and multinational workers equally attribute the first most important cause of poverty to a “lack of government planning and foresight.” However, the informal sector attributes the major cause to “corrupt local politicians.” There is a repeat of this trend under the confidence in government Figure 5.5 below where the confidence of the informal sector workers is much higher than that of the public sector workers and the multinational. The “lack of government planning and foresight,” “corrupt local politicians” and the “people not trying hard enough” featured as the three major causes of poverty in Ghana in the respondents first two choices. The third choice highlighted the “lack of attention to rural agriculture” and “unwillingness to adopt modern conditions”.



**Figure 5.5 Respondents' Confidence in selected Ghanaian institutions**



In Figure 5.5 above, the participants' levels of confidence in some important Ghanaian institutions are present. Here the highest scores were on "confidence in churches," where the female-dominated multinational workers scored just under 80%, followed by the informal sector at slightly over 60% with the public scoring under 60%. Funerals and church attendance are the most popular ritual activities in Ghana, where most of the people derive their social security which is not provided by the Government and the strained extended family system. The next interesting responses are the "confidence in big foreign-owned companies" and "confidence in big private companies", where the respondents scored similarly with the exception to the confidence of the informal sector in big private companies outstripping the rest at nearly 70%. With the "confidence in the government" we see the same trend but this time at a lower level with the public sector and multinational scoring under 50% while the informal sector scored under 60%. The respondents' confidence in the other institutions provided the major cause for concern. Especially, the confidence in the police service, the civil service and the law courts which are the most important institutions for administration of justice and for economic development, were all below 40%. Again, despite the high respect in the chieftancy institution which controls most of Ghanaian land resources and the rural population, it is surprising to see the three areas scoring about equally, below 40% which is below their confidence in the Parliament and Government.

## 5.4 Main Statistical Tools used in the Study

It is usually considered that the level of measurement of a variable, how the categories or values of the variables are arranged in relation to each other, depends on whether:

- there are different categories
- the categories can be rank ordered
- the differences or intervals between each category can be specified in a meaningful sense (de Vaus, 2002, p.41)

Most of the values of the variables used in the survey were ordinal, where we rank-ordered categories from high to low. For the demographic data and a few selected variables, we used nominal variables “where the different categories have no set rank order” (de Vaus, 2002, p.42). Most powerful statistical methods assume interval level variables and therefore restrict the statistical analysis of variables measured at the nominal and ordinal levels. In reality, many social science variables such as attitudes, values, ethnicity, religious groupings and gender cannot be measured at the interval level (de Vaus, 2002, p.43). Tabachnick and Fidell (2001, p.11) observe that in practice, dependent variable values are treated “as if they are continuous when the underlying scale is thought to be continuous but the measured scale actually is ordinal.” This is the case with a Likert-type scale in which respondents rate their attitudes as “strongly disagree,” “disagree,” “undecided,” “agree,” “strongly agree” (Tabachnick and Fidell, 2001). Moreover, it is now argued that because of the robustness of many statistical techniques the treatment of ordinal variables as interval ones does not significantly affect results (de Vaus, 2002, p.45).

### 5.4.1 The Mean

The mean, a widely used statistic, is the most common method of comparing groups. Arguably, it can only be calculated for interval data and it is also susceptible to distortions by extreme values and by skewed distributions (de Vaus, 2002). Although the median is considered the most appropriate measure of central tendency for ordinal variables, in order to achieve the objectives of the present study and following both Hofstede (1980) and the argument that Likert scales could be considered quasi interval, we have adopted the mean as the measure of central tendency for the present study. For example, Hofstede argued that with the type of 5-point scales he used in his study, mean and median are almost identical and the mean is easier to compute and to handle statistically (Hofstede *et al.*, 1990, p.298).

Appendix 5.2 provides the means, standard deviations and skewness for the 50 main survey questions. “The Central Limit Theorem reassures us that, with sufficiently large sample sizes, sampling distributions of means are normally distributed regardless of the distributions of variables” (Tabachnick and Fidell, 2007, p.78). de Vaus (2002, p.295) also argues that for samples of 100 or more, as applicable to the present study, parametric statistics that assume normal distribution can be safely used.

The assumption of multivariate normality, which is central to most multivariate procedures and statistical tests of their outcomes, applies differently to multivariate statistics depending on whether subjects are grouped or not. When the subjects are grouped, as in this study, the assumption applies to the sampling distributions of means of variables. As cultures are supposed features of collective units, not of individuals, the study’s multivariate analysis will be based on the mean scores derived from a combination of 10 regions and ethnic groups so as to move from the individual level to the social system. This combination is aimed at achieving the most homogeneous regional and ethnic groupings for the study.

#### **5.4.2 Analysis of Variance (ANOVA) of Sample**

Analysis of Variance (ANOVA) tests the reliability (significance) of mean differences among different groups of scores and the applicability of the mean differences to the population. ANOVA’s hypotheses are tested with respect to the sampling distribution of the means (Tabachnick and Fidell, 2001; de Vaus, 2002). It uses an *F* ratio, a test of mean differences usually considered to be robust to the violation of normality assumption, to indicate whether the differences between group means are attributable to sampling error. The *F* ratio represents the variance between the groups, divided by the variance within the groups.

A large *F* ratio indicates greater variability between the groups and attributes the cause of the variability to the independent variable rather than within groups. A significant *F* test rejects ANOVA’s null hypothesis that all population means associated with each group are the same. ANOVA is reasonably robust and relatively immune to the violations of assumptions of homogeneity of variance if the size of the group is reasonably similar. Stevens (1996) recommends largest to smallest ratio of 1:5. It also uses *post hoc* comparisons to help identify which pairs of groups show statistically significant mean differences.

A series of one-way between-groups ANOVA tests was conducted to explore the differences between the scores of the groups using the independent variables of organisations, regions of birth and ethnicity, religion, occupation, highest level of education, gender, and age. Appendices 5.3-5.6 outline the ANOVA results at the 10% significant level for the 2006 survey, which informed the appropriate means of identifying homogenous groups for computing the mean scores for factor analysis. The ANOVA tests indicate significant differences in the mean scores of 16 out of 20 VSM 94 questions between the three organisations. This confirms the presence of organisational cultures among the three areas and therefore it would not be appropriate to combine the responses from the three organisations for factor analysis (see Appendix 5.3).

Comparisons of the regional cultures can only be made within areas and not across areas. In the public sector organisation, the focus of the study, educational levels proved to be the main distinguishing criteria. This contrasts slightly with Hofstede's (1980) study where he found occupational levels as being the main distinction. According to Hofstede, educational levels in his study closely correlated with occupations. In the present study the analysis shows a positive correlation of  $r = 0.556$ ,  $p = 0.001$  between education and job categories in the public sector. When the sample was restricted to those with secondary school education and above, the only differences on the occupational level at 5% significant level were "element of variety and adventure," "opportunity for advancement to higher levels," and "organisations rule should not be broken" whereas the results still showed significant differences on the educational level (see Appendix 5.5).

These ANOVA results are quite significant and seriously challenge the claim in the cross-cultural literature that ethnic culture is quite significant in Africa and that, therefore, there is no national culture in Africa. At 5% significant level, the only differences between the ethnic groups, based on the VSM 94 were on "fear of expressing disagreement with superiors" [ $F(4,358) = 2.28$ ,  $p = .02$ ], "opportunity for advancement to higher levels" [ $F(4,362) = 2.63$ ,  $p = .03$ ] and "most people can be trusted" [ $F(4,358) = 2.37$ ,  $p = .02$ ]. Based on the regions of birth, the same differences appeared on "fear of expressing disagreement with superiors" [ $F(9,353) = 4.13$ ,  $p = .001$ ] and "sufficient time" [ $F(9,354) = 2.01$ ,  $p = .04$ ].

We also tested the relative contributions to the variance in the data of the criterion variables of regions of birth, ethnicity, occupation, gender, highest level of education and age through an analysis of variance (ANOVA) on narrow samples of the public

sector male in the age group of 40-49, with highest level of education of secondary school and above. This controlled for all other variables with the exception of regions of birth and ethnicity to explore the differences in the mean scores of the 20 VSM 94 content questions. At the 5% significant level, the only difference in the 10 regions, [ $F(9,191) = 2.4, p = .013$ ] was on the question “fear of expressing disagreement with superiors.”

Due to the importance of educational levels in explaining the differences, we controlled for education by computing mean scores for the 10 combinations of regions and ethnic groups, using selected educational levels that maximised homogeneity in the VSM questions, as indicated by the ANOVA results. The combinations will be further discussed under section 5.5.2, where the various dimensions are factor-analysed. Four northern regions of Brong Ahafo, Northern, Upper East and Upper West, failed to return adequate numbers for the computation of stable group means despite the numerous efforts made.

However, due to the importance of having at least ten regions for our ecological factor analysis and also for effective correlation of the regional factor scores with regional socio-economic and demographic indicators, the limited number of respondents was used to compute the group means for the respective regions. Hofstede adopted a strict condition of having at least four out of the seven occupational categories with eight or more respondents (Hofstede, 2001, p.52). It must also be noted that this limitation also arose in Hofstede’s 1972 respondents, when he could not obtain enough respondents for Ghana, Nigeria and Sierra Leone and he only used 42 respondents from three occupations to represent the three countries. In his defence he argued albeit doubtfully, that, “cultural differences in sub-Saharan Africa do not necessarily follow the divisions into countries inherited from colonial days, so that the East Africa/West Africa distinction may be as good as any” (Hofstede, 2001, p.52). However, our analysis confirmed that Hofstede’s method of controlling a criterion significantly improved the factor analysis results.

### **5.4.3 Correlations**

There are different correlation coefficients (e.g. Pearson product-moment correlation and Spearman rank) designed to provide a numerical summary of the direction and strength of linear associations between two variables, depending on the level of measurement (discussed above) and the number of categories in the variables. The correlation coefficients can range from -1 to +1 indicating a negative correlation or

positive correlation with the size of the absolute value providing information on the strength of the relationship from 0, no relationship, to 1, perfect relationship (de Vaus, 2002, p.267). In the case of cross-section data, the following are the usual guidelines on the strength of correlations:

**Table 5.2 Guidelines on the Strength of Correlation Coefficients**

Coefficient	Guideline on Strength	Coefficient	Guideline on Strength
$r = \text{up to } \pm 0.09$	Trivial	$r = \pm 0.10 \text{ to } \pm 0.29$	Low to Moderate
$r = \pm 0.30 \text{ to } \pm 0.49$	Moderate to Substantial	$r = \pm 0.5 \text{ to } \pm 0.69$	Substantial to Very Strong
$r = \pm 0.70 \text{ to } \pm 0.89$	Very Strong	$r = \pm 0.90 \text{ to } \pm 1$	Near perfect

Source: de Vaus, 2002; Pallant, 2005.

SPSS reports the significance level of correlations as “sig. 2- tailed,” allowing for both positive and negative relationships. de Vaus (2002, p.175) observes that the probability levels of sample results are a function of the sample size; the diversity within the population; and the “effect magnitude.” The present study uses a combination of 11 regional and ethnic groupings as the main unit of analysis, and therefore, consideration was made of the small sample size when determining significance with probability levels.

Therefore, while the probability level was set at the 5% significant, attention was given to the fact that the limited number of group cases may affect results based on correlation. Factor Analysis, as we explain below, is a multivariate analysis based on correlations and measures underlying dimensions known as factors, existing among a cluster of variables with large correlation-coefficients (Field, 2000). After factor analysing the group means, the factors scores computed for the regions will also be subjected to correlations with the available socio-economic and demographic indicators to test the significance, the reliability and validity of the culture measurement.

### Ecological Correlations

Since the publication of W.S. Robinson’s classic article on the correlation between skin colour and literacy in the U.S.A - referred to above - in 1950, there has been fairly extensive literature on the relative merits of analysing correlations at the individual versus the ecological level (see Blau, 1960; Tannenbaum and Bachman, 1964; Scheuch, 1966; Hofstede, 1980). Various sociologists, political scientists and cross-cultural psychologists including Melzer (1963) have since shown that ecological correlations represent the proper focus for analysis when we are dealing with social

systems. Robinson (1950, p.355) outlines three correlations, which are instrumental to the understanding of culture and its measurement:

1. The *total individual correlation* ( $r$ ), which is the simple Pearsonian correlation between variables for all members of the total group without reference to geographic position at all. He further explains that an individual correlation, is a correlation in which the statistical object or thing described is indivisible and the variables are mainly descriptive properties of individuals, such as height, income, eye colour, race and not descriptive statistical constants such as rates or means (Robinson, 1950, p.351). Again, the individual correlation depends upon the internal frequencies of the within-areas individual correlations (Robinson, 1950, p.354).
2. The *ecological correlation* ( $r_e$ ), which is the weighted correlation between a given pair of X- and Y-percentages that describe the sub-groups with the statistical object being a group of persons. What is described is the population of a state and not a single individual and the variables used are percentages, descriptive properties of groups and not descriptive properties of individuals (Robinson, 1950, p.351).
3. The *within-areas individual correlation* ( $r_w$ ) is a weighted average of the within-area correlations being weighted by the size of the group that it describes. In Robinson's analysis, the connecting link between the individual correlation and the ecological correlation is the individual correlations between colour and illiteracy within the nine geographic divisions that furnish the nine observations for the ecological correlation. These are the within areas individual correlations (Robinson, 1950, p.353).

Robinson went on to establish that the Pearsonian correlation for the ecological correlation in his study was 0.946 when the ecological areas were divisions, 0.773 when the ecological areas were states and a mere 0.203 when the correlation was based on the individual (Robinson, 1950, pp.353-4). According to Robinson, the differences arise because ecological correlations depend upon the marginal frequencies of the within-areas individual correlations and as the within-areas marginal frequencies do not fix the internal frequencies that determine the individual correlation and the ecological correlation, there need not be correspondence between individual correlation and the ecological correlation (Robinson, 1950, p.354).

Robinson also established that the ecological correlation is the weighted difference between the total individual correlation and the average of the  $m$  within-areas individual correlations and the size of the ecological correlations depends upon the number of sub-areas (Robinson, 1950, p.356).

#### **5.4.4 Factor Analysis**

Factor analysis is a general scientific method for analysing data on group behaviour (Rummel, 1970) or a technique for identifying the underlying hypothetical constructs to account for the relationship between variables, especially in the measurement of attitudes using attitude scales (Rummel, 1970; Forster et al., 2006). Rummel (1970, p.13) lists the application of factor analysis in the areas of: cross-national data (e.g. Catell, 1949), world regional patterns (e.g. Russett, 1966), value orientations of culture groups e.g. Kluckhohn and Strodtbeck (1961) and economic series e.g. Adelman and Morris's (1967) factor analysis of national statistical data from 74 developing countries.

The main principle of factor analysis is that latent factors underlie a given set of correlated variables that cannot be directly measured (de Vaus, 2002, p.134). Principal Component Analysis (PCA) and Factor Analysis (FA) are the common types of factor analysis procedures for analysing the correlation matrix to find the underlying constructs or latent variables that explain the pattern of correlations it contains and how far each one is measured by each of the variables. With PCA, the most commonly used approach for factor analysis; a set of correlated variables is transformed into a set of uncorrelated variables, the components, which are expected to be smaller than the set of original variables. FA is similar but yields factors rather than components although it is usual to refer to the outcome of both PCA and FA as factors.

The distinction between PCA and FA is that in PCA the components are directly computed from the data and the communality, a statistic ranging from 0 to 1, which is a measure of the proportion of variance explained by the extracted factors, is left as 1.0 so that all the variance in the variables is analysed. In FA, however, the common factors are estimates of observable variances rather than the actual values of 1.0 (Marques de Sá, 2003; Forster et al., 2006). The main reason for computing factor scores is to put the results of a factor analysis to work by providing interesting new measures to be used in research areas, such as correlations and regressions, without including all the original variables. In factor analysis, the variance in the correlation matrix is condensed into eigenvalues, which are statistics indicating the amount of total variance explained by the factor. Thus, only a limited number of salient variables may be selected to be the basis of the factor scores (Gorsuch, 1983, p. 267).



## Requirements of Factor Analysis

### **Sample size**

The reliability of factor analysis has been argued to be dependent on sample size as correlation coefficients fluctuate more in small samples than in large. This has led to a long debate on the adequate sample size for factor analysis. For example, Kass and Tinsley (1979) recommend having between 5 and 10 subjects per variable up to a total of 300 but Kline (1994) believes samples of 100 are sufficient so long as there are at least twice as many respondents as variables. Tabachnick and Fidell (1996) recommend five or six variables per factor and describe a situation where one has 300 respondents as “comforting.”

Bryman and Cramer (1997) follow other authorities in recommending at least 100 respondents and at least five times as many respondents as variables so with 100 respondents one should have no more than 20 variables (Forster et al, 2006). To Guadagnoli and Velicer (1988), if a factor has four or more loadings greater than 0.6, then it is reliable regardless of sample size. The overriding principle should be to have a number of variables for each factor so that there are correlations in which it can be revealed.

As mentioned above, Robinson (1950) found the individual correlation of 0.203 as slightly more than one-fifth of the corresponding ecological correlation (p.353). However, as ecological factor analyses are based on group cases, they are of necessity characterised by flat matrices (fewer cases than variables). In the present study, the group cases are the mean scores of 10 regions and ethnic groupings from a total sample size of 396 from the public sector organisation compared to 20 VSM 94 variables. This situation flouts the textbooks’ recommendations cited above that generally require the number of cases to be much larger than the number of variables.

However, as Hofstede correctly explains, the need for large sample sizes is to ensure the stability of factors when the analysis is based on individual respondents. The stability of the factors for ecological matrices, on the other hand, depends on the number of individuals who contributed to each group case and not on the number of group cases. The factor analysis results in the present study confirm the above assertions and prove that ecological correlations are stronger than individual correlations and have higher percentages of variance explained as well factor loadings. The factor analysis of the data at the individual level only produced two factors: Individualism and Long-Term Orientation. (For summaries of factor analysis results

obtained at the individual level, see Appendices 5.7 and 5.8). However, at the group level all five dimensions were replicated in the data with high factor loadings.

### Factorability of the Correlation Matrix

The first thing to do when conducting factor analysis is to look at the inter-correlation between variables for correlation coefficients of  $r=0.3$  or greater. In SPSS, Bartlett's tests of sphericity, which should be statistically significant at  $p<.05$  and the Kaiser-Meyer-Olkin (KMO) value, which should also be 0.6 or above, could be run with factor analysis to assess the factorability of the correlation matrix.

A significant Bartlett test indicates that there are some relationships between the variables in the analysis and the feasibility of factor analysis but if the test fails to reject the null hypothesis of zero correlation coefficients, then the factorability of the matrix can be questioned as the variables are not adequately correlated. However, Tabachnick and Fidell (1996) suggest that the test is oversensitive and should only be used if there are fewer than five cases per variable. KMO also provides a formal way of assessing whether the set of variables overall and each item in particular is appropriate for a factor analysis. As a guide to its interpretation, Kaiser (1974) provides the following guidelines:

**Table 5.3 Guideline on KMO Results for Factor Analysis**

Above 0.90 - Marvellous 0.60-0.69 - Mediocre	0.80-0.89 - Meritorious 0.50 - .59 - Miserable	0.70-0.79 - Middling Less than 0.50 - Unacceptable
-------------------------------------------------	---------------------------------------------------	-------------------------------------------------------

Source: Kaiser, 1974

It is also important to avoid extreme multi-collinearity (i.e. variables that are very highly correlated) and singularity (variables that are perfectly correlated) in factor analysis. The determinant of the R-matrix is also vital for testing multi-collinearity or singularity and should be greater than **0.00001**. If it is less than this value then the correlation matrix will have variables that correlate very highly ( $r>0.8$ ), which will need eliminating before factor analysis. Finally, factor analysis is very sensitive to outliers and therefore requires extensive data screening to ensure outliers are detected, removed or adjusted.

### Factor Extraction

In extracting factors we are concerned with parsimony, the smallest number of factors that can be used to represent the original set of correlated variables and at the same

time explaining much of the variance of the original data. Kaiser (1960) provides one of the most commonly used technique that recommends retaining all factors with eigenvalues greater than 1, as an eigenvalue of 1 represents a substantial amount of variation. SPSS produces Total Variance Explained showing Initial Eigenvalues for each factor to facilitate the extraction of factors. Kaiser's criterion has been observed to be accurate when the sample size exceeds 250 and the average communality is greater than or equal to 0.6 but has been criticised for leading to the retention of too many factors in other situations. For the purpose of the present study, Kaiser's criterion of factor extraction is followed.

#### Substantive importance of factor loadings

The significance of a factor loading will depend on the sample size. Stevens (1992) recommends that for a sample size of 200 the factor loading should be greater than 0.364, for a sample size of 300 it should be greater than 0.298 and for sample size of 600 it should be greater than 0.21. Stevens further recommends interpreting only factor loadings with absolute values greater than 0.4 (which explains around 16% of variance). In the case of ecological correlations, Hofstede (2001) recommends loadings greater than 0.5, therefore, in the factor analysis of the Ghanaian regions, we set the minimum factor loading at 0.5 for interpretation.

In 1988, another study on student population from 23 countries using a survey questionnaire designed by Chinese scholars revealed a fifth dimension in addition to Hofstede's four dimensions (Hofstede and Bond, 1988). This fifth dimension, "Confucian dynamism" or Long/Short Term Orientation is associated with the future orientation of life and correlates with the economic success of the East-Asian countries. Echoing Kluckhohn (1952) above, Hofstede (1998, p.10) argues that "each of the five dimensions reflects a basic and enduring anthropological fact about a national society: that society's specific answer to a general problem with which any human society has to cope."

#### **5.5.1 The Use of Factor Analysis in the Ghana Values Survey**

As previously emphasised, in measuring culture it is important to base the analysis on the means of a collective instead of individuals. Although the many definitions of culture are explicit on the sharedness and collectiveness of culture, most researchers usually leap into the fallacy of analysing culture on the individual level. According to Hofstede (2001), the 20 questions in VSM 94 could be used to replicate the dimensions with data

at the national, regional and ethnic levels. In this study, we have set out to confirm the structure of the VSM 94 using survey data collected in 2006 mainly from a fairly regionally and ethnically represented public sector organisation in Ghana.

The ANOVA results reported earlier showed significant differences between the organisations that prevent the combination of the data for factor analysis. The main objective here is to investigate whether the structure obtained from the data will be consistent with Hofstede's dimensions subject to the constraints imposed by analysing the data on the regional and ethnic level rather than on country level as in Hofstede (1980). Gorsuch (1983) indicates that a situation in which multiple-group analysis is particularly appropriate (hypothesis testing in factor analysis) is where a theory states that certain variables will load on the same factor and others on another.

As observed by Robinson (1950), the size of correlation coefficients, which depends on the number of sub-groups, increases from individual to the highest group level. Therefore, although we expect similar results to Hofstede's we should allow for slight differences as observed by Robinson in his study. It must be noted that the main objective here is to obtain factor scores for the ten regions of Ghana that can be further used in correlation analysis to explore the links among the cultural dimensions and the socioeconomic indicators provided by the Ghana 2000 population census, Ghana Child Labour Survey 2003 and the data series of the three Ghana Living Standards Surveys of 1991/92, 1998/99 and 2005/6.

### **5.5.2 Results of Factor Analysis**

The content questions relevant to each of the dimensions on the VSM 94 were subjected to Principal Component Analysis using SPSS version 14. As discussed above, due to the sensitivity of factor analysis to outliers, all the necessary tests were carried out to facilitate the detection of outliers. Subsequently, the correlation matrices of the group means were reviewed to assess their factorability by ensuring that the KMO values were above the Kaiser (1974) recommended value of 0.6. Bartlett's (1954) test of Sphericity for statistical significance of the correlation matrix, which in the case of the present study should be at the 5% level, was also carried out before proceeding to the final analysis. Due to the limited number of cases per variable, flat matrices, the factor analysis was conducted by dimensions in order to, at least meet the requirement of Kline (1994) of at least twice as many cases as variables. The following are the results of the factor analysis by dimensions:

### 5.5.2.1 The Dimension of Power Distance (PDI)

This dimension relates to the different solutions different societies have acquired in coping with the basic problem of human inequality. The VSM 94 uses the mean scores of the following questions (see Appendix 5.4) for the measurement of this dimension:

*'have a good working relationship with your direct superior'*(survey question 3 )

*'be consulted by your direct superior in his/her decisions'* (survey question 6)

*'How frequently, in your experience, are subordinates afraid to express disagreement with their superiors?'*(survey question 19)

*'organization structure in which certain subordinates have two bosses should be avoided at all costs'* (survey question 25)

Table 5.4 below presents the mean scores of the data and the adjustment made to the outliers, from the public sector workers aged 35-49 and with secondary school education and above for questions 3, 6 and 25. However, as indicated by the ANOVA results, only group means of those with tertiary education were used for question 19, 'fear of expressing disagreement' (see Appendix 5.5). From the table, one can see that the adjustments were mainly required for the regions with fewer numbers of respondents. Using Tabachnick and Fidell's (2007) advice, the variables concerned were adjusted to reduce the effects of the outliers. This option was considered more suitable for the understanding of the steps followed for possible future replications of the study. A one-sample Kolmogorov-Smirnov test was carried out on the variables and the results confirmed the normal distribution of the variables.

**Table 5.4 Mean scores of regions and their adjustments**

Power Distance									
		H_F1_q3	H_F1_q6	H_F1_q19	H_F1_q25				
		Relation	Consult	Fear	Structure	q3	q6	q19	q25
<b>Secondary and above age group 35-49, no vocational</b>									
Region of birth of or ethnicity	No.	Mean scores				Adjustment made			
Western-Akan	13	1.31	2.15	3.00	2.00	0.19	0.20	-0.20	0.00
Central-Akan	12	1.42	2.25	3.08	1.83	0.00	0.00	-0.30	0.00
Greater Accra-Ga Dangme	43	1.49	2.39	2.52	1.91	0.00	0.00	0.10	0.00
Volta-Ewe	38	1.50	2.34	2.63	1.82	0.00	0.06	0.03	0.00
Eastern-Akan	22	1.50	2.48	2.87	1.95	0.00	0.00	0.00	0.00
Ashanti-Akan	14	1.64	2.71	2.86	1.86	-0.04	0.00	-0.10	0.10
Brong Ahafo-Akan	3	1.67	2.67	3.33	2.00	-0.10	0.00	-0.60	0.00
Northern-various others	6	1.17	1.83	2.50	1.50	0.00	0.00	0.00	0.00
Upper East-various others	6	1.67	2.17	1.33	2.17	-0.10	0.30	1.47	-0.10
Upper West-various others	10	1.50	2.90	2.60	2.00	0.00	-0.40	0.15	0.00

The mean scores were subjected to principal component analysis (PCA). The correlation matrix in Figure 5.6 below confirms that all the correlation coefficients are

above the required  $r=0.3$  at 5% significant level, indicating the reliability of the relationship between the pairs of variables. The determinant of 0.004 is also much greater than .00001 indicating the absence of multi-collinearity and singularity. The KMO and Bartlett's test also gave favourable results of KMO of 0.725, above the recommended 0.6 while the chi-square of the Bartlett's Test of Sphericity is 37.7233 at  $p=0.001$ , thus supporting the factorability of the matrix. After factor analysis, all the communalities of the variables are also well defined and above 0.5 and the factor explains 85.8% of the variance with an eigenvalue of 3.433, also above the recommended 1 for the extraction of the factor. This means that the factor of power distance represents 85.8% of the variation in the four variables. The component matrix shows that the four factor loadings are all above 0.6 and therefore satisfy Guadagnoli and Velicer's (1988) criterion for reliability of the factor, as well as Hofstede's (2001) recommendation for ecological correlations. Figure 5.6 below provides the details of the SPSS factor analysis output of the dimension.

**Figure 5.6 SPSS Factor Analysis Output Report of Power Distance**

**Correlation Matrix<sup>a</sup>**

		F1_relation	F1_consult	F1_fear	F1_structure
Correlation	F1_relation	1.000	.959	.689	.924
	F1_consult	.959	1.000	.631	.853
	F1_fear	.689	.631	1.000	.787
	F1_structure	.924	.853	.787	1.000
Sig. (1-tailed)	F1_relation		.000	.014	.000
	F1_consult	.000		.025	.001
	F1_fear	.014	.025		.003
	F1_structure	.000	.001	.003	

a. Determinant = .004

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.725
Bartlett's Test of Sphericity	Approx. Chi-Square	37.723
	df	6
	Sig.	.000

**Communalities**

	Initial	Extraction
F1_relation	1.000	.940
F1_consult	1.000	.875
F1_fear	1.000	.688
F1_structure	1.000	.930

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.433	85.823	85.823	3.433	85.823	85.823
2	.434	10.853	96.676			
3	.108	2.703	99.379			
4	.025	.621	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix <sup>a</sup>**

	Component
	1
F1_relation	.970
F1_consult	.935
F1_fear	.829
F1_structure	.965

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

The above factor loadings in the component matrix are then applied to the adjusted mean scores of the respective variables to determine the Power Distance Factor Scores for the 10 regions for subsequent correlations with the socio-economic and demographic indicators. Using the weighted factor based scale for Power Distance, these regional scores were obtained: 0.970 (means score of relation) +0.935 (mean score of consult) +0.829 (mean score of fear) +0.965 (mean score of structure) as shown in the table below. It can be seen from the regional scores in Table 5.5 below that apart from the score of the Northern region, with inadequate respondents and therefore unstable means, we have all the scores within the margin of 1.00 around the average score 7.78, indicating the similarities in the regional cultures.

**Table 5.5 Power Distance Factor Scores for the Regions**

		Power Distance				
		H_F1_q3	H_F1_q6	H_F1_q19	H_F1_q25	
		Relation	Consult	Fear	Structure	
Region of birth/ethnicity	No.	0.97	0.935	0.829	0.965	Score
Western-Akan	13	1.50	2.35	2.80	2.00	7.90
Central-Akan	12	1.42	2.25	2.78	1.83	7.55
Greater Accra-Ga Dangme	43	1.49	2.39	2.62	1.91	7.70
Volta-Ewe	38	1.50	2.40	2.66	1.82	7.66
Eastern-Akan	22	1.50	2.48	2.87	1.95	8.03
Ashanti-Akan	14	1.60	2.71	2.76	1.96	8.27
Brong Ahafo-Akan	3	1.57	2.67	2.73	2.00	8.21
Northern-various others	6	1.17	1.83	2.50	1.50	6.37
Upper East-various others	6	1.57	2.47	2.80	2.07	8.15
Upper West-various others	10	1.50	2.50	2.75	2.00	8.00
Total/ Average	167	1.48	2.41	2.73	1.90	7.78

In Table 5.6 below, correlation results of the dimension with the available socio-economic and demographic indicators from the Ghana Statistical Services are presented, as well as the correlation with other dimensions and questions in the Ghana Values Survey specifically included for validation of the dimensions. The high correlations were shown in the belief that “people are born with unchangeable destiny given by God” ( $r=0.80^{**}$ ), “confidence in chieftaincy/traditional rulers”, ( $r=0.72^*$ ), and “rules cannot be broken” ( $r=-0.66^*$ ) the agreement that there should be “corporate responsibility for health and welfare of their staff” ( $r=0.65^*$ ). There were also significant correlations of the dimension with the age of respondents ( $r=0.76^*$ ) and their job categories ( $r=0.65^*$ ) indicating that the culture of the old and more senior employees are likely to be large power distance. The above correlations indicate the presence of high Power Distance culture and are in line with Hofstede and Hofstede (2005) observation that in high Power Distance societies, power is based on tradition or family (p.67). PDI also correlated negatively with UAI ( $r=-0.57$ ), the religious affiliations of the respondents ( $r=-0.51$ ), and percentage of women in polygamous unions ( $r=-0.64$ ). There were other medium correlations with the Ghanaian regional statistics in the areas of school attendance, income remittance, life expectancy and economic activity.



**Table 5.6 Summary of Significant Correlations of Power Distance Scores**

	<b>R</b>
Uncertainty Avoidance Dimension	-0.57
<b>Demographics</b>	
Age of respondent	0.76*
Job category of respondent	0.65*
Highest level of schooling of respondent	0.52
Respondent's religious affiliation	-0.51
<b>Regional Statistics</b>	
Percentage attended school	0.62
Currently married women in polygamous unions	-0.64
Married males by number of wives 1998	-0.63
Children and parents' perception of relationship between children and employer	0.74*
<b>Other VSM questions</b>	
Rules cannot be broken	(0.66)*
Feeling of nervous and tense at work	0.61
<b>Non VSM 94 questions</b>	
People are born with unchangeable destiny given by God	0.80**
Corporate responsibility for health and welfare of staff	0.65*
Following of rules and procedures	0.55
<b>Institutions</b>	
Confidence in chieftaincy/traditional rulers	0.72*
Confidence in big foreign owned companies	0.50

Correlation is significant from 0.64 at 0.05 level (2-tailed).  
 Correlation is significant from 0.77 at 0.01 level (2-tailed).  
 Pearson Correlation, n=10\*p=.05; \*\*p=.01; \*\*\*p=.001

### 5.5.2.2 The Dimension of Individualism/Collectivism

*Individualism versus collectivism* is related to the integration of individuals into primary groups. The VSM 94 uses the mean scores of the following questions for the measurement of this dimension:

- 'have sufficient time for your personal or family life?' (survey question 1)
- 'have good physical working conditions' (survey question 2)
- 'have security of employment' (long term contract)? (survey question 4)
- 'have an element of variety and adventure in the job?' (survey question 8)

Table 5.7 below presents the mean scores of the data from the public sector workers with secondary school education and above, as indicated by the results of the ANOVA tests in Appendix 5.5 and the adjustment required for outliers. From the table it can be seen that the adjustments were mainly required for Brong Ahafo Region, which only returned 3 respondents who fitted the educational and age categories required for the homogenous group, thus resulting in unstable means reflecting in extreme scores compared to the average.

**TABLE 5.7 Mean scores of regions and their adjustment used for factor analysis of IDV**

		Individualism/Collectivism							
		H_F2_q1	H_F2_q2	H_F2_q4	H_F2_q8				
		Time	Physical	Security	Variety	q1	q2	q4	q8
<b>Secondary and above, age 40 and above no vocational</b>									
Region of birth of or ethnicity	No.	Mean scores				Adjustment made			
Western-Akan	13	1.85	1.69	1.38	1.85	0.00	-0.05	0.00	0.14
Central-Akan	13	1.62	1.62	1.62	2.15	0.00	0.00	0.00	0.00
Greater Accra-Ga Dangme	42	1.62	1.55	1.33	2.21	0.00	0.00	0.10	0.00
Volta-Ewe	46	1.89	1.64	1.57	2.28	0.00	0.00	0.00	0.00
Eastern-Akan	25	1.64	1.48	1.24	2.16	0.00	0.10	0.20	0.00
Ashanti-Akan	17	1.76	1.47	1.59	2.06	0.00	0.00	0.00	0.00
Brong Ahafo-Akan	4	1.25	1.50	1.00	2.50	0.30	0.00	0.30	-0.40
Northern-various others	4	1.25	1.00	1.00	1.75	0.00	0.40	0.20	0.10
Upper East-various others	8	1.38	1.38	1.25	2.00	0.00	0.00	0.00	0.00
Upper West-various others	10	1.50	1.40	1.40	2.30	0.00	0.00	0.00	-0.25
Total number/mean score	182	1.64	1.63	1.63	2.22				

The above mean scores of the Individualism/Collectivism scale were subjected to principal component analysis (PCA). The correlation matrix in Figure 5.7 below confirms all the correlation coefficients are above the required  $r=0.3$  and were also well below the significance level of  $p<.005$ , indicating the reliability of the relationship between the pair of variables. The determinant of 0.075 is also much greater than .00001 indicating the absence of multi-collinearity and singularity. The KMO and Bartlett's test also gave favourable results of KMO of 0.766, above the recommended 0.6, while the chi-square of the Bartlett's Test of Sphericity is 17.691 at  $p<.007$ , supporting the factorability of the matrix. After factor analysis, all the communalities of the variables are also well defined and above 0.5, and the factor explains 76.2% of the variance with an eigenvalue of 3.050, also above the recommended 1 for the extraction of factor. This means that the factor of Individualism/Collectivism represents 76.2% of the variation in the four variables. The component matrix shows that the four factor loadings are all above 0.6 and therefore satisfy Guadagnoli and Velicer's (1988) criterion for reliability of the factor and Hofstede's (2001) recommendation of obtaining factor loadings greater than 0.5 for ecological correlations. The Figure 5.7 below presents the details of the SPSS factor analysis output for the Individualism/Collectivism dimension.

**Figure 5.7 SPSS Factor Analysis Report of Individualism/Collectivism**

**Correlation Matrix<sup>a</sup>**

		F2_time	F2_physical	F2_security	F2_variety
Correlation	F2_time	1.000	.803	.731	.629
	F2_physical	.803	1.000	.613	.632
	F2_security	.731	.613	1.000	.687
	F2_variety	.629	.632	.687	1.000
Sig. (1-tailed)	F2_time		.003	.008	.026
	F2_physical	.003		.030	.025
	F2_security	.008	.030		.014
	F2_variety	.026	.025	.014	

a. Determinant = .075

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.766
Bartlett's Test of Sphericity	Approx. Chi-Square	17.691
	df	6
	Sig.	.007

**Communalities**

	Initial	Extraction
F2_time	1.000	.827
F2_physical	1.000	.765
F2_security	1.000	.752
F2_variety	1.000	.705

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.050	76.249	76.249	3.050	76.249	76.249
2	.451	11.274	87.523			
3	.337	8.428	95.951			
4	.162	4.049	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
F2_time	.910
F2_physical	.875
F2_security	.867
F2_variety	.840

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Using the weighted factor-based scale, the regional scores for Individualism/Collectivism based on the factor loadings from the above component matrix for each region will be: 0.910 (means score of time) +.875 (mean score of physical) +.867 (mean score of security) +.840 (mean score of variety). The factor scores are provided in Table 5.8 below. Here, again, all the factor scores are 0.5 around the mean of 5.77 with the exception of the scores for the Northern Region, which is 4.58, as a result of its unstable means. The similarities in factor scores confirm that in Ghana, National and Educational cultures are stronger than regional or ethnic cultures based on the VSM94.

**Table 5.8 Individualism/Collectivism Factor Scores for the regions**

		H_F2_q1	H_F2_q2	H_F2_q4	H_F2_q8	
		Time	Physical	Security	Variety	
<b>Age 35 and above, no vocational</b>						
Region of birth of or ethnicity	No.	0.91	0.88	0.867	0.84	Score
Western-Akan	13	1.85	1.64	1.38	1.99	5.99
Central-Akan	13	1.62	1.62	1.62	2.15	6.10
Greater Accra-Ga Dangme	42	1.62	1.55	1.43	2.21	5.93
Volta-Ewe	46	1.89	1.64	1.57	2.28	6.43
Eastern-Akan	25	1.64	1.58	1.44	2.16	5.94
Ashanti-Akan	17	1.76	1.47	1.59	2.06	6.00
Brong Ahafo-Akan	4	1.55	1.5	1.3	2.1	5.61
Northern-various others	4	1.25	1.4	1.2	1.85	4.96
Upper East-various others	8	1.38	1.38	1.25	2	5.23
Upper West-various others	10	1.5	1.4	1.4	2.05	5.53
Total number/mean score	182	1.64	1.63	1.63	2.22	5.77

In Table 5.9, results of the correlations of factor scores with the regional socio-economic and demographic indicators of the Ghana Statistical Service as well as with other questions in the survey are presented. The first impression of the correlations in the table is that of a Ghanaian elite culture indicated by the high correlations of the dimension with the Ghanaian regional statistics in the areas of high percentage of school attendance ( $r=.84^{**}$ ), literacy level ( $r=0.85^{**}$ ), small adult household size ( $r=-0.84^{**}$ ), female household heads ( $r=.91^{**}$ ), low polygamy ( $r=-0.76^{*}$ ), percentage of working children of age 7-14 in the year 2000 ( $r=-0.80^{**}$ ), high life expectancy, mean annual per capita income and lower percentage of income on food, lower fertility rates, types of accommodation, owner occupied houses and low incidence of poverty. The correlations with the other questions in the Ghana Values Survey also significantly indicate Individualism. For example, the correlations with opportunities for serving country ( $r=0.60$ ), corporate responsibility ( $r=0.65^{*}$ ), confidence in the churches ( $r=-0.64$ ) and trust ( $r=-0.58$ ) are in line with Hofstede's (2001, p.353) correlations of Individualism as well as that of Inglehart *et al.*'s (1998) World Values Survey and

Chinese Values Survey's factor of Integration. The correlations of the dimension with region of birth ( $r=-0.75^*$ ) indicate the culture of individualism.

**Table 5.9 Correlation results of Individualism/Collectivism**

	r
Masculinity/Femininity (MAS)	-0.55
Uncertainty Avoidance (UAI)	-0.56
<b>Demographics</b>	
region of birth	-0.75
<b>Economic activity</b>	
Percentage of economic active 2000 census	0.56
Percentage of working children per economic active 7-14 2000	(0.80)**
Children combining schooling and economic activity	0.88**
Parents' preference of children's future full time help with business	(0.68)*
Parents preference for children future in finding a better job	(0.70)*
<b>Income and Poverty</b>	
Component of household expenditure on food	(0.67)*
Poverty incidence 2005/6	(0.66)*
Poverty Incidence 1998/99	(0.64)*
Mean annual per capita income 1998/9	0.55
<b>Housing</b>	
Corrugated/metal sheets 2000	0.55
Detached type of dwelling in Child Labour Survey	0.90**
<b>Education and Literacy</b>	
Percentage attended school	0.84**
All literacy level in Ghana 2000 English and Ghanaian language	0.85**
Children who have never attended school in the Child Labour Survey	(0.83)**
Child labour sample by illiteracy	(0.79)**
<b>Population, Fertility and Mortality</b>	
Female household heads in 2000	0.91**
Trends in intra-regional migrants 2000	0.65*
Expectation of life at birth 2000	0.59
Average household size 2000	-0.92
Average number of adults over 20 per household	(0.84)**
Currently married women in polygamous unions	(0.76)*
Married males by number of wives 1998	(0.67)*
Urbanisation growth rate 1960-2000	(0.67)*
Under-five mortality rates 2000	-0.62
<b>Other VSM 94 questions</b>	
F4_nervous	0.68*
Hard work does not generally bring success. It is more of luck and connections	0.75*
Corporate responsibility for health and welfare of staff	0.65*
Opportunity for serving country	0.60
Inheritance systems working against business and property	-0.58
Unquestioned obedience to people of responsibility	-0.52
Spiritual counterpart to everything	-0.52
Confidence in the churches	(0.64)*
Confidence in the law courts	-0.55

Correlation is significant from 0.64 at 0.05 level (2-tailed). Pearson Correlation, n=10  
 Correlation is significant from 0.77 at 0.01 level (2-tailed).

### 5.5.2.3 The Dimension of Masculinity/Femininity

*Masculinity versus femininity* dimension relates to the division of emotional gender roles between men and women. The VSM 94 scale of the dimension comprised the following questions:

*'work with people who cooperate well with one another?'* (survey question 5)

*'have an opportunity for advancement to higher level jobs?'* (survey question 7)

*'most people can be trusted (at work and in business)'* (survey question 23)

*'when people have failed in life it is often their own fault'* (survey question 28)

The Table 5.10 below presents the mean scores of the public sector male workers with education of secondary school and above for the 10 combinations of regions and ethnicity as indicated by the ANOVA results in Appendix 5.5. In this table, Brong Ahafo and Northern regions, which had unstable means, provide the few outliers that required adjustments.

**TABLE 5.10 Mean scores of regions and their adjustments used for factor analysis of MAS**

		Masculinity/Femininity							
		H_F2_q5	H_F2_q7	H_F2_q23	H_F2_q28				
		Cooperate	Advance	Trust	Failure	q5	q7	q23	q28
<b>Secondary and above male only</b>									
Region of birth of or ethnicity	No.	Mean scores				Adjustment made			
Western-Akan	15	1.87	1.60	3.00	3.23	0.00	0.00	0.00	0.00
Central-Akan	15	1.67	1.73	3.60	3.62	0.00	-0.06	-0.10	-0.20
Greater Accra-Ga Dangme	54	1.69	1.46	3.33	3.17	0.00	0.00	0.00	0.00
Volta-Ewe	48	1.96	1.73	3.38	3.26	0.00	0.00	0.00	0.00
Eastern-Akan	27	1.81	1.70	3.62	3.16	0.00	0.00	0.00	0.00
Ashanti-Akan	19	1.79	1.53	3.42	3.50	0.00	0.00	0.00	0.00
Brong Ahafo-Akan	3	1.67	1.67	3.00	4.00	0.05	0.00	0.66	-0.20
Northern-various others	6	1.83	1.67	3.67	3.00	0.00	0.00	0.00	0.80
Upper East-various others	8	1.25	1.25	3.75	3.75	0.20	0.00	0.00	0.00
Upper West-various others	8	2.13	1.25	3.75	3.86	-0.50	0.10	0.00	0.00
Total number/mean score	203	1.74	1.55	3.37	3.36				

The correlation matrix in Figure 5.8 below confirms that the correlation coefficients are above the required  $r=0.3$  at 5% significant level, indicating the reliability of the relationship between the pairs of variables. The determinant of 0.069, is also much greater than .00001 indicating the absence of multi-collinearity and singularity. The KMO and Bartlett's test also gave favourable results of KMO of 0.727, above the recommended 0.6 while the chi-square of the Bartlett's Test of Sphericity is 18.263 at  $p<.006$ , thus supporting the factorability of the matrix. After factor analysis, all the communalities of the variables are also well defined and above 0.5, and the factor explains 74.2 % variance with an eigenvalue of 2.977, also above the recommended 1

for the extraction of the factor. This means that the factor of Masculinity/Femininity represents 74.2% of the variation in the four variables. The component matrix shows that the four factor loadings are all above 0.6 and therefore satisfy Guadagnoli and Velicer's (1988) criterion for reliability of the factor as well as Hofstede's (2001) recommendation of having more than 0.5 factor loadings for ecological correlations. The details of the SPSS factor analysis reports are included in Figure 5.8 below.

**Figure 5.8 SPSS Factor Analysis Report of Masculinity/Femininity**

**Correlation Matrix<sup>a</sup>**

		F3 cooperate	F3_ advancement	F3 trust	F3 failure
Correlation	F3_cooperate	1.000	.790	-.580	-.604
	F3_advancement	.790	1.000	-.558	-.596
	F3_trust	-.580	-.558	1.000	.826
	F3_failure	-.604	-.596	.826	1.000
Sig. (1-tailed)	F3_cooperate		.003	.039	.032
	F3_advancement	.003		.047	.034
	F3_trust	.039	.047		.002
	F3_failure	.032	.034	.002	

a. Determinant = .069

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.727
Bartlett's Test of Sphericity	Approx. Chi-Square	18.263
	df	6
	Sig.	.006

**Communalities**

	Initial	Extraction
F3_cooperate	1.000	.741
F3_advancement	1.000	.725
F3_trust	1.000	.739
F3_failure	1.000	.772

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.977	74.425	74.425	2.977	74.425	74.425
2	.640	16.005	90.429			
3	.211	5.283	95.712			
4	.172	4.288	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
F3_cooperate	-.861
F3_advancement	-.851
F3_trust	.860
F3_failure	.879

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Using the weighted factor based scale, the score for Masculinity and Femininity dimension, based on the component matrix above for each region will be: -0.861 (mean score of cooperate) -0.851 (mean score of advancement) +0.860 (mean score of trust) and +0.879 (mean score of failure). It can be said that the factor scores in Table 5.11 with the mean of 3.11 are quite similar, with the exception of Upper East Region, which is more than 1.00 above the mean.

**Table 5.11 Masculinity/Femininity Factor Scores for the regions**

		Masculinity/Femininity				
		H_F2_q5	H_F2_q7	H_F2_q23	H_F2_q28	
		Cooperate	Advance	Trust	Failure	
<b>Secondary and above male only</b>						Factor
Region of birth of or ethnicity	No.	-0.86	-0.85	0.86	0.88	Scores
Western-Akan	15	1.87	1.65	3.2	3.23	2.58
Central-Akan	15	1.67	1.73	3.55	3.62	3.32
Greater Accra-Ga Dangme	54	1.69	1.56	3.33	3.17	2.87
Volta-Ewe	48	1.96	1.73	3.38	3.26	2.61
Eastern-Akan	27	1.81	1.7	3.42	3.16	2.71
Ashanti-Akan	19	1.79	1.53	3.42	3.5	3.17
Brong Ahafo-Akan	3	1.77	1.56	3.45	3.45	3.15
Northern-various others	6	1.83	1.67	3.52	3.35	2.98
Upper East-various others	8	1.25	1.25	3.75	3.75	4.38
Upper West-various others	8	1.9	1.55	3.65	3.56	3.31
Total number/mean score	203	1.75	1.59	3.47	3.41	3.11

Table 5.12 below presents the correlation results with the socio-economic and demographic indicators, as well as other questions from the Ghana Values Survey. It is significant to note here the medium correlation with the confidence in churches ( $r=0.52$ ) and confidence in parliament ( $r=0.51$ ). There are high correlations with church attendance ( $r=0.66^*$ ) and the belief in 'unquestioned obedience to people of responsibility' ( $r=0.78^{**}$ ). These correlations are in line with Verweij's (1998) analysis of secularisation which convincingly link with Hofstede's Masculinity index (Hofstede, 2001, p.327). The high correlations with the Ghanaian regional statistics are even more revealing in the areas of: poverty incidence in 1998/99 ( $r=0.68^*$ ), unemployment



( $r=0.80^{**}$ ), consumption of home made ( $r=0.73^*$ ), literacy ( $r=-0.62$ ) and average household size ( $r=0.62$ ). It seems that this dimension taps deep into the Ghanaian poverty culture. Again, it must be noted that although the dimension did not correlate highly with gender ( $r=-0.39$ ), it correlated ( $r=0.60$ ) with the region of birth, indicating perhaps, the culture of the indigenous rural dwellers in Ghana where poverty and high belief in spirituality are pervasive.

**Table 5.12 Summary of Significant Correlations of the Dimension Scores with Socio-Economic and Demographic Indicators**

	R
Individualism/Collectivism (IDV)	-0.55
<b>Demographics</b>	
region of birth	0.60
Respondent's sex	-0.39
<b>Economic activity</b>	
Percentage of economic active 2000 census	-0.58
Unemployment per economically active 2000	0.80**
Child Labour to supplement household income	0.83**
Child Labour to help in household enterprise	(0.75)*
Consumption of home made	0.73*
Children's reason for saving –to start own business	0.70*
Children's reason for saving – to learn a trade	0.68*
<b>Income and Poverty</b>	
Component of household expenditure on food	0.56
Mean annual cash consumption 1999	-0.59
Poverty incidence 2005/6	0.61
Poverty Incidence 1998/99	0.68*
<b>Housing</b>	
Dwelling type	-0.50
Owner-occupied houses 2000	-0.54
All literacy level in Ghana 2000 English and Ghanaian language	-0.62
<b>Population, Fertility and Mortality</b>	
Trends in intra-regional migrants 2000	-0.62
Average household size 2000	0.62
Percentage decline in fertility 1979-2000	-0.51
<b>Non VSM 94 questions</b>	
Attendance of religious services	0.66*
Unquestioned obedience to people of responsibility	0.78**
Inheritance systems working against business and property	0.79**
<b>Institutions</b>	
Confidence in the churches	0.52
Confidence in the parliament	0.51
F2_time	-0.58
F2_physical	-(0.69*)

Correlation is significant from 0.64 at 0.05 level (2-tailed).  
 Correlation is significant from 0.77 at 0.01 level (2-tailed).  
 Pearson Correlation, n=10 \*p=.05; \*\*p=.01; \*\*\*p=.001

### 5.5.2.4 The Dimension of Uncertainty Avoidance

This dimension, according to Hofstede (2001) relates to how society copes with uncertainty about the future. The VSM 94 scale for the dimension is made up of the following questions:

*'How often do you feel nervous or tense at work?'* (survey question 21)

*'One can be a good manager without having precise answers to most questions that subordinates raise about their work'* (survey question 24).

*'Competition between employees usually does more harm than good'* (survey question 26).

*'An organization's rules should not be broken-not even when the employee thinks it is in the company's best interest'* (survey question 27).

Table 5.13 below details the mean scores of the above question from a narrow sample comprising public sector male workers with secondary school education aged 35 and above based on the ANOVA results, as well as the adjustment required for the outliers before factor analysis.

**TABLE 5.13 Mean scores of regions and their adjustments used for factor analysis of UAI**

		Uncertainty Avoidance							
		H_F4_q21	H_F4_q24	H_F4_q26	H_F4_q27				
		Nervous	Precise	Competition	Rule	q21	q24	q26	q27
<b>35 and above, secondary school and academically trained and above, male only</b>									
Region of birth of or ethnicity	No.	Mean scores				Adjustment made			
Western-Akan	9	3.33	4.00	3.11	2.78	-0.20	-0.29	0.20	0.00
Central-Akan	12	3.50	3.83	3.25	2.83	0.00	0.00	0.00	0.33
Greater Accra-Ga Dangme	32	3.34	3.90	3.21	3.38	0.00	-0.05	0.00	-0.40
Volta-Ewe	37	3.27	3.47	3.13	3.21	0.15	0.11	0.00	0.18
Eastern-Akan	23	3.26	3.70	3.13	3.39	0.10	-0.11	0.00	0.00
Ashanti-Akan	17	3.35	3.24	3.19	2.88	0.05	0.10	0.10	0.53
Brong Ahafo-Akan	3	3.00	3.67	2.33	3.00	0.20	0.50	0.00	0.00
Northern-various others	4	3.00	3.50	3.50	4.00	0.00	-0.45	0.45	-1.05
Upper East-various others	7	3.29	3.71	2.86	2.43	0.00	0.00	0.00	1.00
Upper West-various others	6	3.40	3.67	4.20	3.83	0.00	-0.20	0.00	-0.21

The above adjusted mean scores were subjected to principal component analysis (PCA). The correlation matrix in Figure 5.9 below confirms that all the correlation coefficients are above the required  $r=0.3$  at 5% significant level, indicating the reliability of the relationship between the pair of variables. The determinant of 0.082, is also much greater than 0.00001 indicating the absence of multi-collinearity and singularity. The KMO and Bartlett's test also gave favourable results of KMO of 0.822, which is above the recommended 0.6 while the chi-square of the Bartlett's Test of Sphericity is

17.049 at  $p < .009$ , thus supporting the factorability of the matrix. After factor analysis, all the communalities of the variables are also well defined and above 0.5, and the factor explains 76.4% of the variance with an eigenvalue of 3.055, also above the recommended 1 for the extraction of factor. This means that the factor of Uncertainty Avoidance represents 76.4% of the variation in the four variables. The component matrix shows that the four factor loadings are all above 0.6 and therefore satisfies the Guadagnoli and Velicer's (1988) criterion for reliability of the factor as well as Hofstede's (2001) recommendation of factor scores above 0.5 for ecological correlations.

**Figure 5.9 SPSS Factor Analysis Report of Uncertainty Avoidance**

**Correlation Matrix<sup>a</sup>**

		F4_nervous	F4_precise	F4_competition	F4_rule
Correlation	F4_nervous	1.000	.700	-.667	-.794
	F4_precise	.700	1.000	-.595	-.640
	F4_competition	-.667	-.595	1.000	.707
	F4_rule	-.794	-.640	.707	1.000
Sig. (1-tailed)	F4_nervous		.012	.018	.003
	F4_precise	.012		.035	.023
	F4_competition	.018	.035		.011
	F4_rule	.003	.023	.011	

a. Determinant = .082

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.822
Bartlett's Test of Sphericity	Approx. Chi-Square	17.049
	df	6
	Sig.	.009

**Communalities**

	Initial	Extraction
F4_nervous	1.000	.825
F4_precise	1.000	.699
F4_competition	1.000	.717
F4_rule	1.000	.815

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.055	76.376	76.376	3.055	76.376	76.376
2	.419	10.464	86.839			
3	.332	8.306	95.145			
4	.194	4.855	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
F4_nervous	-.908
F4_precise	-.836
F4_competition	.847
F4_rule	.903

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Applying the weighted factor-based scale to the factor loadings in the component matrix, the score for Uncertainty Avoidance for each region will be: -0.908 (mean score of nervous) -0.836 (mean score of precise) + 0.847 (mean score of competition) + 0.903 (mean score of rule). The scores in Table 5.14 below indicate that apart from the regions with unstable means all the other regions have their scores within 0.50 of the mean thus confirming similarities of the regions along this dimension.

**Table 5.14 Uncertainty Avoidance Factor Scores for the regions**

		Uncertainty Avoidance				
		H_F4_q21	H_F4_q24	H_F4_q26	H_F4_q27	
		Nervous	Precise	Competition	Rule	
<b>35 and above, secondary school, academically trained and above, male only</b>						
Region of birth of or ethnicity	No.	0.94	0.82	0.921	0.90	Scores
Western-Akan	9	3.33	4.00	3.11	2.78	11.77
Central-Akan	12	3.50	3.83	3.05	2.95	11.89
Greater Accra-Ga Dangme	32	3.34	3.90	3.10	3.30	12.15
Volta-Ewe	37	3.27	3.57	3.18	3.21	11.81
Eastern-Akan	23	3.26	3.70	3.13	3.31	11.95
Ashanti-Akan	17	3.35	3.74	3.19	2.88	11.74
Brong Ahafo-Akan	3	3.30	3.77	3.05	3.00	11.69
Northern-various others	4	3.00	3.50	3.25	4.00	12.27
Upper East-various others	7	3.29	3.71	3.16	2.86	11.61
Upper West-various others	6	3.20	3.67	3.35	3.83	12.54
Total number/mean score	150	2.99	3.40	2.87	2.92	10.86

The factor scores are used for correlations with socio-economic and demographic indicators as well as the other questions in the Ghana Values Survey. The significant

correlations as shown in Table 5.15 below are in the areas of confidence in churches ( $r=0.80^{**}$ ), confidence in law courts ( $r=0.65^*$ ), belief that there is 'spiritual counterpart to everything' ( $r=0.74^*$ ) and hard work does not bring success ( $r=-0.69^*$ ). These correlations point to Hofstede's (2001) Uncertainty Avoidance dimension and Inglehart *et al.*'s (1998) World Values Survey in confidence in legal system. The dimension also correlates positively with the region of birth of respondents ( $r=0.69^*$ ) and the religious affiliation ( $r=0.82^{**}$ ) but negatively with the job category of respondents ( $r=-0.67^*$ ). The correlations with Ghana regional socio-economic indicators were significant in the areas of percentage of working children of the age 7-14 in the year 2000 ( $r=0.85^{**}$ ), poverty incidence in 2005/6 ( $r=0.64^*$ ), percentage school attendance ( $r=-0.66^*$ ), women in polygamous unions ( $r=0.82^{**}$ ) and average number of adults per household ( $r=0.76^*$ ). These results could also point to the culture of poor and low educated.

**Table 5.15 Correlations Results of Uncertainty Avoidance**

	R
Power Distance (PDI)	-0.57
Individualism/Collectivism (IDV)	-0.56
<b>Demographics</b>	
Respondent's religious affiliation	0.82**
region of birth	0.69*
Job category of respondent	-0.67
<b>Economic activity</b>	
Percentage of working children per economic active 7-14 in the 2000 census	0.85**
Children not combining schooling with economic activity in Child Labour Survey	0.81**
<b>Income and Poverty</b>	
Poverty incidence 2005/6	0.64*
Poverty Incidence 1991/92	0.52
Mean annual per capita income 1998/9	-0.56
Non-farm self-employment income 1998/9	-0.51
<b>Education and Literacy</b>	
Percentage attended school	(0.66)*
Children who have never attended school in Child Survey	0.75*
Child labour sample by illiteracy	0.70*
<b>Population, Fertility and Mortality</b>	
Female household heads in 2000	(0.70)*
Currently married women in polygamous unions	0.82**
Married males by number of wives 1998	0.68*
Average household size 2000	0.68*
Average number of adults over 20 per household	0.76*
<b>Non VSM 94 questions</b>	
Spiritual counterpart to everything	0.74*
Hardwork does not generally bring success. It is more of luck and connections	(0.69)*
<b>Institutions</b>	
Confidence in the churches	0.80**
Confidence in the law courts	0.65*

Correlation is significant from 0.64 at 0.05 level (2-tailed).  
Correlation is significant from 0.77 at 0.01 level (2-tailed).  
Pearson Correlation  $n=10$ , \* $p=.05$ ; \*\* $p=.01$ ; \*\*\* $p=.001$

### 5.5.2.5 The Dimension of Long/Short Term Orientation

*Long-term versus short-term orientation* is related to the choice of focus for people's efforts: the future or the present (Hofstede, 2001, p.29). VSM 94 used the scale comprising the following questions for the measurement of the Long Term orientation dimension:

*'personal steadiness and stability'* (survey question 14)

*'thrift (careful use of money)'* (survey question 15)

*'persistence (perseverance)'* (survey question 16)

*'respect for tradition (modes of thought and action of the ancestors, funerals, chieftaincy, etc.)'* (survey question 17)

Table 5.16 below provides the mean scores of the public sector workers of age 35 and above having at least secondary school education, since according to the ANOVA results in Appendix 5.5, this dimension was least affected by level of education and other demographic factors. From the Table, it can be seen that only slight adjustments were made to reduce the effects of the multivariate outliers in factor analysis. The above adjusted mean scores were subjected to principal component analysis (PCA). The correlation matrix in Figure 5.10 below confirms all the correlation coefficients are above the required  $r=0.3$  at 5% significant level, indicating the reliability of the relationship between the pair of variables. The determinant of 0.076 is also much greater than .00001 indicating the absence of multi-collinearity and singularity. The KMO test also gave a favourable result of 0.824, above the recommended 0.6 while the chi-square of the Bartlett's Test of Sphericity was 17.570 at  $p<.007$ , thus supporting the factorability of the matrix.

		Long/Short Term Orientation							
		H_F5_q14	H_F5_q15	H_F5_q16	H_F17				
		Steady	Thrift	Persistence	Tradition	q14	q15	q16	q17
<b>35 and above, married, above secondary</b>									
Region of birth of or ethnicity	No.	Mean scores				Adjustment made			
Western-Akan	14	1.43	1.71	1.79	2.50	0.00	-0.06	0.00	0.25
Central-Akan	11	1.36	1.67	1.64	3.45	0.10	0.00	0.00	-0.60
Greater Accra-Ga Dangme	37	1.46	1.64	1.86	2.81	0.00	0.00	-0.04	0.00
Volta-Ewe	27	1.74	1.92	1.84	2.85	-0.12	-0.11	0.00	0.00
Eastern-Akan	19	1.47	1.59	1.79	3.11	0.10	0.07	-0.04	-0.11
Ashanti-Akan	11	2.00	1.82	1.91	2.82	-0.37	-0.04	-0.06	0.03
Brong Ahafo-Akan	3	1.67	1.25	2.33	3.33	-0.04	0.41	-0.53	-0.30
Northern-various others	4	1.75	1.25	1.50	2.00	-0.19	0.35	0.15	0.70
Upper East-various others	4	1.25	1.75	1.75	3.00	0.25	0.00	0.00	0.00
Upper West-various others	8	1.13	1.50	1.38	2.38	0.11	0.00	0.11	0.21
Total number/mean score	138	1.53	1.61	1.78	2.82				

After factor analysis, all the communalities of the variables are also well defined and above 0.5, and the factor explains 76.8% variance with an eigenvalue of 3.071, also above the recommended 1 for the extraction of the factor. This means that the factor of Masculinity/Femininity represents 76.8% of the variation in the four variables. The component matrix shows that the four factor loadings are all above 0.6 and therefore satisfy Guadagnoli and Velicer's (1988) criterion for reliability of the factor as well as Hostede's (2001) recommendation for ecological correlations.

**Figure 5.10 SPSS Factor Analysis Report of Long/Short Term Orientation**

**Correlation Matrix<sup>a</sup>**

		F5_steady	F5_thrift	F5_persistence	F5_tradition
Correlation	F5_steady	1.000	.731	.757	.675
	F5_thrift	.731	1.000	.781	.590
	F5_persistence	.757	.781	1.000	.599
	F5_tradition	.675	.590	.599	1.000
Sig. (1-tailed)	F5_steady		.008	.006	.016
	F5_thrift	.008		.004	.036
	F5_persistence	.006	.004		.034
	F5_tradition	.016	.036	.034	

a. Determinant = .076

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.824
Bartlett's Test of Sphericity	Approx. Chi-Square	17.570
	df	6
	Sig.	.007

**Communalities**

	Initial	Extraction
F5_steady	1.000	.820
F5_thrift	1.000	.789
F5_persistence	1.000	.809
F5_tradition	1.000	.653

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.071	76.781	76.781	3.071	76.781	76.781
2	.464	11.598	88.379			
3	.252	6.290	94.670			
4	.213	5.330	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
F5_steady	.906
F5_thrift	.888
F5_persistence	.899
F5_tradition	.808

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Based on the factor loadings from the above component matrix and using the weighted factor based scale, the scores for Long/Short Term Orientation for each region will be: .906 (mean score of steady) .888 (mean score of thrift) +.899 (mean score of persistence) +.808 (mean score of tradition). The factors scores (see Table 5.17 below) under this dimension indicate similarities among the regions with the exception of the Upper West Region which is more than 1.00 below the mean score of the region of 6.10. The scores are subjected to correlations with the socio-economic and demographic indicators as well as other questions from the Ghana Values Survey.

**Table 5.17 Long Term Orientation Scores for the Regions**

		Long/Short Term Orientation				
		H_F5_q14	H_F5_q15	H_F5_q16	H_F17	
		Steady	Thrift	Persistence	Tradition	
<b>35 and above, married, above secondary</b>						
Region of birth of or ethnicity	No.	0.91	0.89	0.90	0.81	Scores
Western-Akan	14	1.43	1.65	1.79	2.75	6.59
Central-Akan	11	1.46	1.67	1.64	2.85	6.58
Greater Accra-Ga Dangme	37	1.46	1.64	1.82	2.81	6.69
Volta-Ewe	27	1.62	1.81	1.84	2.85	7.03
Eastern-Akan	19	1.57	1.66	1.75	3.00	6.89
Ashanti-Akan	11	1.63	1.78	1.85	2.85	7.02
Brong Ahafo-Akan	3	1.63	1.66	1.80	3.03	7.02
Northern-various others	4	1.56	1.60	1.65	2.70	6.50
Upper East-various others	4	1.50	1.75	1.75	3.00	6.91
Upper West-various others	8	1.23	1.50	1.48	2.58	5.86
Total number/mean score	138	1.45	1.60	1.66	2.66	6.10



Table 5.18 below provides the summary of the correlation results for the above dimension. The dimension correlates negatively with the religious affiliation of the respondents ( $r=-0.70^*$ ) and the belief in 'spiritual counterpart to everything' ( $r=-0.64^*$ ). It however, correlated positively with the importance of working for a "prestigious, successful company or organisation" ( $r=0.86^{**}$ ), children who save regularly ( $r=0.63^*$ ), parents' preference for children's future- full time education ( $r=0.72^*$ ) and "opportunity for serving country" ( $r=0.63^*$ ). The correlations with the Ghanaian regional statistics indicate significant positive correlations with owner-occupied houses ( $r=0.66^*$ ). There were also negative correlations in the areas of percentage of working children per economic active of 7-14 years old ( $r=-0.59$ ), poverty incidence ( $r=-0.58$ ) and average number of adults over 20 per household ( $r=-0.54$ ). The above correlations point to perhaps, medium Long Term Orientation culture of say, public sector workers.

**Table 5.18 Correlations of Long/Short Term Orientation with Ghana socio-economic and demographic trends and non VSM 94 questions**

	r
Respondent's religious affiliation	(0.70)*
<b>Economic activity</b>	
Children who save regularly in Child Labour Survey	0.63*
Children who do not save regularly in Child Labour Survey	(0.79)**
Children satisfaction with job in Child Labour Survey	(0.63)*
Parent's preference for children's future – full time work	(0.85)**
Parent's preference for children's future - complete full time education and work	0.72**
<b>Income and Poverty</b>	
Poverty incidence 2005/6	-0.58
Poverty Incidence 1991/92	-0.51
<b>Housing</b>	
Dwelling type	0.54
Corrugated/metal sheets 2000	0.57
Owner-occupied houses 2000	0.66*
<b>Education and Literacy</b>	
All literacy level in Ghana 2000 English and Ghanaian language	0.54
All present school attendance 2000 Popn.	0.54
<b>Population, Fertility and Mortality</b>	
Female household heads in 2000	0.58
Share of households 2000	0.52
Average number of adults over 20 per household	-0.54
Population of Ghanaians by birth and naturalization 2000	0.50
<b>Non VSM 94 questions</b>	
Prestigious, successful company or organisation	0.86**
Opportunity for serving country	0.63*
Spiritual counterpart to everything	(0.64)*
Inheritance systems working against business and property	-0.52
F4 competition	-0.59
F4 rule	-0.62

Correlation is significant from 0.63 at 0.05 level (2-tailed).  
Correlation is significant from 0.77 at 0.01 level (2-tailed).  
Pearson Correlation,  $n=10$  \*  $p=.05$ ; \*\* $p=.01$ ; \*\*\* $p=.00$

## 5.6 Summary and Conclusions

This chapter analysed and discussed the survey data and findings together as well as their correlations with available regional socio-economic and demographic indicators from the Ghana Statistical Services. The main focus of the chapter was the measurement of Ghana's regional and ethnic cultures by factor analysis.

The 2006 survey had a response rate of 79.1% and the respondents comprised 64% public sector employees, 23% multinational employees and 13% informal sector operators. Of the public sector employees, 70% were academically trained and 75% were male, as compared with the multinational employees who consisted of 33% academically trained and 57% female. The informal operators were mainly male (85%) and had basic vocational training. Of the three samples in the survey, only the public sector could be considered as adequately represented in all ten regions. The multinational employees mainly came from southern Ghana and the informal sector operators were mainly from the Ashanti Region.

The responses were initially analysed at the individual level using the percentage scores on the variables (see Appendix 5.2). However, it must be noted that the VSM 94 was not designed for individual level analysis but for cultural level analysis. On the Power Distance scale, 93% of the respondents considered having a 'good working relationship with direct supervisor' while 61% considered that it is very important 'to be consulted by direct superior'. Again, 77% of the respondents scored that in their experience, subordinates are sometimes 'afraid to express disagreement with superiors' and 69.6% agreed that subordinates should only have one boss. Although there were slight differences between the three samples, the average scores point to a large power distance culture. The percentage scores on the Individualism/Collectivism scale were: 'having sufficient time for personal or family' (86.4%), 'having good physical working conditions' (86.8%), security of employment (86.4) 'element of variety and adventure' (65.1%). These scores point to low individualist or medium collectivist culture. The percentage scores on the Masculinity/Femininity scale were also: 86.5% on the importance of 'cooperate well with with one another', 89% on the importance of 'opportunity of advancement to higher levels', 35.4% agreement that 'most people can be trusted' and 38.7% agreement that 'when people have failed in life it is their own fault. These scores may indicate medium masculinity culture in the data. On the Uncertainty Avoidance scale, 71.9% of the respondents sometimes felt 'nervous or tense at work', only 24.4% agreed that 'one can be a manager without precise answers', 48.5% agreed that 'competition between employees does harm' and 51.5% agreed that 'an organization's rules should not be broken. These scores point to high

uncertainty avoidance culture. The Long/Short Term Orientation scale also scored 92% on the importance of personal steadiness and stability, of thrift (88%), of persistence (84%) and 39.3% on the importance of respect for tradition, giving indications of short term orientation culture.

In the participants' views, the major causes of poor living conditions were in the descending order of: "lack of government planning and foresight", "corrupt local politicians", "the people not trying hard enough", "the lack of attention to rural agriculture" and "the unwillingness to adopt modern conditions". The analysis also reveals the low confidence of participants in important Ghanaian institutions comprising the law courts (34.5), police (32.7), chieftaincy institution (36%), labour unions (35.3%) and the civil service (31.3%).

In order to explore the structure of the data at the cultural or ecological level, the matched regional means of the scores on the various variables were factor analysed in line with the works of Robinson (1950) and Hofstede (1980) on ecological correlations. The analysis of variances (ANOVA) of the responses provided a lot of significant differences indicating the presence of different organisational cultures and ruled out the possibility of combining the three-area data. This necessitated the focus on the public sector sample, which was nationally represented for ecological factor analysis. The ANOVA also indicated that the level of education was the only significant distinguishing factor in the public sector data, a finding which contrasts the literature's emphasis on ethnic culture in Africa. Therefore, the participants' highest level of education served as the criterion for identifying matched samples and computing the regional means for factor analysis.

The factor analysis of the mean scores of the four variables on the Power Distance (PDI) using matched public sector employees gave KMO of 0.725 and Bartlett's Test of Sphericity of 37.723 at  $p < 0.001$ , with the factor explaining 85.8% of the variance in the four variables. The derived factor scores for the ten regions fell in a narrow range, indicating that the regions were similar on the Power Distance dimension. Expectedly, the ten regional scores correlated significantly with 'confidence in the chieftaincy institution' ( $r = 0.72^*$ ), 'relationship between employer' ( $r = 0.74^*$ ) and 'people are born with unchangeable destiny given by God' ( $r = 0.80^{**}$ ). These correlations are in line with the analysis of the individual responses and Hofstede's observation on Power Distance. The factor analysis of the Individualism scale also produced KMO of 0.766 and Bartlett Test of Sphericity of 17.691 at  $p < .005$ , with the factor explaining 76.2% of the variance in the variables. Again, the regional scores were also similar within a narrow range and the ten regional scores correlated significantly with the percentage of school

attendance ( $r=0.84^{**}$ ), literacy ( $0.85^{**}$ ), small adult household size ( $r=0.84^{**}$ ) and region of birth ( $r=-0.75^*$ ). It also correlated highly with living in detached type of house ( $r=0.90^{**}$ ), the percentage of working children ( $r=-0.80^{**}$ ) and poverty incidence in 2005/2006 ( $r=-0.67^*$ ). The findings indicate that in the public sector data, individualism increases with migration and the level of education, and accommodation in the detached houses.

The factor analysis of the Masculinity/Femininity variables also produced KMO of 0.727 and Bartlett's Test of Sphericity of 18.263 at  $p<.006$ . The factor explained 74.2% of the variance in the four variables and the regional factor scores were also within a narrow range indicating similarity of the regions. The significant correlations were in the areas of: child labour to supplement household income ( $r=0.83^{**}$ ), unemployment ( $r=0.80^{**}$ ), consumption of home made ( $r=0.73^*$ ), children's saving to start own business ( $r=0.70^*$ ), 'saving to learn a trade' ( $r=0.68^*$ ), poverty incidence in 1998/99 ( $r=0.68^*$ ) and attendance at religious services ( $r=0.66^*$ ). The correlations with the region of birth ( $r=0.60$ ), 'unquestioned obedience to people of authority' ( $r=0.78^{**}$ ), and 'inheritance working against business and property' ( $r=0.79^{**}$ ) point to indigenous matrilineal (Akan) and could tap deep into the culture of the entrepreneurs operating in the informal sector. The correlations with child labour, unemployment, business and trade and poverty signify the importance of this factor for economic development.

Similarly, the factor analysis of the Uncertainty Avoidance variables gave KMO of 0.822 and Bartlett's Test of Sphericity of 17.049 at  $p<.009$ , with the factor explaining 76.4% of the variance in the four variables and the regional scores were also similar. As expected, the significant correlations were in the areas of religious affiliation ( $r=0.82^{**}$ ), confidence in churches ( $r=0.80^{**}$ ), confidence in law courts ( $r=0.65^*$ ), belief that there is 'spiritual counterpart to everything' ( $r=0.74^*$ ) and hard work does not bring success ( $r=-0.69^*$ ). Like the masculinity dimension, uncertainty avoidance correlates positively with the region of birth of respondents ( $r=0.69^*$ ) but negatively with the job category of respondents ( $r=-0.67^*$ ) indicating that uncertainty avoidance is inversely related to seniority and migration. The correlations with Ghanaian regional socio-economic indicators were significant in the areas of percentage of working children of the age 7-14 in the year 2000 ( $r=0.85^{**}$ ), children who have never attended to school ( $r=0.75^*$ ), percentage school attendance ( $r=-0.66^*$ ), poverty incidence in 2005/6 ( $r=0.64^*$ ), women in polygamous unions ( $r=0.82^{**}$ ) and average number of adults per household ( $r=0.76^*$ ). These results indicate that the uncertainty avoidance culture in the data may be the direct opposite of individualism and may also relate to the masculinity/femininity dimension in some aspects.

The factor analysis of the Long/Short Term Orientation gave KMO of 0.824 and Bartlett's Test of Sphericity of 17.570 at  $p < .007$ , with the factor explaining 76.8% of the variance in the four variables and also with similar factor scores for the ten regions. The dimension correlated negatively with the religious affiliation of the respondents ( $r = -0.70^*$ ) and the belief in 'spiritual counterpart to everything' ( $r = -0.64^*$ ), the opposite of the correlations in uncertainty avoidance and an indication of Weber's (1930) Protestant ethic and capitalism. This is evidenced in the positive correlations with the importance of working for a "prestigious, successful company or organisation" ( $r = 0.86^{**}$ ), parents' preference for children's future in full time education ( $r = 0.72^*$ ), children who save regularly ( $r = 0.63^*$ ), and owner-occupied houses ( $r = 0.66^*$ ). This means that in the public sector data long term orientation increases with education and those with long term orientation are likely to own houses, save regularly and attach importance to their children's education.

The above results confirm the existence of five latent factors and the replicability of VSM 94 in the Ghanaian public sector data. The correlations of the derived factors with the Ghana Statistical Service's socio-economic and demographic indicators as well as other corroborating data generated in the survey also confirmed the validity and reliability of the five dimensions (Hofstede, 2001) and the suitability of using VSM 94 in the dimensional analysis of Ghana's regional and ethnic culture. Although, the results could be affected by the small sizes of the homogenous samples for the northern regions, this chapter has demonstrated the measurement and validation of regional culture by factor analysis and subsequent correlation with regional socio-economic and demographic data. Significantly, this is the first empirically tested study on Ghana's culture using the analytical and dimensional approach. The next chapter approaches the subject qualitatively and provides the findings from the interviews intended to complement and provide more insights into the Ghanaian culture.

## CHAPTER 6 • INTERVIEW FINDINGS

### 6.1 Introduction

This chapter presents the findings of the interviews conducted between April to June 2006 and in January 2007 of public sector and multinational employees. The chapter first discusses the profile of the 35 interviewees from the public sector and multinational organisations and then moves on to identify the various levels of cultural manifestations in the data before analysing for corroboration with the Five Values Dimensions of Power Distance, Individualism-Collectivism, Uncertainty Avoidance, Masculinity-Femininity and Long/Term Orientation. The analysis in the chapter will also aim at establishing the links between socio-culture, politics and economic development. The criteria for the selection of employees were regions of birth, ethnicity, religion, gender, and professions. The participants were asked 20 questions that covered their values, general beliefs and attitudes of Ghanaians as well as their views on Ghanaian cultural practices, on selected important institutions and on the causes of poor living conditions (underdevelopment) in Ghana. As the interviewees were mostly highly educated and lived and worked outside their regions of birth, their views may have individualistic inclinations as found in Chapter 5.

The responses to the questions generated rich primary data and were analysed for the achievement of the research objectives outlined under section 1.6. The interviews lasted for an average of ninety minutes and were mostly conducted in the offices or workplaces of the interviewees. The interviewees freely expressed their views without raising issues of confidentiality. All the interviewees contributed additional information at the end of the interview. Generally, they all seemed to be well-informed on the Ghanaian developmental issues and the majority of their answers correspond with the findings from the survey and secondary data analysis. The important themes that emerged were low productivity in agriculture and the public sector, low savings rate, low income, low level of trust at work and in business, and low level of confidence in the institutions of law, police, chieftaincy, civil service and the labour union.

It also emerged that the existing inheritance systems in Ghana do not promote the maintenance of property and business. The extended family network seems to pervade all the activities of Ghanaians even though it was generally considered it is dying a slow death and the nuclear family system is gaining strength even in the rural areas. Some see this death as due to economic hardships but others attribute it to

acculturation and ingratitude of the educated, who refuse to reciprocate their rural folks' contributions to their education. The participants' views on land management in the country are alarming. Land and chieftaincy litigations account for congestion in the legal system that prevents lawyers from contributing to the development of the country.

## **6.2 Profile of the Interviewees**

In all, thirty five in-depth interviews were conducted with participants located in six out of the ten regions in Ghana, namely Accra (17) Tema (12), Elubo (2), Aflao (1), Kumasi (1), Sunyani (1) and Tamale (1). Among the interviewees were twenty-four males and eleven females. Their highest levels of education were tertiary (21), post secondary (6), vocational (3) and secondary school (5). The ethnic groups of the participants are Akans (13), Ewes (7), Ga–Adangmes (7), Krachi (1), Dagomba-(1), Gonja (1), Brifor (1), Bulisa (1), Kassena (1), Kusasi (1) and Sissala (1). Twenty three (23) of the interviewees were from the public sector organisation and twelve (12) from the multinational organisation.

The religious denominations of the interviewees were Protestant (16), Catholic (8), Pentecostal (8) and Islam (3). Among the interviewees were 6 lawyers, 2 accountants, 1 traditional ruler and 1 reverend minister. There were 21 managers, seven of whom were senior managers of their organisations. The ages of the interviewees ranged from 25 years to 65 with 22 of them aged between 36 years and 60 years. The first eight interviews were conducted between April and June 2006 were hand written but the remainder (27), which were conducted in January 2007, were all tape-recorded and transcribed. Table 7.1 below outlines the details of the participants.

**Table 6.1** Profile of Interview Participants

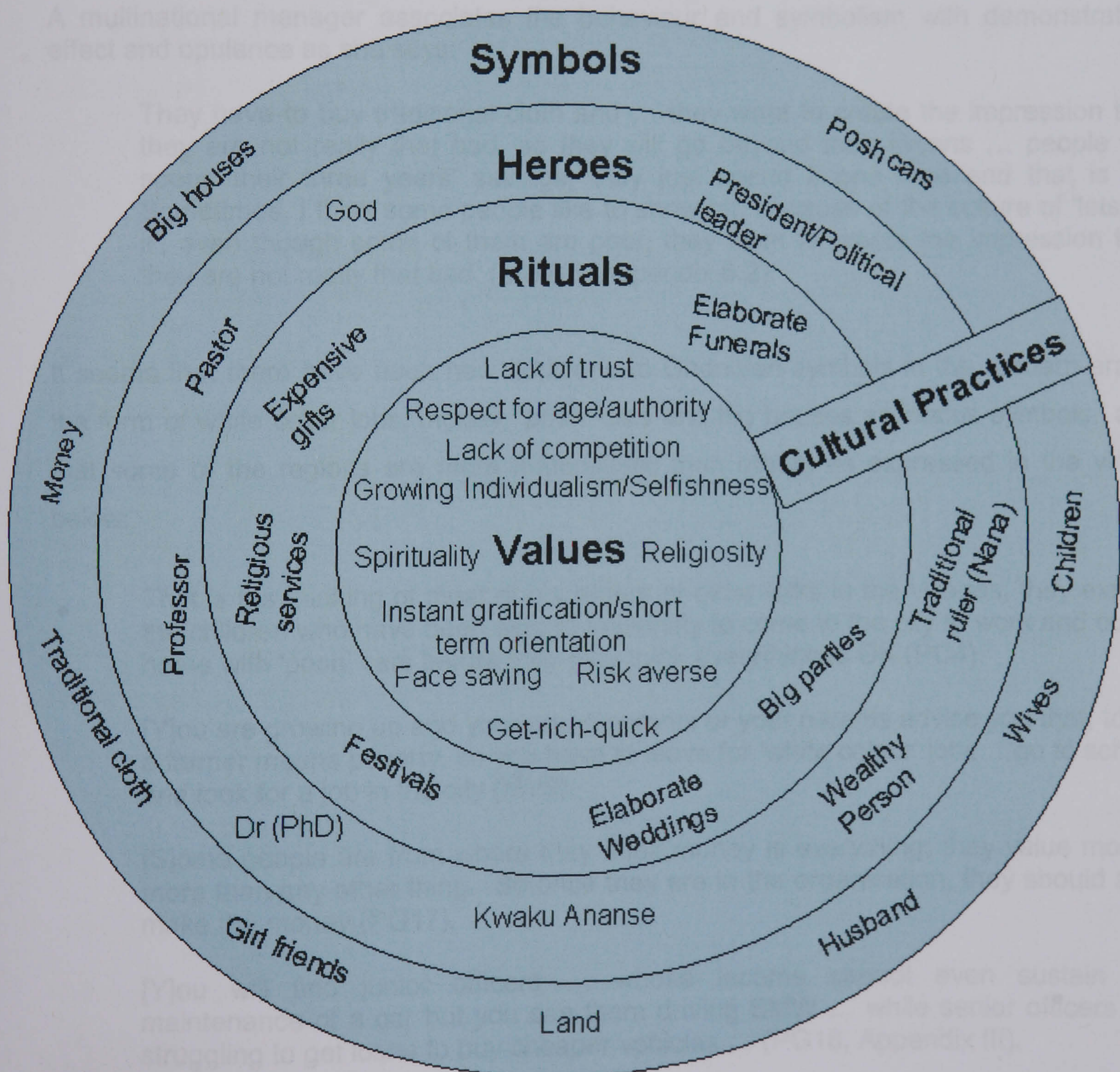
Code	Age	Education	Region of Birth	Ethnicity	Gender	Occupation	Organisation	Religion	Location	Ref.
MG1	36-40	Tertiary	Greater Accra	Ga-Adangme	Female	HR Official	Multinational	Protestant	Tema	
ME2	46-50	Vocational	Eastern	Akan	Male	Accountant	Multinational	Protestant	Tema	
MA3	56-60	Secondary	Ashanti	Ashanti Akan	Male	Emp. Rel. Manager	Multinational	Protestant	Tema	
MC4	36-40	Tertiary	Central	Fante Akan	Male	Chart. Acct	Multinational	Catholic	Tema	
MC5	61-65	Post Secondary	Central	Akan	Male	Accountant	Multinational	Pentecostal	Tema	
MUW6	36-40	Tertiary	Greater Accra	Sisala Other	Female	IT Manager	Multinational	Islam	Tema	Appendix 6.2
MV7	41-45	Post Secondary	Greater Accra	Ewe/Anlo	Female	Private Sec.	Multinational	Pentecostal	Tema	Appendix I
MG8	31-35	Secondary	Greater Accra	Ga-Adangme	Male	Union Secretary	Multinational	Pentecostal	Tema	
MV9	31-35	Tertiary	Greater Accra	Ewe/Anlo	Male	Ass. Mgr	Multinational	Pentecostal	Tema	
MG10	36-40	Secondary	Greater Accra	Ga-Adangme	Male	Ass. Mgr	Multinational	Protestant	Tema	
MUE11	61-65	Secondary	Upper East	Bulisa	Male	Manager	Multinational	Catholic	Tema	
MUE12	36-40	Secondary	Upper East	Kusasi	Male	Union Chairman	Multinational	Pentecostal	Tema	
PA1	51-55	Tertiary	Ashanti	Ashanti Akan	Female	Adm. Director	Public Sector	Christian	Accra	
PA2	56-60	Tertiary	Ashanti	Ashanti Akan	Male	Oper. Director/Lawyer	Public Sector	Christian	Accra	Appendix II
PN3	46-50	Tertiary	Ashanti	Gonja	Male	Manager	Public Sector	Islam	Accra	
PC4	51-55	Post Secondary	Central	Fante Akan	Male	Accountant	Public Sector	Protestant	Accra	
PA5	56-60	Post Secondary	Ashanti	Ashanti Akan	Female	Sen. Mgr	Public Sector	Protestant	Accra	
PA6	46-50	Tertiary	Ashanti	Akan	Male	Manager	Public Sector	Protestant	Kumasi	
PG7	41-45	Tertiary	Greater Accra	Ga-Adangme	Male	Manager	Public Sector	Protestant	Sunyani	
PUE8	46-50	Tertiary	Upper East	Kassena/Nankani	Female	Supervisor	Public Sector	Pentecostal	Tamale	
PV9	41-45	Tertiary	Volta	Ewe/Anlo	Male	Manager	Public Sector	Catholic	Aflao	
PBA10	31-35	Vocational	Brong Ahafo	Akan	Female	Secretary	Public Sector	Protestant	Elubo	
PV11	41-45	Tertiary	Greater Accra	Ewe/Anlo	Male	Manager	Public Sector	Catholic	Elubo	
PC12	51-55	Tertiary	Central	Fante Akan	Male	Legal Director/ Lawyer	Public Sector	Catholic	Accra	
PC13	46-50	Tertiary	Central	Fante Akan	Male	Manager/Lawyer/Priest	Public Sector	Pentecostal	Accra	Appendix 6.3
PE14	36-40	Tertiary	Eastern	Akan	Female	Graduate Empl.	Public Sector	Protestant	Accra	
PV15	41-45	Tertiary	Greater Accra	Guan	Male	Manager/Lawyer	Public Sector	Catholic	Accra	
PG16	25-30	Vocational	Greater Accra	Ga-Adangme	Female	Secretary	Public Sector	Protestant	Accra	
PG17	51-55	Post Secondary	Greater Accra	Ga-Adangme	Female	Manager	Public Sector	Protestant	Accra	
PG18	56-60	Tertiary	Greater Accra	Ga-Adangme	Male	Manager/Traditional Rul	Public Sector	Protestant	Accra	Appendix III
PN19	25-30	Post Secondary	Northern	Brifor	Female	Private Sec.	Public Sector	Christian	Accra	
PN20	46-50	Tertiary	Northern	Dagomba	Male	Manager/Lawyer	Public Sector	Islam	Accra	Appendix 6.4
PV21	46-50	Tertiary	Volta	Ewe/Anlo	Male	Manager/Lawyer	Public Sector	Catholic	Accra	
PV22	51-55	Tertiary	Volta	Ewe/Anlo	Male	Director	Public Sector	Catholic	Accra	
PV23	46-50	Tertiary	Volta	Ewe/Anlo	Male	Manager	Public Sector	Protestant	Accra	



### 6.3 Ghanaian Culture at Different Levels of an 'Onion'

In order to make good sense of the interview data, the concept of culture in Ghana is first illustrated in the four levels of Symbols, Heroes, Rituals and Values and Norms, as the Ghanaian "Culture Onion" shown in Figure 6.1 below. As previously discussed under section 3.2.3, the outer or observable layers of symbols, heroes and rituals comprise the artefacts, behaviour and rituals of the people. Values and norms are the core of culture and are inner within the "onion" and they are invisible until they manifest themselves in behaviour. Symbols, heroes, and rituals have been subsumed under the term practices, and are visible to an outside observer; their cultural meaning, however, is invisible and lies precisely and only in the way these practices are interpreted by the insiders (Hofstede, 2001).

Figure 6.1 – The Ghanaian "Culture Onion"



Source: Adapted from Hofstede (2001)

### 6.3.1 Ghanaian Symbols- Behaviour, Artefacts and Language

In traditional and contemporary Ghana, art and craft are jointly expressed, with high aesthetic sense, in objects of utility in the form of sculpture, carving, pottery, smithing, sandal making, cloth-weaving and dyeing to achieve both meaning and desirability (Sarpong, 1974). Religion, spirituality and beauty, which are important Ghanaian values, resonate in all Ghanaian actions and behaviour. The importance of cloth as a symbol in the contemporary culture is succinctly explained by a public sector manager who is also a Protestant priest and a lawyer:

Most of our women have to buy a new traditional cloth for every funeral. They move heaven and earth to buy the cloth because if they do not, they will become an outcast. It is the demand of the culture... the extended families will insist that their members should change in about three clothes during a funeral (PC13, Appendix 6.3).

A multinational manager associates the behaviour and symbolism with demonstration effect and opulence as she says:

They have to buy traditional cloth and ... they want to create the impression that they are not really that bad, so they will go beyond their means ... people will spend their three years' savings, they just spend it one time and that is all. Sometimes, I think some people like to show off, because of the culture of 'lets do it', even though some of them are poor, they want to create the impression that they are not really that bad. (MUW6, Appendix 6.2).

It seems that there have been new additions to Ghanaian symbols in the modern era in the form of white collar jobs, money, 'posh' cars and big houses as 'status symbols,' and that some of the regions are more materialistic than others as expressed in the views below:

That is the thinking of most of our elders or older folks in the villages, they expect the children who have been sent to university to come to the city to work and come home with 'posh' cars before they may think everything is OK (PC4).

[Y]ou are growing up and your grand parents or your parents advise you that, to be a farmer means poverty, so you have to leave for 'white colour' jobs ...go to school and look for a job in the city (MV9).

[S]ome people are from where they think money is everything; they value money more than any other thing. So once they are in the organisation, they should also make the money (PG17).

[Y]ou will find junior officers ... whose income cannot even sustain the maintenance of a car but you see them driving BMW ... while senior officers are struggling to get loans to buy cheaper vehicles ... (PG18, Appendix III).

### 6.3.2 Heroes

In traditional and contemporary Ghana, God is the Supreme Being and “[h]e is always the hero, the just judge condemning the villain or rewarding the good ... Designs and patterns stamped into cloths and on carvings bear names which refer to God or to His attributes” (Sarpong, 1974). The most popular Ghanaian fairy tales centred on a character, the spider, Kwaku Ananse, which was shown as a “combination of cleverness, trickery, slyness, wisdom, cunning, shrewdness, and sometimes, jealousy and wickedness” and it only feared and respected God (Sarpong, 1974, p.112). This fairy tale will be very instrumental in the understanding of the Ghanaian attitudes and behaviour revealed by the data. The Ghanaian society has always looked up to the rich and famous, especially those who have built houses and bequeathed property to their many children. They are given what Ghanaians always term a “fitting burial and a deserving funeral,” commonly used by the current President of Ghana. So, a fitting burial has become every Ghanaian’s dream and could be the key to the understanding of the elaborate funerals in Ghana. The following observations encapsulate the above:

[T]he way the society looks up to the rich. To some people, the end justifies the means, and as to how the person acquires the wealth, it is immaterial ... (PA1).

I think when you have money you are respected ... that is why we have people now going into cocaine business to get fast money ... (PN19).

The trappings of the chieftaincy institution and traditionalism have also made the chiefs or traditional rulers, national heroes, as evidenced below by a public sector manager:

I will say that apart from the President, I think the next group of people who are respected are the chiefs. We believe that it is a sacred institution therefore anybody who occupies the stool should be regarded as somebody who is very “holy”... We even give more respect to the chiefs than the pastors (PA5).

The following remark by a top public sector official who has much influence on the implementation of government policies is quite significant and exemplifies the worrying tension between traditional and political institutions:

[A]s I sit here, I have such respect for my king to such an extent that if a minister summons me, I will say to hell with him, but if my king summons me, whatever I am doing, I will leave and go (PA2, Appendix II).

It is also claimed that the chieftaincy institution has become a place for those who “are born to be served all the time, they don’t want to serve, and they rather want people to serve them ... so once they have got the money and there are vacant places for chiefs, they will go to heaven and earth to fight for them” (PC4). And the traditional ruler finds as “some of the things that are corrupting the chieftaincy institution” (PG18). Some of the

participants also claim that most people would like to be chiefs because “some of the chiefs have some landed property that give some interests ... the respect and honour that come with it” (MA3). This has resulted in misallocation of resources and dysfunctionality, as Ghanaian professors and PhD holders would rather be traditional rulers than university lecturers as “they want to be called Nana [chief], they want to be called Doctor, Professor, Nana Professor so and so” (PN3).

### 6.3.3 Rituals

The data reveal that rituals could be driving most of the economic activities of Ghanaians, and could also be a medium of corruption; the culprit of Ghana's low productivity, low rate of savings and poverty. In contemporary Ghana, rituals have become demonstration effect in action, a reflection of colonial expatriate's profligacy and traditional life. The following extracts make a shocking revelation:

Saturdays ... are put down for funerals, for weddings or family gatherings. And Sundays are also viewed as for church services ... it is not acceptable in our culture that you do not attend ... (MG10).

Sometimes some people are so much interested in these things to the extent that a whole week can be taken off from work to organize funerals for somebody's dead father, mother or brother and that affects productivity (MV9).

The weekend which is meant for rest is not actually used for rest, so it affects the productivity on Mondays, especially. And on Fridays again, people have to leave the office early to be able to help their relatives for funeral engagements (PV23).

Although Cote d'Ivoire had to outlaw expensive dowries and brideprice in order to encourage savings and investment, Ghana has yet to look at policies aimed at addressing the situation of expensive customary marriages and weddings. As a widow interviewee from the north says, “I am ... customarily married and dowried by one cow, seven sheep, not to mention 20 guinea fowls ... I also expect that when someone is coming to marry my daughter, the same thing should be done” (PUE8). However, a divorced woman from the north thinks that people have got their priorities wrong as “some of the marriages are expensive ... people who went to marry and had the reception at Novotel and then went and lived in something like a 'ghetto' ... At that time, they could have used that money to rent good accommodation (MUW6, Appendix 6.2).

Traditionally, Ghanaians consider a “bad” funeral as a disgrace to the dead person and to his living relatives; a “good” funeral on the other hand is considered prestigious and becomes well talked about long after it has been observed. However, the funerals “appear to be ridiculously out of all proportion to other rites and ceremonies” (Sarpong, 1974, p.32). Recently, in the researcher's region, it has been observed that a funeral is graded on the basis of whether it was attended or not by the President and his Cabinet Ministers.

The researcher was therefore not surprised when he was mocked and reminded by the following comment:

Have you gone to your hometown? I assume you are Ashanti, even billboards for funerals, it is not easy! The funeral itself, and after the funeral, it is dinner. I mean, 'onim ayie ye paa' (he knows how to celebrate funerals).<sup>1</sup> How are you going to convince such a person, who feels he has the money to spend, not to spend? Even the Asantehene (The King of Ashanti) cannot do it. I also had to do a funeral for my mother, and that was the first time there was a traffic jam in ... Volta Region (PV21).

The question here is, "why do Ghanaians from other regions imitate what they find unacceptable?" A multinational manager from the Ashanti Region, who had just celebrated his mother's funeral, bore out the above observation and provided further explanation:

With the urbanization people have drifted far away, they have left their communities and travelled to other areas... People go and work in firms and they make friends outside their home and when they are bereaved their friends also come. These are the things that lead to long travels and the expenditure on food. I know in the Ashanti Region the Otumfuo (The King of Ashanti) tried to keep away food and other things, it did not work (MA3).

It seems that funerals have become a national problem and it is revealing a serious case of dysfunctionality, the following statement from the interview confirms an unfortunate situation where dead family members will be preferred to sick ones.

It is sad to see that when someone is really, really sick and he needs help, the little money to get something to eat, no family member is willing to bring that money, but immediately the person dies you will see the extended family members ... fighting over that body, because the funeral is more or less a business, so many people are going to give so much donations (MUW6, Appendix 6.2).

### Reciprocation of Gifts, Funerals and Corruption

The following comment from a public sector official narrates how funerals and gifts have been combined into high consumption and could be a medium of bribing or influencing public officials through gifts or donations when the officials are bereaved:

By the local standards at that time, it was unheard of. And it was like all this crowd, the guy is a crowd mover. The friends contributed so much, the chairs and the canopies, my friend was an estate manager at Ghana Posts and Telecommunications [state organisation] at that time ... The watch I wore, the gold watch ... people bought for me. Other people said, okay, we cannot come so take 500,000 cedis. It was the first funeral where whisky and brandy were being served (PV21).

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<sup>1</sup>Translated from Twi.

### 6.3.4 Values

Values are broad tendencies to prefer certain states of affairs over others, they are among the first things children learn subconsciously and it is considered that by the age of 10, most children would have completed the acquisition of their basic value system (Hofstede, 2001). The following summarises the participants responses to the question: “What are the important qualities they would like their children to learn at home?”

#### Respect for Age and Obedience to Parents, Moral Values and Hard work

I have taught them [children] to be obedient to their mother and father [filial piety] and somebody older than them and they should keep away from bad company both in school and at home (PUE8).

Morally, they should have respect, they should be forceful and then be ready to assist the people that need help (MG8).

Obedience to parents and elders or grown ups. They should be trained to be hard working and they should be given good moral upbringing (PG18, Appendix III).

#### Godliness, Religiosity, Truthfulness, Studiousness and Persistence

“I think she has to have a good personal relationship with God” (MUW6).

“They should be serious in school and never to lose hope, to be persistent or persevere (MG1).

“They should be Godfearing, disciplined and punctual at occasions or functions” (PA6).

“I would want them to be religious ... very hardworking and very studious” (PG7).

Interestingly, Hofstede and Hofstede (2005) found that masculinity positively correlated with children having to learn religious faith.

#### Motherliness

“Every woman should know how to cook, not just cooking but cooking very well” (PG16).

#### Parenthood

In the Ghanaian culture, the moment you marry within a year or two, friends and relatives ... will be watching you to see if children are coming up. The relatives and friends will be asking you what are you waiting for? I think it is our culture, we are forced to take care of children, so when both parents are not working and they do not have much income, it is not good (PE14).

## 6.4 Substantiating Hofstede's (2001) Five Values Dimensions in Ghana

In this section, the interview data are related to the VSM 94 questions (see Chapter 5) used in the survey for explanation, triangulation and validation of the survey results.

### 6.4.1 Power Distance (PDI)

In Hofstede's study, this dimension reflected the range of answers found in various countries to the basic question of how to handle the fact that people are unequal (Hofstede and Hofstede, 2005). The responses to the questions in the VSM 94 are analysed under their respective headings.

#### Good working relationship with superior

Generally, the responses obtained from this question indicate that, having good relationship with the superior is of utmost importance to the respondents, especially in the public sector, where the fate of the employees is determined by their superiors. This is because 'if the man uses one day to fill a [appraisal] form, other factors will influence whatever he says about the employee' (PN20, Appendix 6.4). The following extracts confirm the large power distance culture in the public sector organisation:

In the public sector, you realise that promotions, performance appraisals ... depend on certain people, directors ... and their ways of managing these things are not very clear-cut ... You will realise that people try to please their bosses ... the power is very much centred around the bosses (MUW6, Appendix 6.2).

The organisational policy will be implemented only where, may be, the relationship between you and your boss is not cordial then your boss will intentionally just try to frustrate you (PV15).

Without a good rapport with the direct supervisor, there will always be conflict leading to loss of job satisfaction and also to frustration at work (PV11).

If you say that you are the superior and that you do not want to relate to the subordinate, you can pretend to be here leading them and they can pretend to be following your instructions. But behind the scenes they do whatever they like, they will not show concern, they will not show love for the work they are doing (PA2, Appendix II).

However, some of the participants observe that "the lack of effective supervision in the public sector sometimes is because of over fraternisation" (PA1). A junior public sector official finds that, "good work relationships help build communication and exchange information whereas, bad work relationships are the major causes of transfers" (PBA10).

### Consultation by the superior

The participants felt that 'consultation by their superiors gives them more confidence and makes them feel as part of the organization thus leading to ownership of decisions' (PV11) and that 'It is very important to be consulted by manager for improvement in decision making' (PBA10).

### One boss organisational structure

The following responses to this question, with catchphrases, confirm the dependence of the subordinates on their superiors and also indicate a large power distance relationship at work:

You need a clear direction from your boss. When you have two bosses, it is very likely you would not have a clear directive. It is simply that you cannot have two captains in a ship because of conflict among them (PV11).

You cannot look inside a bottle with both eyes. I agree that there should be one boss organisational structure (PBA10).

### Fear of expressing disagreement

All the interviewees were asked the question, 'Do you think it is right for subordinates to express disagreement with their superiors?' Generally, all the respondents felt that it is right to express disagreement, but 'It depends on the situation and on the approach' (ME2). They also admitted that it is not encouraged in most public sector organisations, but some private sector organisations encourage the practice. However, a multinational manager thinks that "the Ghanaian culture or tradition doesn't allow subordinates to disagree with their bosses in public" (MC5). Interestingly, the responses unravelled a fundamental Ghanaian value of respect for age, authority and face saving. Some of the responses could be the reflections of high power distance and short term orientation in Ghana:

It is not the general practice, because some people say Ghanaians culturally like to respect age and save face...In some organisations they take it like disrespect when you express disagreement... (MUW6, Appendix 6.2).

It is right, but it depends on how the disagreement is expressed. In Ghana, all that we know is that you should give respect to your seniors or the elders or whoever is your boss and before you are able to tell the boss some of those things you disagree, you will have to be very sure of what you are saying (PA5).

A public sector lawyer explained that "as long as this is the total attitude of the people, our leaders will get away with so much, our bosses get away with so much" (PV21).



## Societal Norms and Evidence of Large Power Distance

### Chieftaincy Institution

The chieftaincy institution in Ghana is an important reflection of the large power distance and connotes with the idea that power holders are entitled to privileges. The respondents' comments on the chieftaincy institution reveal serious irregularities bordering on corruption, lack of accountability and abuse of power in the institution but the same respondents maintain high respect for the institution. This could be a clear case of distorted ideas and belief system maintaining a dysfunctional system.

Some chiefs sell some land that belongs to the whole town or village. They sell the land to enrich themselves while the majority of the citizens from that village are poor (MV9).

They can sell one plot of land to about ten people and collect money from all of them and this brings a lot of trouble ... Because of how we revere them we cannot just go and tell the chiefs that they should not do it (PA5).

The traditional ruler interviewee confirms the precarious situation in the institution by admitting that "people are using money [corruption] to influence the nomination, the election and then installation of chiefs" (PG18, Appendix III). However, a question on the possibility of reform of the institution received the following strong response from a top public sector official who admitted that there are problems with the institution:

They are now claiming that the land is theirs and they sell without even recourse to the people who are using the land for their survival and then you want the people to come and worship you. Litigations, somebody is not a royal but will still vie for a royal position. But giving their bad side, I want to say that there is a good side too (PA2, Appendix II).

### Lack of supervision

Another connotation of large power distance is the general attribution of the low productivity problems in the public sector to the lack of supervision of the managers:

Somebody should be there to monitor whatever goes on in the government institutions. It is like everybody starts thinking that they can go to work and close at any time and do things any how (MV7, Appendix I).

There is no schedule that says that when you come this is what you are to do, so the person can work on one file the whole day and I believe because there is no incentive or motivation, supervision is poor that is how I will put it (PV15).

Like we said nobody is measuring your work daily; even when you are not there it is the same as when you are there, that is a major factor. When the top man is not there on Monday and may be Wednesday, he cannot also hold his subordinates accountable for not being there on Friday (PN20, Appendix 6.4).

## Centralisation of authority and power

Another confirmation of large power distance is the centralisation of authority, power and incentives in the public sector top management. It is claimed that all the incentives stay with the top management, with no trickle down to motivate the lower managers. This is evidenced below:

Yes, the top management are happy but the middle managers are not all that happy. So the incentive is concentrated at the top level. May be it is our culture, while he is cushioned he does not care about the rest (PV15).

A lot of power is given to one director, he is the person who has to sign every document. He may travel for two weeks and the documents will be waiting for him to come and sign, just a signature (MG10).

## Distrust of police service

According to Hofstede (2001), in large power distance societies, the citizens distrust the police but trust the press. This assertion is generally borne out by the following extracts, which reflect majority of the responses:

The police service is another cause for concern; it is corrupt to a large extent. I will tell you an experience when I was driving in the UK ... I was going beyond the speed limit when the police stopped me, I was having some money in my pocket and I felt that if it was in Ghana I could have gone long time. But you cannot bribe the police there in a system like that (MV9).

You just pull your hand and whatever you give them they do not know, so people may end up giving them paper but they will collect it (PG16).

The above analysis indicates large power distance culture in the Ghanaian public and private sectors. This could be attributed to the lack of social mobility or employment opportunities as most of the workers would like to keep their jobs and therefore fail to disagree with their superiors.

## 6.4.2 Individualism/Collectivism

In individualist societies, most children are born into families consisting of their parents and siblings. This is the nuclear family system, which is a growing phenomenon in the Ghanaian urban areas where one is expected to concentrate on the immediate family. By contrast, in the collectivist societies, the extended family within which the child grows up consists of a number of people living closely together; grandparents, uncles, aunts, cousins, servants, or other housemates. This is the extended family system which prevails in most Ghanaian rural and traditional areas, where people are integrated into strong, cohesive in-groups, although it is observed in the data that it is suffering a slow death.

The following are the responses from the interviews corresponding to the VSM 94 questions outlined under section 5.5.2.2:

### Sufficient time for personal and family life

The participants explained that, “family is a central part of [their lives]” (PV11) and “it is very important to have time for children and family” (PBA10).

### Good physical working conditions

It seems from the responses that the respondents attach much importance to good physical conditions at the work place, an indication of collectivism. They “see it as a motivation factor as it improves health and gives prestige” (PV11). According to one public sector official, ‘if the money was good but the setting was not good I would take the job reluctantly; if the environment is superb but the money is not good I would still take it because it gives me prestige’ (PG7). A public sector manager sums up that ‘a lot of people are not satisfied with the conditions at the work place, so even going to work seems like punishment’ (PA5).

### Security of employment

Most of the respondents felt that ‘long term job security relieves you of stress and makes you feel more relaxed on the job’ (PV11). A participant associates the importance of security of employment to lack of retirement benefits. “it is of utmost importance to have job security as currently there is no end of service benefit in the public sector. In case you lose your job or go on retirement, there will be no provision for the children” (PBA10).

### Variety and adventure

On this question, while one participant thought that variety and adventure make the employee versatile (PBA10), the other participants felt that they “do not want to venture seriously into the unknown ... risks must be calculated” (PV11).

## **Societal Norms and Evidence of individualism/Collectivism**

### Importance of training

Most of the participants emphasised that the lack of training could be the cause of low productivity at work, indicating values of low individualism. Here, lack of training has been also associated with lack of trust and centralisation of duties. The following extracts capture the issues.

It is lack of training, because training is very important but because of these hardships, the training department has not been exposed to proper training (PN3).

You give some responsibilities to somebody who has not been adequately trained to handle those responsibilities, and you still can think that you do not trust that person? (PN20, Appendix 6.4).

Another reason is that in most cases productivity is low because the subordinates are not well trained and in the absence of their bosses, everything has to wait until their bosses return because they cannot execute the functions in their absence (MC4).

### Extended Family Networks, Nepotism and Patronage in the Public Sector

Under section 6.3.3, the role of the extended family in rituals was covered, especially during funerals where most members are obliged to participate and the non performance in rituals is considered a serious offence. The size of the family could be very large in Ghana, as a multinational manager says, "I would say my extended family will be about 40 to 45" (MC4). And in some cases it "may include people you may not even know but at certain gatherings you are introduced to certain people who are part of your family" (MG8). It is claimed that the extended family "puts a lot of strain on a lot of working members of the family ... when you are well to do, everybody will be looking up to you" (MC5). It therefore creates "high dependency on people as some people will not believe in their own abilities and will not try hard" (MV9). A multinational interviewee explains that "people try and find jobs for others, their cousins, and that is nepotism" (MC4). A public sector official introduces other dimensions of nepotism in the form of political connections and "old boyism," which also prevent the public sector managers from enforcing rules and regulations at work:

Social factors, for example, "am I the one to say it so that they give me a bad name?" Also in our environment some people would not like to be blamed ... there is a political thing as well: "the untouchables" who are employed because of their political connections "do you know who I am?" (PV22).

Another respondent complains that "we are selfish, when you put somebody in an office, the person would like to favour only those close to him or her, family and friends, even

though they might not be qualified for that position” (MG1). This usually takes place in the public sector, as a public sector official provides a contrast below:

In the past, state organizations have failed because of the perception of them and us (government and us) and that leads to corruption. But in private organizations, decisions are not political, most of the time there is no favouritism, people are employed based on the needs of the organization (PV11).

Most of the respondents claim that "in most of the public sector organisations promotion is not based on hard work and technical skills" (PG16). Rather, "it is a whom you know affair so whatever hard work you put in, if the boss wants to refuse to recognise it, he will refuse to recognise it (PV15).

It appears that the Ghanaian public sector serves as a cliff-hanger for the extended family system, where powerful family members obtain employment for their in-groups, no matter what their qualification or competence levels are. The following provides a clarification of the situation:

[I]t is a very big problem because even here we have so many of those people ... in the system who cannot do anything and they are not trainable, but you have to maintain them. Somebody brought them so you cannot get rid of them (PG17).

It seems that the lack of seriousness and the culture of dependency are also being attributed to the extended family system. As explained by a public sector lawyer, his observation of Ghanaian expatriates is quite significant and may confirm the distortions in motivation or incentives in Ghana:

Our attitudes towards work: generally, we are not the serious type. The Ghanaian ... is hardworking when he is outside Ghana but when he is here ... he blames the extended family system because when he works hard other people will come to depend on him, so he feels that OK, "I do not need to work that hard so that I can also depend on somebody" (PN20, Appendix 6.4).

Generally, it is being argued that the Ghanaian "way of thinking ... is more of what can I get than what can I give to the system" (MC4) indicating that most people expect much from the government, but as a new generation public sector secretary argues, "the government can definitely not do everything...our forefathers' minds are full of government so we have copied that" (PG16).

The analysis above indicates a collectivist culture based on the extended family. As the data show, in a modern sector where the public sector should be operated on the principles of universalism, this particularist culture will serve to undermine the effective operation of the public sector.

### 6.4.3 Masculinity/Femininity

According to Hofstede and Hofstede (2005), “Masculinity-femininity is about stress on ego versus stress on relationship with others, regardless of group ties,” (p.123) and relate to the division of emotional roles between men and women. The VSM 94 scale of the dimension comprises the following questions:

#### Work with people who cooperate well

The respondents affirmed their “belie[f] in team work” and the saying that “two heads are better than one” (PV11). They explained that a major cause of absenteeism at the workplace in Ghana may be when “the relationship between the person and his immediate colleagues ... is not that conducive” (PG7). However, the following comments indicate that the cooperation among colleagues in Ghana could be mainly for social reasons like “taking care of others during mishaps” (PBA10) rather than collaboration or teamwork as explained below:

I think that the perception in the Ghanaian system is that you have to always make it by your own self, not to depend on people and in such situation you cannot trust anybody to help you. You always feel that you can do it on your own so you do not believe in teamwork (MV9).

Yes, because he is always looking for something for himself and therefore he does not collaborate properly ... For instance ... we are all colleagues, if I have a problem ... this person can assist to solve the problem but because of the competition, he wants to be seen as the only one who knows and without him ... things will never work so he will not assist fully (MC5).

#### Opportunity for advancement

Most responses to the above question were that “opportunity for advancement should be the aspiration of everyone in the organisation and should be a motivational factor” (PV11) and “it is very important for the recognition of efforts and skills” (PBA10). Although the participants considered the opportunity for advancement as an important work value, they think that everyone wants to excel at the same time and therefore, the opportunity for advancement may not always be in the best interest of the organisation. The following two comments confirm the situation:

In Ghana, for instance, a lot of people think that wherever they are, they should always be at the top ... and competition in Ghana is sometimes not fair, it is not in the interest of the organisation (MC5).

At the end of the day they would want to put up best performance but it can be dangerous for the employees since one can go to extremes to get promotion and it can be through whatever means, spiritual, etc. (MG1).

### Most people can be trusted

The responses to this question revealed that trust cuts across all the dimensions and its absence could be an important cause of underdevelopment. The following two responses are quite significant:

I cannot trust people because of the recent happenings, [originally] the Ghanaian society was conservative and people could be trusted because of fear of embarrassment ... the economic hardship has contributed to the situation (PV11).

You do not know what is in somebody's mind, the mind is not a pawpaw to be dissected and the contents examined. If I am approached by someone to enter into a business venture, I will study the person for a while before trusting the person (PBA10).

In the private sector, most people felt that to a large extent people can be trusted but there are few who are inclined to opportunism as one says, "I think all Ghanaians could be trusted except that there are some few 'bad nuts' amongst them" (MC5). This is captured well in the words of a secretary in the multinational:

To some extent about 60 to 65% can be trusted, seeing our background a lot of people want to get rich at the shortest time so they will do everything in their means to get to where they want to be (MV7, Appendix I).

By contrast, certain participants felt that most Ghanaian workers could not be trusted due to the circumstances prevailing in the country. A lawyer provides an incisive analysis of the situation:

Oh, the average Ghanaian worker, I would not go beyond 35%. Let me be frank with you. It is because our society over the years is fraught with endemic corruption and double standards, hypocrisy and difficulties in life, to the extent that even if you brought archangel to Ghana, he may easily be corrupted and therefore your trust in that person will have to be downgraded to suit the environment (PC12).

**The following are main reasons provided for the lack of trust at work and in business:**

- The "lack of appropriate" structures or "formidable institutions" like legal systems to deter deviation or abuse (PA2).
- The economic situation "forces people to do what they do not want to do" (PC16) since "one is not earning what he should earn, so he attempts to find means of enriching himself" (MG8).
- The lack of verifiable personal records leads to lack of traceability or identification - one "may not be a genuine person or may give different names of himself with no fixed address where you can locate him" (PG17).

- The lack of transparency due to personal interests resulting in the collapse of jointly owned businesses (PN3).
- The way the society looks up to the rich, the means of acquisition of the wealth is immaterial, so some people would not work but they would like to have money (PA5).
- Lack of documentation of business terms and agreements, so people may just start businesses because they know each other and trust each without any agreement (PA2).

### People's own fault for their failure

One respondent strongly felt that “about 5% would be personally responsible for their own failure in life as other factors, like large families could be responsible” (PV11) whereas the others agreed that, some people's failures are their own fault because they do not save for their future misfortunes (PBA10). Significantly, the following response from a multinational secretary attributed the failure of people in her region to spirituality and lack of effort, thus pointing the culture of masculinity as in Chapter 5 above:

I have one auntie ... her situation has never changed. She is always poor and ... any money that comes into her hands she spends it on 'juju' [spiritual fortification]. People are not making any effort, they are only sitting down ... and they want you ... do something, if you do not do it they think you are wicked. Meanwhile, they are not making any effort ... to help themselves. Should I say that God has destined such people to be at one place, I do not believe it (MV7, Appendix I).

The other reasons provided for the failure in life are: “lack of determination and sense of duty, poor circumstances, lack of education and opportunity.” In masculine countries more people believe that the fate of the poor is their own fault, that if they work harder they would not be poor (Hofstede and Hofstede, 2005, p.49).

### **Societal Norms and Evidence of Masculinity/Femininity**

#### High prevalence of corruption

The evidence from the data indicates that there is a high prevalence of corruption in Ghana which goes to confirm a masculine culture. As a public sector senior official says, “I know you may not believe or you may not agree with me, but now I can tell you that every corner in Ghana this bribery and corruption go on ...” (PA5). The priest reinforces the argument by saying:

It is the culture, our culture itself is corrupt. In Ghana here, many people think that they must get something from their employment, so they assume that wherever or whatever place people come to work, because they think that you can use your position to make money, so you have made money ... The culture believes that if you want to get to this place and you cannot get there, you just give money (PC13, Appendix, 6.3).



A multinational employee adds that “people tend to ... amass wealth in doing their jobs; there are kick backs and sort of percentages of the contracts itself” (MG10). And it seems that the situation is proving very expensive to the nation as explained by a multinational manager: “if they are supposed to build a road, they build a road which does not last six months and after six months they have to build the road again and it is something that is very expensive to the nation” (MC4).

Again, some people are justifying corruption by using the culture of reciprocation of gifts. Using their low pay as an excuse, most of the public sector workers put people in awkward positions to “extort” their gifts before providing state services to most powerless taxpayers. The following extract from a public sector manager confirms the situation:

And may be some also do it deliberately for you to give them, a pass [gift] because they feel they do not get paid enough, they play ‘kangaroo’ type of tactics [frustration] to get something from you. If they only fall on your sympathies, they will not be able to live, so they must frustrate you. That ... is where they will bring things to try to manipulate the system, you will see that they will get some guys that we usually term “goro boys” [middle men or messengers] who will collect documents for processing at a commission (PG18, Appendix III).

#### Perception of corruption and negative attitude toward institutions

The high prevalence of corruption and low productivity has translated into low public confidence in almost all the public institutions. “The lack of confidence in the institutions is based on perception of corruption, it is a major problem” (PV9). A top official provides a succinct description of the deliberate starving of the public institutions by the government:

[G]enerally in Ghana ... there is a lot of power in the hands of one person and the corruption levels are also too much. The institutions have not been empowered to settle so many things, and at times, we deliberately do not resource the institutions so that the system will have the self sustaining, the necessary checks and balances (PV22).

#### Money Chasing

Another important indicator of a masculine culture is the relentless pursuit of money [corruption] in all areas of activity in Ghana. It seems that some highly intelligent and educated people have abandoned most virtues and are rather pursuing money. As they “just want to make money ... if people can make easy money at workplace ... why would they go and work in agriculture? (PN3).

I think one of the main causes of the low productivity is that now everything takes twice as long or something that takes five hours to do takes eight or nine hours to do and they always say that is the way we do it. And when you try to speed them up they will be coming to ask for more money, claiming “we used to produce ten cases now you want us to produce twenty cases “... (MC4).

#### 6.4.4 Uncertainty Avoidance

This dimension is associated with societies' ways of alleviating the anxieties of uncertain future which are mostly subjective and irrational in the areas of technology (nature), law (behaviour of people), and religion (the supernatural forces) (Hofstede and Hofstede, 2005). The responses to the questions outlined under section 5.5.2.4 for the measurement of the dimension are analysed under their respective headings.

##### One can be a good manager without precise answers to subordinates questions

The responses to this question did not only confirm high uncertainty avoidance but also revealed high dependence of subordinates on their managers indicating large power distance culture in the public sector and multinational employees. As one respondent says, "As a manager, you should know about 80-90% of the procedures or processes in your organisation" (PV11). Generally, few respondents agreed that "one can be a good manager without having precise answers to most questions subordinates ask about their work." The following responses are quite indicative of the general responses:

If you do not give them concrete answers, they lose the trust and confidence in you. However, if there are some questions that you may not have ready answers to, I don't see why you cannot consult and ask them to see you later (PA5).

When your subordinates get to know that, they tell you what you want to hear and they do their own thing behind you because they know you are not up to scratch and there is no way they can entrust their destinies into your hands (PV21).

Most of the interviewees think that if a manager has answers to most questions "it will motivate the subordinates" (PV15) and if the manager does not provide answers "they will think that the manager does not know anything for him to be their manager" (MUW6).

A highly experienced multinational manager sums up as follows:

As a manager you are managing people and resources. These are your responsibilities and therefore if you cannot help the workers to solve problems that will help them to be more productive then I cannot see why you are a manager. As soon as the subordinates get to know that you are not on top of your job they will always try to undermine you, because they think they know more than you and therefore, you cannot give them instructions (MC5).

##### An organisation's rules should not be broken-not even in the company's best interests.

According to a public sector human resources director, "if there is a need to break the rules you must seek the authority, you cannot sit down and decide that you have to break the rules. We tell them that they should not break the rules" (PA1). Another human resources manager in the multinational provided a stronger response:

No! If the organisation has set rules then it would not be in anybody's interest to break the rules. What will be in the company's interest is to go by the rules, if there are difficulties, that is why we have HR ... so when you give feedback about a rule then we change it, instead of somebody breaking it (MA3).

However, some of the junior employees feel that "sometimes rules can be broken because the rules may not be applicable to all situations at all times" (PBA11). Moreover, it is generally observed that in their organisation "If you take the risk and you are successful you could be promoted or congratulated without even considering that you have broken the existing rules. However, if it backfires they quote the law and take the appropriate action (PV11).

Interestingly, the respect for rules does not translate into the situation on the ground, as it looks like rules are not always enforced and sometimes are only used as tools for frustrating subordinates. Most of the employees in the public sector think that the "organisational policies are only implemented where the relationship between you and your boss is not cordial then the boss will intentionally just try to frustrate you (PV15).

#### Competition between employees usually does more harm than good

The responses provided here tapped deep into the Ghanaian culture, and mostly indicate problems of 'unhealthy' competition in the public sector. Most of the participants think that competition should be avoided because "what is yours is yours, competition brings hatred and elimination" (PBA10). However, some think that it depends on the situation, "if it is a healthy competition it rather promotes the interests of the organisation. For example, if you have two teams and they compete among themselves, it is good." (PA1). This is clearly elaborated by an experienced multinational human relations manager as follows:

In the healthy one, someone has seen an employee promoted or ... recognised and the others would also work hard to be able to get that same status. But the other side would be where people would be envious of the person and would deliberately sabotage the person's efforts in trying to bring the person down, so there could be a setback from that side (MA3).

However, a recently UK-returned migrant, who is a senior multinational manager, obviously sees the Ghanaian competition differently, as he draws his analogy and comes to an incisive conclusion that what pertains in Ghana "is not competition, in other countries the person tries to do the job better than you ... more efficient than you but here he tries to frustrate you to make you look inefficient (MC4).

Not surprisingly, there is a spiritual interpretation which goes to confirm uncertainty avoidance culture. A multinational human resources officer argues that "they would want to put up the best performance but it can be dangerous for the employees since one can

go to extremes to get promotion and it can be through whatever means, spiritual, etc.” (MG1).

A public sector official explained that “there is no competition at work among employees these days because hard work is not recognised so much” (PN20, Appendix 6.4). Another employee drew an incisive comparison:

In a private institution if you are competent the manager will have no problem he gets the results, but in public institutions it is government, at the end of the month he will get his salary and he knows he will benefit from certain things, at least from the system (PN3).

In all, although the benefits of competition are well understood by the public sector and the multinational employees and managers, it does not seem like competition is favourably considered or promoted in Ghana. As one public sector official argues, “If it is in business, it brings growth or productivity, it brings innovations. But in civil service, if not handled well, it brings friction and dissatisfaction among employees” (PV9).

### Societal Norms and Indicators of Uncertainty Avoidance

#### **Low confidence in legal system**

According to Hofstede (2001), citizens in high uncertainty avoidance culture are negative toward the legal system. This observation is amply demonstrated in the data. In this section the evidence provided by most of the lawyers and officials in the public sector as well as others who have had experience of the Ghanaian legal system are analysed. It is noteworthy that “there are many lawyers in Ghana and by the latest reckoning ... we have not less than 4,000 lawyers...while there are about 22,000 officers in the police force” (PC12). One would have thought that most of these lawyers would like to be judges but, it does not seem to be the case in Ghana, as the lawyers are busily engaged in more profitable and protracted litigations arising from land and chieftaincy disputes.

The participants appreciate the importance of the legal institution for economic advancement of the country as one explains that “when I know that if I invest, my investment will be protected and if somebody defrauds me I can easily obtain judgement” (PN20). However, it seems that the general Ghanaian attitude discourages adequate attention to the legal system as another lawyer explains:

Except for these new commercial courts, all the courts are in dilapidated structures ... Perhaps, they look at certain ministries as more important than justice ... There was a time that it was pumped into our heads that lawyers were not truthful people. So our attitudes have worked against some of these things and we do not appreciate the court system as necessary tool for development (PA2, Appendix II).

Another public sector lawyer explains the causes of the delay and serious misallocation of human resources in the Ghanaian legal system with the consequence of shortage of qualified lawyers in the attorney general's department:

Apart from procedural delays there are also logistical delays which result in adjournment of cases...and that is where peoples' concerns are. Some cases stay in the courts for not less than two to three years... simply because we do not have enough courts in the system ... We do not have enough resources at the courts to speed up the cases and we do not have even enough resources at the police stations to investigate those cases before they go to the courts, these are the two main problems. There are a lot of lawyers but few judges because...salaries are low in the public service, and the Attorney General's department is a public service institution so a lawyer can go and take one case and what he is getting is more than...a judge's three months salary. Apart from those human logistical problems we still have our judges writing in long hands in most places (PN20, Appendix 6.4).

A recently qualified lawyer expresses his anger and frustration at the legal system. His views are substantiated by his senior in a later interview:

Our legal system is not straightforward...and the judge has so many cases in a day...you go to the court about 9am and by 2pm your case has not even been heard...The whole thing is this, our laws are archaic. I am a lawyer and I will say so (PV15).

So the law ... in 1957...will not be the same law in 2007, even if it is in the statute books it may have ran out ... become anachronistic. It is not the responsibility of the lawyer to go and take them off the statute books (PC12).

But as a top public sector official points out, "the law courts are just like any other public establishments, the judges cannot be trusted...it is a reflection on what operates in the larger society" (PA2, Appendix II). Another lawyer strongly adds that, "they are corrupt, clerks hide dockets and to find them you have to go and pay bribes" (PV21). Also, drawing from his experience, a public sector official observes that "there is corruption ... I have a case in court for five years that is being dragged" (PV11). This is because most of the time "you go to the court, they call the case and then they adjourn it, that somebody is late, a document is not ready, somebody's lawyer is not there ..." (PG17). "Sometimes you lose interest in what you were looking for, when judgement is delayed too much it is justice denied ...This system has created problems for Ghanaians" (PN20, Appendix 6.4).

It seems that the judges too are not innocent of the Ghanaian public servant's 'kangaroo tactics' of frustrating with the intent of extorting the poor taxpayer. This is elaborated by a public sector official who observes 'that some of these judges too have that idea or the intention that the more they delay, then the likelihood that somebody will approach them and so they will continue to delay (PC4). Another top public official who has 'been in court and seen it' concludes that 'the impression and the reality are that of very expensive court

system, very intimidating...there is no time management...and it totally undermines the credibility of the court (PV22).

The Ghanaian society and culture have also a part to play in this, as detailed by the lawyer anthropologist:

The linkages, there is a case and somebody calls, 'this case involves my son, or son in law or my daughter,' so before he goes to sit on the case he already has some prejudice which judges should not have...so he will look for opportunities to make the judgement sway in favour of that person (PA2, Appendix I).

An experienced public sector manager also provides her important observation and advice on the whole issue revealing inconsistencies in the Ghanaian attitude and behaviour:

I think that is why...we need the education. When they had the judiciary week or something, the other day I was saying that the judges should not just get up and go to church and thank God, at least in that week they should be able to go round some offices to explain some of these laws to us (PA5).

### **Lack of confidence in Civil Service**

This is another indication of high uncertainty avoidance culture, according to Hofstede (2001). A public sector manager begins with an incisive comment:

We still have the mentality that we are working for the colonial master. Last week, I went to the land registry ... people were there submitting their applications then he [the registration officer] said 'it is break time', he just walked out and he come back about 3pm. Because we have not been given targets so who are supervising these people ... because it is government's work at the end of the day whether he registers two or three his salary will be paid. So, that is our attitude toward work in the public sector (PG18, Appendix III).

Another public sector official who is also a lawyer makes a significant contribution on how some officials are benefiting from the system while others are short-changed:

Like I am here, the system is not working but it is working for some people, I am saying it is not working but go to somebody and you will see ... in the civil service nobody cares... (PV21).

Finally, it seems like it is the same old problem of low productivity and the extended family system, as explained below by another public sector official:

People go to the office the whole day and there is nothing to do because...may be, overstaffing ... so many people without jobs to do. And sometimes it is like the whole system is not working somebody at a point where he has to work on a document has stopped that document so those who follow are also blocked out ... And you have situations where when the Managing Director is not there nothing could be done (PG7).

However, the importance of the role of the civil service is widely appreciated as evidenced below:

[T]hey have a vital role to play, you see that the structures...of the civil service are not well-defined...you go to a place and you see four or five secretaries doing nothing. You will see that there is a lot of waste in the system ... there are certain controls well written ... but because it is non-profit making organisation their implementation is done haphazardly (PC4).

### **Attitude to Risk**

It is also claimed that in high uncertainty avoidance cultures, the people are usually risk averse. To most Ghanaians, 'children must tread with caution' (ME2) and 'the average Ghanaians do not also take risk, they want safe investment' (MA3). This attitude has reflected in the domination of the Ghanaian business or private sector by those with minimum formal education as explained by a public sector sociologist, 'business is risky and...for a long time there were few educated people and...there were so many jobs so one would not even want to go out to 'hustle' in the risky areas' (PA2, Appendix II). The following comment by a multinational chartered accountant, in the main, explains the small number of partnerships among the Ghanaian professions:

[W]hen we are investing money those of us who are full time workers, we have to be very careful...because that is our life or that is our future. So we have to spend a lot of time to make sure that whoever we have dealings with, has the same ideas as us, he is impeccable ... (MC4).

### **6.4.5 Long/Short Term Orientation**

Long-term versus short-term orientation relates to the choice of focus for people's efforts: the future or the present (Hofstede, 2001, p.29). The responses to the VSM 94 questions are analysed under their respective headings.

#### **Personal steadiness and stability**

The interviewees generally expressed risk aversion and explained: 'I do not want to venture seriously into the unknown, although I like taking risk it must be calculated' (PV11) and that 'because of uncertainty, personal steadiness and stability is of utmost importance, as 'the devil you know is better than the angel you do not know' (PBA10).

#### **Persistence/Perseverance**

The participants generally wanted their children to "be serious in school and never to lose hope, they must persist or persevere" (MG1) and also felt that whatever "goal one sets for himself he must face the odds and meet them" (PV11).

## Thrift /Savings

The responses generated from the question on the importance of savings and thrift provide insight into the causes of low rates of savings and investment in Ghana. Most of the issues raised bordered on cultural practices and past policies. Due to the importance of savings to the study's objectives, a detailed analysis of the responses generated is made. Low wages, low interest rates on deposits, preference for investment in building property, investment in children's education, wastage and catering for large or extended families were given as the major causes of low savings. As one participant argues, "in Ghana we squeeze ourselves to acquire property at the detriment of our personal well being" (PV9). The causes are explained below by multinational and public sector employees:

[T]he majority of the people would not like to save because they think that the interest that the money market gives is not enough and if they use that money for something else it would be better ... So the majority of the people as soon as they get their money they just channel it into building even though it is not helping, people prefer it that way. And I also think that the economy is also a contributing factor, if you are working and the money that is given to you at the end of the month is nothing to write home about, you cannot save. And looking at all the people we need to take care of, if you have a family of that nature there is no way you will save money (MV7, Appendix I).

In Ghana for example, our pay is not sufficient. Besides, I am a widow, and my first daughter is in the university, so what I do is I economise a little what I get, in order to sponsor my children's education...In general, Ghanaians do not know how to save money...they spend money unnecessarily (PUE8).

Government is the main employer in the country and the income levels are so low, ...with this meagre salary one will have to look after the children, their education, the social life, so because of this the savings in Ghana is very low ... (PC4).

Two multinational managers of different generations and gender explain below that the younger generation are using the low income as an excuse:

I think for a long time Ghanaians know that it is important to save but as for the reasons why they do not save, I do not know. May be, the money is not enough or they think that when you have to save, the money should be in big amounts. But you realise that long, long time ago our parents used to buy Holland cloth and gold jewellery, they saved their money in that form and when they needed money they sold the cloth, so that was a form of savings (MUW6, Appendix 6.2).

Our forefathers knew how to save even if they were not using the banking system. They ... put something aside where they would resort to in times of need, but the average young man now in Ghana will always talk about the non availability of money, and a young man who is working will not save much ... it becomes a normal talk that my pay is not sufficient ... he works from hand to mouth. Savings is what one has to cultivate, it is a habit, if you do not have it, you can never save (MC5).



Others think that Ghanaians do not plan and “spend wisely ... are not able to distinguish between things we need and things we want” (MG10). However, it is also argued that only a few spend lavishly. The following two extracts from two public sector officials provide illustration:

If some people were able to draw their budgets ... and say this month I hope to use this amount for this, but now hardly do you see people doing that. They live off the day, you know whatever comes handy they spend. The people have not been used to thrift ... Perhaps as a result of the shortages in what we call essential commodities ... they want to grab whatever is available. So we do not plan ... we buy on impulse (PA2, Appendix II).

“But one of the things that are draining us is the elaborate funeral; I just finished my mother’s funeral so I know where I am coming from” (MA3). Others cite demonstration effect (show off in Ghanaian parlance) and social spending as contributing to low savings:

Everybody wants to excel but it is something that is not productive. In this society if you are not spending they will say you are not sociable, you will spend a lot of money and you can never recoup ... and when you suddenly become poor they will not be there and that money is lost forever (MC5).

Others observe that Ghanaians do not save with the banks because of their perception of the financial institutions. So, “you find people keeping large sums of money in homes” (MG8). “They think the banking system is cumbersome ... and you have your own money in the bank before you can withdraw, you have to go and queue, sometimes when you go they will tell you our computers are broken down” (PG17). They also “feel that gaining access to their money is not as easy as the ‘susu’ (saving) system that some of the market women have” (MV9). Again, the past adverse experience of the financial institutions in Ghana discourages the people from saving with the bank. However, according to a public sector lady, the lack of savings “boils down to ignorance ... you have to plan for your future or retirement as you do not have to depend on your kids ...” (PE14).

Strangely, while those in the south are complaining of low income, others in the north seem to have negligible or no income at all. “There are some ... grown up people ... who do not earn more than 200,000 thousand cedis (approximately US\$20) a year in the north, they have nothing to call real income so where can they get the savings from” (PN20). The following analysis of a public sector secretary, who is from the north, provides a beautiful contrast and context: “Two million cedis a month (US\$200) in Accra, transportation, you pay bills, and then food, so that is why a lot of people cannot make it, it is like you need to do something extra to be able to make it” (PN19). Ironically, in the north a lot is spent on dowries in the form of cows and sheep of “may be six ... it can be as many as ten ... but they are not really huge cows, they are calves” (PN19).

Arguably, low income is the major culprit of low savings as an interviewee summarises:

Majority of the people are labourers and low income people. Look at somebody being paid 600,000 cedis (US\$60) a month, this person cannot even survive on this, so how can he save? And those who earn a little bit more because of the extended family system, they are incapacitated to put money aside for a rainy day. So, it is the extended family system, low wages, the funerals and the culture (PC13).

### **Respect for tradition**

The responses to the above question also revealed a lot of interesting views about the short term orientation of Ghanaian culture. The following interviewee's comment does not only support the respect for tradition in Ghana, but also points to the seriousness of the conflict between tradition and modernity:

Because as I sit here I have such respect for my king to such an extent that if a minister summons me, I will say, 'to hell with him', but if my king summons me whatever I am doing I will go. I have a high respect for tradition (PA2, Appendix II).

Another interviewee elaborates the persistence of "filial piety" and short term orientation culture in Ghana:

You know here, we revere the dead, so that is our culture, ancestors. It is the dead, the living and the yet unborn so...we believe the dead are the stakeholders of whatever we do... it is now that the trend is changing that people take very good care of their children but still the dead are very important ...we have not started taking care of our grand children (PV15).

The other respondents also felt that 'tradition should not be disregarded' (PBA10) but a public official had this to say, 'I am very critical, when I analyse the tradition scientifically and it is not justified, I throw it away' (PV11). On the effect of tradition on productivity in agriculture, an interviewee explains that "if somebody is even a farmer, there are modern ways of improving" on the farming practices but he rather sticks to the "same practices that he learnt from his grandfather" (MV7, Appendix I). Again one explains that "if you go to our villages, the Saturdays that they ... used to go to farms, because of funeral activities that they engage in now, they waste a lot of time on funerals" (PC4). On subsistence farming a multinational manager argues that "traditionally the way we were doing our farming was also killing the soil nutrients because we cut the trees and burned them, by burning you destroy the nutrients in the soil" (MA3).

### **Societal norms and connotations of Short Term Orientation**

As Hofstede (2001) explains short term orientation is associated with the lack of attention to the future and therefore can explain the lack of planning and foresight in Ghana. In Ghana, "there is a tension between the present, the future and the past" (PN20, Appendix

6.4). An official succinctly explains the vicious circle operating between the lack of planning and poverty. "I don't know about the planning but that is why I am saying there is a vicious cycle ... the poverty is the vicious cycle because of that, it goes round and come back again" (PV15). A top public sector official explains the Ghanaian situation regarding planning and implementation of policies since independence in detail:

When it comes to planning we have our 'Vision 2020' from the previous regime, this regime has also introduced 'Vision 2015.' Now, I think we have the problem of operationalising the documents,...in translating the vision, ...and so they are just sitting on paper, this is our vision, we want to be an industrial nation equal to Britain, equal to Malaysia, just like Japan, beautiful vision, but how do you get there? And so you want to set your priorities right, where do you begin?...I think our leaders have failed in combining all these factors so that you have a forward movement which will lead to growth (PV22).

At the individual level, the lack of planning is reflected in succession planning where even some highly educated people are afraid to make their wills, thus resulting in the lack of intergenerational businesses and property in Ghana. Although the comment below refers to those in the villages, it applies to most Ghanaians and it is mainly due to their lack of planning and the strong belief in spirituality:

The village man believes that if he makes a will, he will just die the next day because he has done a will. And that was why the intestate law was meant to correct but unfortunately...somebody will be suffering under the traditional system of inheritance and even when you tell him to go to court and take advantage of it, he says that he does not want trouble (PN20, Appendix 6.4).

The following comment on poor land management by an interviewee also explains the lack of future orientation of the traditional rulers in the country:

It is ... so poorly organised especially by the chiefs, they just sell the land without thinking even of the future ... But all the chiefs who have now got into certain positions they are disposing of the land as if ... there is no tomorrow (PA2, Appendix II).

## 6.5 Summary and Conclusions

This chapter discussed the findings of the 35 interviews conducted with the public sector and multinational employees. Generally, the responses corroborated and shed more light on the survey findings and secondary data analysis. The level of spirituality and religiosity was high amongst the participants irrespective of ethnicity, level of education, gender and religion. The interviewees were predominantly Christians (32), male (24), managers (21), graduates (21) and of age 36-60 (22) reflecting the demographics of formal sector organisations. There were also six (6) lawyers, two (2) qualified accountants, a traditional ruler and a priest who played the role of informants and provided useful insights to the analysis of the Ghanaian situation.

The chapter initially reviewed the levels of Ghanaian culture comprising symbols, heroes, rituals and values, and arrived at the Ghanaian 'culture onion' (Hofstede, 2001). The important Ghanaian symbols were found to be traditional cloth for funeral, property, family, wealth, white collar jobs and posh cars. The symbols point to a high materialistic and masculine culture which may lead most people to live beyond their means in conspicuous consumption. The heroes in Ghana are the presidents or heads of state, chiefs, pastors, academics (professors and PhD holders), and the wealthy, irrespective of the means of acquisition of wealth. There is acute dysfunctionality in the Ghanaian society which reflects in the refusal of most academics to work in the universities. However, they clamour for positions in the chieftaincy and political institutions, a situation which may require policy intervention for its rectification. The main Ghanaian rituals are funerals, traditional festivals, marriages, religious ceremonies and reciprocation of gift. These rituals greatly contribute to the national consumption and could be an important medium for the corruption of powerful officials. They also contribute to the low productivity in the Ghanaian workplaces and reveal a demonstration effect of conspicuous consumption. The dominant Ghanaian values identified in the data are respect for age (gerontocracy), obedience to parents (filial piety), godliness and spirituality, religiosity, persistence, education, parenthood, moral and family values. However, the evidence from the data seems to indicate that the "difficulties in life" and the "endemic corruption" have had adverse consequences on the traditional Ghanaian dominant values.

The interview data were also analysed with a view to corroborating the survey findings based on the VSM 94 questions. The analysis of the responses relating to the power distance scale confirmed the dominant values of respect for age, authority and face saving. In line with the score of 93.3% in the survey, the interview participants confirmed that in Ghana, 'having good relationship with the superior' is of utmost importance, especially in the public sector. It was also found that rules are only enforced in the public

sector when the “relationship between [subordinate] and [the] boss is not cordial then [the] boss will intentionally just try to frustrate [the subordinate]” (PV15). On the other hand, as a public sector director confirms: “If you say that you are the superior and that you do not want to relate to the subordinates, you can pretend to be here leading them and they can pretend to be following your instructions” (PA2, Appendix II). The participants also attributed “the lack of effective supervision in the public sector” to “over fraternisation.” They prefer to have one boss because when you have two bosses “it is very likely that you will not have a clear directive”. Interestingly, they felt that “the Ghanaian culture or tradition doesn’t allow subordinates to disagree with their bosses in public” and this “attitude allows the leaders and bosses to get away with so much”. This explains the irregularities in the chieftancy institution and the survey respondents’ expression of low confidence in the public institutions. Surprisingly, the interview participants confirmed their high respect to the chieftancy institution, an attitude that is probably due to the association of the institution’s with ancestorship. This could be a clear case of distorted ideas and the belief system maintaining a dysfunctional system. The evidence indicates a large power distance culture in both the survey and interviews. This could be partly attributed to the lack of social mobility or employment opportunities as most of the workers would like to keep their jobs and therefore fail to disagree with their superiors. The association of power distance with corruption and irregularities by the interview participants is quite significant and is in line with the findings in the literature.

On the responses relating to Individualism/Collectivism, it was found that the participants attach high importance to having time for their children and family and as well as to good physical conditions at the work place because they “see it as a motivation factor as it improves health and gives prestige.” They also explained that, “long term job security relieves you of stress and makes you feel more relaxed on the job.” However, some of the participants linked the importance of job security to lack of retirement benefits. The importance of training was also revealed in the data and the lack of training was considered a major cause of low productivity at work. It is also claimed that the extended family networks put a lot of strain on their working members resulting in a culture of high dependency where most people will not exert or try hard. The participants also complained that nepotism or patronage based on family relations, political connections and “old boyism,” prevents the public sector managers from enforcing rules and regulations at work. It appears that the Ghanaian public sector serves as a ‘cliff-hanger’ for the extended family network, where powerful family members obtain employment for their in-groups, without regards to their level of qualification or competence. The inheritance systems, especially the matrilineal, are considered as disincentive as they work against the survival of business and property and fail to promote long term planning in businesses. The above analysis indicates a collectivist culture based on the extended

family. As the data show, in a modern sector where the public sector should be operated on the principles of universalism, this particularist culture will serve to undermine the effective operation of the public sector. High power distance and collectivist societies provide conditions for patronage (Mead, 1998) and this could explain the high perception of corruption in Ghana.

The analysis in the area of Masculinity/Femininity indicates that cooperation among colleagues in Ghana could be mainly for social reasons like “taking care of others during mishaps” rather than collaborating at work as the general perception in Ghana is that you have to always make it on your own and not to depend on people, an attitude that stifles teamwork. As a result most people are always looking for something for themselves and will not collaborate properly. This may detract from the high percentage score on this variable in the survey. The data also reveal a low level of trust, which is attributed to the inadequacies in the legal system, lack of proper system of identification and confirmation of addresses, past experiences of deception, low wages, general attitude of ‘self aggrandisement and get-rich quick’. The participants attributed the failure of people to poor circumstances, a lack of education and opportunity, high level of spirituality and the lack of effort and sense of duty. There is high perception of corruption in the data and this was explained that the “culture believes that if you want to get to this place and you cannot get there, you just give money.” It is also claimed that by using their low pay as an excuse, most public servants put the public in awkward positions by using “kangaroo (slow) tactics to extort gifts” before providing state services to the taxpayers. The prevalence of corruption and low productivity translate into low public confidence in almost all the public institutions. In the main, the interview findings corroborate and shed more light on the survey findings and they both point to a masculine culture.

The responses also reveal high dependence of subordinates on their managers indicating a large power distance and high uncertainty avoidance culture in the public sector and multinational employees. If their superiors are not able to provide concrete answers, the subordinates lose their trust and confidence in them and they “try to undermine you because they think they know more than you and therefore, you cannot give them instructions” (MC5). Although most of the respondents agreed that rules should not be broken, it was established that rules are not always enforced and sometimes used as tools for frustrating subordinates in the public sector. Although the survey data indicate some level of competition and individualism, the interviews reveal that distortions in incentives have destroyed the competitive spirit, as incentives are rather based on networks and family connections. Also, competition is not encouraged in the public sector because promotion is not based on competence or hard work but rather on acquaintances or “whom you know”. Consequently, the public sector employees consider the competition in their workplaces as unhealthy, and it promotes ‘hatred and elimination’. It was also

found that in the past the society considered lawyers as not truthful and this attitude worked against the lawyers and the legal system. This may explain a general lack of appreciation of the importance of a well functioning legal system as a necessary tool for development in Ghana the dilapidated structures in which the courts are held. Significantly, it was found that “the law courts are just the reflection of what obtains in the larger society. It was found that most Ghanaians are risk averse and insist that their ‘children must tread with caution’ and ‘Ghanaians do not also take risk, they want safe investment’ confirming a high uncertainty avoidance culture.

The responses generated from the question on the importance of savings and thrift provide useful insights into the causes of low rates of savings and investment in Ghana. Most of the issues raised bordered on cultural practices and past policies. The low level of income, lack of knowledge of savings, mismanagement of income, prevailing low deposit interest rates, large families and social spending on rituals like funerals, church services and parties are generally blamed for the low level of thriftiness. Due to the chronic high inflation the real deposit interest rates have been mostly negative so the majority of Ghanaians channel their money into investment in buildings. Generally, the participants think that recently Ghanaians do not plan and prioritise their needs but their “forefathers knew how to save even if they were not using the banking system” instead of using low income as an excuse to live from “hand-to-mouth”. The interviewees generally expressed risk aversion indicating that they “do not want to venture seriously into the unknown.” However, they felt that one must persist or persevere and that whatever “goal one sets for himself he must face the odds and meet them.” In contrast to the survey findings, the interview data revealed a level of high respect for tradition and a potential conflict between tradition and modernity. Most respondents consider that ‘tradition should not be disregarded’ but a few expressed the need to analyse and justify tradition scientifically. The short term orientation culture in Ghana is succinctly summarised in the data as a “tension between the present, the future and the past”:

You know here, we revere the dead, so that is our culture, ancestors ... we believe the dead are the stakeholders of whatever we do... it is now that the trend is changing, that people take very good care of their children ...we have not started taking care of our grand children (PV15).

As Hofstede (2001) explains, short term orientation is associated with the lack of attention to the future, which explains the pervasive lack of planning and foresight in Ghana. At the national level the culture of short term orientation reflects in the poor management of land resources and the lack of implementation of government policies and plans. While on the individual level it reflects in the low savings rate and the lack of succession planning, resulting in the lack of intergenerational businesses and property in Ghana.

In addition to the causes of poor living conditions found in the survey, the interview data revealed large families, belief in superstition, lack of effort, lack of education and training, and lack of opportunities as main causes. It was also found that the main causes of low productivity and absenteeism are poor remuneration, the lack of motivation at the workplaces and sheer laziness of the employees. The lack of confidence in the legal institution is mainly due to the perception of corruption as the “influence of money [corruption] has broken down all the public institutions.” The data reveal a complex relationship between culture, government policies and Ghana’s underdevelopment. With low per capita income, bribery and corruption have become a means of survival and a way of supplementing one’s income. The disturbing picture is the pervasive corruption among the rich and powerful in the civil service and the chieftancy institution as they provide a demonstration effect to the low income groups. This explains the high perception of corruption in Ghana. The findings in this chapter are further integrated with the survey and secondary data, and related to the extant literature to evaluate the impact of culture and government policies on Ghana’s economic development in the next chapter.



**Appendix I: A raw interview transcript of an Ewe female, multinational secretary, conducted on 5 January 2007**

*Can most people at work and in business be trusted?*

To some extent yes, about 60 to 65 per cent can be trusted.

*What about the 35 per cent?*

Some doubts, you know. Seeing our background, a lot of people want to get rich at the shortest time and they will do everything in their means to get to where want to be. That is me, you cannot trust everybody but at least 65 per cent of the people can be trusted.

*Do you think it is right for subordinates to express their disagreements with their superiors?*

Yes, they have every right to do that. But I think they should rather jaw, jaw than going through the normal channel. I think if they have a problem they can just go to their superiors tell them whatever problems they have.

*What about competition at work between employees?*

I do not think it is healthy enough but I think that equal work must go with equal pay. When there is bias here and there, if there is favouritism then it brings lots of competition.

*So what do you mean by equal work and equal pay?*

For instance, if we all have the same grade and we are doing the same type of work, I do not think somebody should take more than the other. Once we are all doing the same thing we should all receive the same pay.

*When it is in the best interest of the company, can an employee break the company's rules?*

It will depend, we all know we have policies and rules in our work places, once it is a policy we must all obey these rules. But then if somebody should do something contrary to the rules, I do not think it is right. How can breaking the company's rules be in the company's interest.

*What should be the basis of seniority at work?*

I think experience should count, not necessarily age but how experienced you are and how you can perform should give you the seniority.

*What are the main causes of absenteeism in Ghana?*

If morale at the work place is low, people are not being remunerated according to their jobs. They do not have that joy to come to work. Sometimes too, the jobs that they are doing are too tedious which means some of them get sick and they will be on and off the job. So these can also account for the absenteeism.

*What about the low productivity at work, that is when they come to work they do not perform as expected?*

It means they are not being motivated enough. If you want high productivity you need to plan for the workers remunerate them accordingly. But if they are performing and you are not giving them their due I think that they will fall short of the expectation.

*Are there any other things that prevent people from coming to work?*

That will depend on the location, because most of the areas in this part of Africa have some outmoded cultural practices. May be the Gas who sometimes say that from 8 o'clock to 9 o'clock this evening they would not want anybody to go out. On that day those who are coming from that end will not report for duty. So some of those practices if they can be eliminated, I think they can also go a long way.

*What about funerals do they cause any problems?*

Most of the funerals take place at the weekends so once we mostly work on the weekdays, I do not think that the funerals have any big impact. Except that the person

may ask for days and may be if he or she has exhausted the leave days he will still ask for permission to leave work. That one will be a problem.

*What about church services?*

Yes, I am a typical example, I was even discussing it this morning. Formerly, I used to be the secretary of the women's fellowship at church because we attended meetings on Wednesdays evenings. This time, they are saying that majority of the women are not workers but traders, so they have drawn the time back to the mornings. They now attend women fellowship meeting at 8 o'clock and even at 8 o'clock, when you go there will be nobody until about 8.30am. I cannot ask permission every Wednesday so sometimes these are the barriers. And other people will ask permission because they want to go and ask for spiritual fortification during working days they want to go to prayer camps. These are the few things.

*Can one be a good manager without having precise answers to most questions subordinates raise about their work?*

That person can never be a good manager. If you want to be at the top I think you have to know what is on the ground. You need to have a fair knowledge of whatever goes on but if you do not have that knowledge then you can never be a good manager.

*What are, in your views, the important causes of poor living conditions in Ghana?*

As I said from the onset, you know, in this part of our world, we are full of greed, selfishness and all that. If you put somebody in a position of trust before you realise because of selfishness he wants to take everything for himself and because of that we are not able to help one another. If somebody wanted to climb because we are not in that position we will do all our best to pull the person down. So it is like the education over here is not like in the Western world. Education is very low we do not have that foresight. So every plan is for today alone, tomorrow should take care of itself. So, if we continue to be like this I do not think we can ever develop.

*Any other factors?*

The factors are what I have just said. We are full of greed, we are full of hypocrisy and majority of us would not want to work but we want to get rich overnight. We forget that it is a gradual process and some of us the moment we start before we get to the higher level we think that we are ok. We do not want to study but I believe that we should enhance our knowledge and as we further we would be able to get to the very good job market and our living standard will also improve. But because we do not want that type of education we are always limited to a corner. So we will continue to live in poverty.

*What are the important qualities you would like your children to learn at home?*

I have kids and I believe in one thing that for one to succeed in life the person must be God fearing. I was just telling a friend that I read the Book of Kings on Solomon. This is a man God gave a condition. The condition is that if you would obey my rules only if you are going to live your life like your daddy David. Then I your God I am going to do the following things. But somewhere along the line he disobeyed God and that will be the end of his life. I was telling a colleague this morning that when you are successful in life it means that you are God fearing and then as you continue on this journey God is going to give you that wisdom, knowledge for you to apply. So I would like my children to be people who are God fearing, they are obedient, they take their studies very seriously and I believe the rest will have to go with it.

*How often do you spend time with your parents?*

Unfortunately, I have lost both parents several years ago so I am now a family head. We were very nice but unfortunately I come from a home where my poor parents were illiterate. My daddy for instance, was someone who enjoyed polygamous marriage and had no time for his children, you know. But my mummy happened to be someone even though an illiterate wanted us to have some kind of education. So she was someone who encouraged, us even if there was no money she would say I would like you to become a

lady in future. So we became close to our mother. To me she was the source of inspiration.

*Please tell me about the extended family system in Ghana*

Yes, you are in the family, the family tree.

*How do you see your family in Ghana, is there any other family apart from the nuclear?*

Yes we have. You consider your parents, even your grand parents, your cousins to be part of your family.

*How important are the members of your extended family in your daily life?*

They are very important in the sense that as I said from the onset because majority of the people are not educated and because of that they do not have any lucrative job so if you are not fortunate and you are the only person in the family who is working it means that you are going to cater for all this people everybody. So you become the figurehead even if you are not prospering everybody knows that they have to depend on you so. So it makes life unbearable for the one who is working. For instance your parents are sick, you need to take care of your ailing mother and sometimes productivity has to suffer because you have somebody to take care of. That extended family system, even though it is not the best we have come to inherit it and we still adore it.

*So what are the advantages?*

The advantages are that you are having a big family. Recently, a nephew of mine went to Holland and she married a lady over there. So when the lady came with him last year December, they visited some of the relations. All the time the lady was saying Peter has a very big family, my small boy has a very big family. We only take pride in having a big family, I have this and I have that. But it does not help us, the disadvantages are more than the advantages.

*So can we mention some of the disadvantages?*

Like taking care of an ailing parent and taking care of your sisters or cousins children and your nephews, you know it becomes a burden. It becomes a burden upon one person to take care of so many people. As I am sitting over here right now I am taking care of I am taking of my sister who has four children and the one I come after has two children and one is in secondary school and one is now in Junior Secondary School. I am also taking care of the sister that followed me directly her kid is also in the secondary school I am taking care of that one. Besides that I have brothers who are not working and every month they want you to give them something.

*How important is saving in your private life?*

It is very, very vital, saving is very vital. But we are having a problem with our world today and so majority of the people would not like to save because the interest that the money market will give you, if you used that money to do something else, it would be better. For instance, the price of commodities continues to increase every now and then. If a bag of cement is selling at 65,000 cedis in three months time you will buy it at 70,000 cedis so for you to save that money and wait for the interest to accrue will not help you. So the majority of us as soon as we get our money we just channel it into building even though it is not helping we prefer it that way.

*So people only save through investment in buildings?*

As I said, majority of us are short sighted, they only think about today they do not think about the future, so all you can hear from us is that, you know, we are not able to make ends meet and so the little money that comes into our hands we have to spend it. And we keep on thinking that tomorrow will bring another thing that is why we are not saving. And I also think that the economy is also a contributing factor, if you are working and the money that is given to you at the end of the month is nothing to write home about, you cannot save money. And looking at all the people we need to take care of, if you have a family of that nature, there is no way you will save money. Right now, the senior staff are crying for some of their provident fund but the Human Resource department are saying

that they could not understand them, sometimes you have to understand them. They are saying that we have been given bonuses, we have been our salaries. Yes, but all the fingers are not equal. Some people do not have problems in their families, but with the majority, the moment the money comes into their hands it is distributed. You know this very month a lot of people are going to pay school fees, so if you have about four or five children you have to pay for all of them and you have to look after your nephews and your cousins, depending on where you come from. So this is part of it, we would rather wish that for the jobs that we do, at least they should give us something that would cushion us so we would have something to save.

*Do the Ghanaians' ways of life affect their savings?*

Even though I am saying that majority of us are short sighted, it does not mean everybody, but the bulk. At least I can say that some 45 per cent are OK, they are sound financially. But the bulk, that is the problem.

*But do those who are sound financially save?*

Yes they save, some of them are into big investment. The majority of them too, instead of saving their money and buying shares and all that, they prefer to invest in land, you know land now is the best savings in Africa. If you have land and put up a building, people who rent your house, every two years you would increase your rent and take rent advance so people are seeing this one as being more lucrative than putting your money in savings. I think it is better than just squandering the money when they get it.

*How are your actions affected by your ancestors?*

All I will say is that the good training that my mummy had is the end result of what one can see over here. So it is my dream that my children should do better than I am doing. So I am doing all I can in my own small way to educate them so that they would have better training and better remuneration in future than I am enjoying now.

*How often do you attend religious services?*

As for religious services, provided it is in the evening, I do not have a problem, from close of work I just pack and go. Even this evening I would be going to Sunday school teachers' class, I do not have any problem as it is from 7pm to 8.30 pm. On Sunday mornings, I would be at church, on Tuesday evenings, I go to Bible studies, once it is in the evenings, I don't think there is a problem.

*What about the inheritance systems in Ghana?*

Do you mean the inheritance system and the intestate succession laws?

*What is going on do you know of anybody who passed away and how the inheritance laws applied?*

It is a big problem in the sense that we are using the extended family, so it is like you have even somebody who is just a nephew, or even an uncle of yours to say that I also form part of the family, I need to take this, I need to take that. But if we were to only dwell on the father, mother and children, I do not think there would be any difficulty. So, for this one I do not think we can run away from till we change the family system. It is a problem.

*What about the intestate law, is it working?*

Yes, to a certain extent, the people who are enlightened do not have problems with it but those in the villages have problems. No matter what you do, they would not understand. I think that for us to come out of this, the generation that are coming have to take their studies very seriously, it is education.

*So is the inheritance helping the growth of businesses?*

For this problem if we want to delve into it we would not finish today, some of this inheritance that you are talking about. I am just telling you that some people would like to get rich overnight, no matter what, they will not think about the cost, so they will try every dubious means to have their money. And the one who is coming to inherit this wealth does not know rules so within a short time, everything disappears. There is a case in my

church, this young man whose daddy was a successful businessman and he had about thirteen children. He had fuel tankers, articulators but within two years of the man's death everything is gone. They have started selling their land, their houses, why? It is because of the source of money, one does not know. But if the money is not ill gotten, I believe that person, because the money is not ill gotten but if the money was well gotten the founder would have taken time to ensure that those who come after him understand the business, so he will train them. But the bulk of the people would want to get rich overnight, so before you would even speak, the money itself would begin to vanish. They would not misappropriate the funds, the funds would just vanish. Yes because the monies were obtained through mysterious ways. And it is like, occasionally there is something that should be done to this money, but once the owner is not there and he has not told you what to do, you would not be able to take good care of it. So these are some of the things, just in Africa, I do not think elsewhere in the western world they will be having this problem. And sometimes too you see somebody, may be, a good person leaving an inheritance but those that he had left behind would not take their time you know. The moment they start doing something, they want to buy things for themselves, they do not even look at the profit margin but would just be buying things here and there, before you will realise everything is gone. And even that one it is just a small portion.

*Is it true that there is spiritual counterpart to everything?*

That is the African mentality. But glory be to the Lord, you know, through his own means, some of us have been enlightened, so we do not believe some of this. But the typical Ghanaian and an African, who does not believe in the God, will always say there is something behind all these things, but I sitting over here, I do not believe. Even though I know that there are spiritual beings in all of us, I do not believe that they have taken control of me.

*What about the spiritual counterpart of human beings?*

Yes, it is there, but as for me, I do not know them. If you read the Bible carefully you would understand that they are there, and since I cannot see them, I only pray and combat them.

*Is it true that human beings are born with unchangeable destinies?*

I understand where you are coming from but I do not believe it. But where I come from, because people refuse to get themselves enlightened, their destinies are just like lost from the very beginning. They worship idols, so everything that they do is idols, idols, idols. And so it is the idols that guide them and therefore they are always poor. I have an auntie, my mummy had many brothers and sisters but now there are only three of them, I have two uncles and one auntie. And it is like ever since I met that woman, her situation has never changed. She is always poor and every money that comes into her hands she is going to seek spiritual assistance (juju), you know, in the village everybody wants power, they want to fortify themselves, so they try one another and so the little money that comes into her hands, she will try and use it to try her neighbour. But if this woman can leave this aside and turn to God, her destiny will change. So I do not believe anybody is destined to come and live a poor life. We are many, as I said my daddy led a polygamous life he married many women and he gave birth to about nineteen children, now those of us who are living, we are about thirteen. And ask me among the thirteen people how many of us are making it in life? People are not making any effort, they are only sitting down, every day they want you to come and do something, if you do not do it they think you are wicked. Meanwhile, they are not making any effort to help themselves and so such a person, should I say that God has destined him to be at one place? I do not believe it, we can change our destiny, yes we can change it.

*What do you think about the management of land in the country, they say whether a country will be rich or poor depends on how we use the land?*

Well, I do not think so. For instance if somebody is even a farmer, a peasant farmer, there are modern ways of improving whatever he does. Now, it is like he is sticking to whatever practices that he learnt from his grandfather. And you would not believe that for

over thirty years the same crop has been planted on the same land, and so it comes to a time the land becomes very dry and so does not give good harvest, yet we are not changing. All borders on education, if we would allow ourselves to be a little bit enlightened, some of these problems would be solved.

*What do you think about agriculture?*

Agriculture in Ghana can do better if the government could come in. Maybe government should acquire land, have people trained so that the mechanized way of farming can be introduced into the country. If we had good education, something better could come out from it. But because the right people are not there, only illiterates are working on our lands, even sometimes when people plant their crops, harvesting becomes a problem. You will harvest and there is no ready market and as we are not able to preserve our produce, within a short time and then we have gone bust. The farmer would produce but there is no market for it and so in two to three months everything would be rotten and everything goes back to 'square one'. So, how can that person progress in life? If the government could come in and we could have the canneries and modern ways of preserving some of these things, I think things would improve.

*Did you say the government should acquire lands?*

The government should go to the chiefs of the various districts, they would readily provide the land.

*What do you think about that? Who should control the land in the country?*

The land belongs to the chiefs, I think that the government can only control the land by acquiring them. If you do not acquire the land, you cannot control. If my ancestors have left some land for me, can I say that because I am in Ghana it belongs to the state? If the government wants to have the monopoly over land, it should acquire them. I believe that my inheritance is my inheritance.

*And what do you think about the law courts? For instance if you had a case today would you be encouraged to take it to court?*

I pray I do not have any problem so that I would go to that extent. Here in Ghana, I do not believe in that 'Freedom and Justice' that we talk about. Most of the people can be easily bribed and so even though you could be right, if you do not take care you can be in prison. There is no proper channel in the judicial system that one can go for help. Most people who have gone through that system complain that their experience was not the best. I have not tried it myself but I wish I do not go there.

*Do you think a country cannot develop without a proper judicial system?*

But my opinion could be an isolated case, there are some people who believe in that system and they think it works for them.

*So why is it that there is no Freedom and Justice? Why is the judicial system not working as every government would wish?*

It is because we are corrupt.

*What about the police service?*

As for the police service, they are worse, they are worse! You see police men, respectable men standing by the roadside controlling traffic, instead of checking whatever they are supposed to check over there, they are always collecting money, only money so at the end of the day, they are not performing what they are supposed to. Even though some of them may be good, the majority I do not trust them.

*What about chieftaincy?*

As for chieftaincy, I am not in the village or the rural areas, but the few things that we see over here, they are always trying to undo one another. Some people would try every possible means to be chief, even though that inheritance does not belong to them, they would just look for people who would support them and then at the end of the day there are problems here and there. They are having all these disputes because the right people

are not ascending the thrones, they want to be rich overnight so some of them when they ascend the throne, the very things that they come to see, because they want to get rich over night they begin to sell them. So these are bringing a lot of problems.

*Why is it that everybody wants to ascend the throne?*

Yes, they know the things over there this time it is not for fame, the majority of them I do not think it is because of fame but may be they have some inheritance, there is something under the throne or they may have land. But majority of them it is land, land and they will sell and sell. The other day I was going to Accra from Ashaiman to Lashibi, you know before we got to Nungua, we were heading towards Circle but the traffic over there was heavy, so we had to divert and we passed through a lot of places and at the end of it we came to Labadi where we have the swamp. I did not even know we were in Labadi before we reached the roadside and just along the swamp people had started building, it was appalling. When I came home I started thinking about what had happened to this Labadi chief. You know when we were young and in the primary school we were talking about this place in Ghana where you can find mangrove swamp in the West African sub region. Today when you go there the place is stinking, they have sold all the land including the land along the banks of that river. So these are some of the problems and when the man takes the money does not use it to the benefit of his community.

*What about the financial institutions?*

They are doing well, you know, they are there for their profit and so these days I can see about three or four banks that encourage workers to come for loans to improve their living standards. And as they are there because of their profits they are helping their clients and are also making their profits.

*What about the public and civil service?*

Those ones I do not know much about them, all I know everyday is the hullabaloo that their pay is woefully inadequate and all that.

*What about the services they offer?*

Oh, do not talk about that, some of them would render their bad services, poor services, say for instance, you going to a government hospital. I have an experience if you do not mind I will share it with you. When I got pregnant the first time, I was attending an antenatal clinic once a month until it came to the day of delivery. I was supposed to go to the clinic as soon as I saw signs or when the contractions began, and it was in the evening around 8.30 when I got there. The midwife at the time would not understand why I did not stay at home in labour for a long period before coming to the clinic. And what that woman did to me that day, if it was not God, I would have died. They say all sorts of things, some of the words that the woman used were not the best. If you go to the government institutions you are treated as if you are not part of the nation, you know, they do not give you that respect. But when I later went to a private clinic for my last delivery the services there were superb. It was different but it was the very people who also work in the government hospitals, the midwives and the nurses only work part time in the private clinics but the way they would treat you is different. Sometimes, I would say that, may be, the public servants are not well monitored. Somebody should be there to monitor whatever goes on in the government institutions. It is like everybody starts thinking that they can go to work at anytime and close at any time and do things any how.

*Does it mean that the government sector has a problem of supervision?*

Oh, why not, the majority. They lack supervision and there is no discipline.

**Thank you very, very much.**

**Appendix II: A raw interview transcript of Ashanti male, public sector director, conducted on 10 January 2007**

*Can most Ghanaian workers be trusted?*

Yes, I think so.

*What do you consider as the basis of the trust?*

Trust is ... they could have been given a target and at the turn of the day they make the target and that shows that they listen to you, you have performed and you have achieved your target.

*Some people are saying because of the economic situation they cannot trust most workers?*

No, you see, the minority deviants get highlighted, so this is what is happening, the majority of Ghanaians are performing creditably well and you do not hear anything about that. And when somebody performs well it is assumed that it is the profession. The profession says that you must achieve this and that, but when you have achieved you do not get any mention, it is when you deviate that you are heard about. So I want to believe that the majority and I mean it, it is a great majority. At least about 80 per cent of Ghanaians can be trusted.

*What about the Ghanaian businessman?*

That is where I have a different view. Again, perhaps it is a question of degree, you cannot trust any businessman wholly. No business, there is a degree and I do not think with this thought in mind you would write off all Ghanaian businessmen.

*But we want to trust the most because the trust in business is very important for economic development? If today somebody outside your family approached you to form a partnership how would you consider this offer?*

It is a bit difficult to pronounce but the fact that all businesses have not wound up, you know, suggest to me that there is a level of trust and I think every human being would want to behave in a certain way. But people would want to naturally deviate a little, it is when you have put the structures down which do not permit for any deviation then, then you are on the right road.

*If I told you that the number of partnerships in Ghana is significantly lower than sole traders and companies what would you say about that?*

You see the culture ... we have not grown to become business like. If you take it that ours is a growing trend, we are now developing and I think even if you take Europe on....

*How can we develop partnerships?*

I think it will take some time, if frequently people who have become partners have fallen out ... it is all a question of trust. Let us say you have two partners, each of them would want to bring his close family members into the business and when that happens it means you have got two antagonistic forces and interests and so on. And when that happens there is the tendency for them to fall out. We are not used to the culture of writing things down or writing agreements and so people may just say because they know each other and trust each other they may just grow a system or grow a business. And while the two are alive there may not be a problem but the moment one of them dies because they did not write anything down by way of agreement it creates a problem, especially for the succeeding third person.

*Does it mean there is a level of trust at the beginning, but some partners fall out before death?*

Even while the two are alive there can be a fall-out. You see, it is all the trust. You see, if two business partners, let's say have to finance a business, if it was let's say in the Western world, for example, they may write everything down, each person's contribution will be calculated in terms of money and the person giving much contribution will be adequately rewarded, do you see. But here we are, somebody may devote all his time



and attention to the business, let us say there are two people, one is working and the other is not working so the one who is not working would devote his time. If it was in the Western world the one who is not working will be considered as now working in the company. So he has to pay himself for the work he does and it will be properly calculated but here this man will devote his time growing the business and at the end of it all he does not get anything.

*As a society why do we behave that way after benefiting from a lot of business education?*

You see most of the businesses here, unfortunately, are done by people who are not too literate. I do not want to sound insulting but they ... it is people who are not clever in terms of book knowledge so they tend to ignore the few things which over the years have been tested, tried and found to be helpful for business, you know, it is just as if they were joking. They just meet over some bottles of beer and take the decision, let us go into this business. You do not have any work to do so you go and stay in that business and then run it, this is what is happening.

*You have made an important point here that most of the educated do not go into business, why is that?*

You see for a good time, there were few educated people and there were jobs available, there were so many jobs, so one needn't go out to 'hustle' in the risky areas.

*Were they jobs in the public sector?*

There were always jobs in the civil service, the hospitals, and the ministries and so on. So they left the business option for the not so sophisticated. If you check the history of these businessmen, some of them did not even go to school and they are the people who would be prepared to take the risk.

*Can we say that the public sector expanded too early and then absorbed all the educated people?*

No, the government did not expand too early ... It is the normal progression and I think they just took advantage of the situation. I would not want to say that the government expanded too early, it was rather too late. Because you know the facilities were not there why were many schools not opened and one had to walk about ten miles go to school.

*What do you think about competition at work between colleagues? Is it good for colleagues on the same level to engage in competition for promotion?*

Certainly, without competition, you know there will be no incentive. The incentives come when the opportunities are there for people to compete and it is from competition that we get the best results. And I think those who have succeeded did succeed because they were able to overcome certain competition. It is not everybody who started as a let's say a chewing-stick seller or a news vendor, who grew up to become somebody like Siaw, who was the owner of Tata Brewery. A lot of them fell down along the road.

*So there is winnowing effect from competition?*

So it is the way of sifting the wheat from the chaff, competition allows for that.

*Is it encouraged in our work environment? Is it the basis for promotion?*

It is yes and no. Yes in the sense that some people are very critical and they study the people's work attitude, their performance and they give recognition to those who perform creditably and those who do not perform creditably they put them somewhere down the line. But we will not say it happens in all cases.

*Does it happen in the public sector?*

Yes, because some people will just say well this man has been in this job for thirty years and this other one has been here for twenty years. So, is it the jobs available or the hierarchy that must be respected, hierarchy of what sort? Just the length of service has no relation to skills and perhaps the person who has been there for thirty years has just succeeded in being there because you know he was just not doing anything, he would not

want to venture into things or try his hands on things. He was only doing paper work from his office to this place ... he was not giving new ideas and so on.

*If this is the general situation in the country then we have a problem with the productivity? Exactly, our productivity is low.*

*Is it because performance is not promoted?*

Exactly, that is true. Yes, productivity is very, very, very low. Look we have to start work at 8am but people will just walk in to the office lazily around 9am, and when they come they sit down, you know, they take the newspaper, they read and they start the actual work at 10am. And by 12.30pm they are rushing to go out for lunch. They may not return at 1.30pm which is the time for them to return they may return at 2.30pm and by 5pm they are quickly packing their things to go home, so in a day ask yourself what have you done? If there was, you know, some performance monitoring system. You will find that each person may have contributed negatively or nothing to the output.

*How come we do not assess the performance, is it difficult to improve the productivity in the public sector organisations?*

You see all these things have been tried in the private sector and then some form of monitoring has to be put into the structure. But in the public service, I do not know if it has been tried. If you take the private sector, yes they have the clocking system so if you come in at 8am it will be recorded, you are assessed on the basis of your output so if at the time the communication or whatever you produce is recorded, even at the end of the day if you produce ten units of some commodity it is recorded. But over here, for example, there is nothing on record to say that this man came to work today and these are the things he did. There is nothing on record.

*Some people are saying that there is lack of supervision in the public sector? Exactly, you are right, there is lack of supervision.*

*Why is that, since every manager would like his or her staff to perform, why are the managers not supervising?*

It is all a mixture of all the points you have raised, no targets, no definite objective and people are afraid to talk to their subordinates. You see, they are afraid.

*But the managers have a lot of authority, why are they afraid? So can one be a good manager if he cannot give precise answers to most questions that subordinates ask about their work?*

I would not go in for that. Now the manager should manage so you put your people under you, directly under you, who have the answers that the customers want. You do not have to know everything, the manager does not need to know everything. As I sit here if you ask me, let us say, to give you the value of a vehicle, I may not be able to do that but I will call somebody who has that expertise, so he will come and do it. The manager need not be a specialist.

*So, is there a confusion or lack of education in Ghana as to the subordinates' expectations of managers?*

No, I will oppose that.

*But when the perception is that strong, the manager will be afraid to ask questions which will expose some lack of knowledge to the subordinates?*

You see, if you the manager have tact and a fair knowledge about the workers, you need not be a specialist. You are not an engineer; you are not a specialist in woodwork or glasswork and so on. You are the manager, so when you need somebody to fix the glass, you just call the glass man to do it. Perhaps, what he needs to know is for him to have a fair idea about the organisation's goal. Why does he call the glass man? Because he wants it fixed at a certain place and he will know the measurement so that if the glass man does not fix it well, he can draw his attention to it.

*So the people have wrong expectations of managers and, this calls for national education?*

It is the perception.

*Are there any other major causes of absenteeism and low productivity?*

It is lack of supervision and the lack of boldness to confront absentees.

*Why the lack of boldness? Is it cultural or sociological?*

I want to believe that over the years, perhaps, the manager himself may have adopted that attitude when he was a young officer, not knowing that he could also be a senior officer one day. So he does not feel the need to talk about somebody behaving the way he behaved when he was a young officer; that could be one. Besides the cultural and sociological, the friendship or the kind of relationship that develops, I do not want to say that it is wrong to develop a friendly attitude towards the subordinate but when the relationship becomes so close you find it very difficult to punish somebody if he goes wrong.

*I would like you to help me with another result of my survey where 86 per cent of the employees felt that they should have good working relationship with their superiors and some even said that they will leave the organisation without the good relationship?*

Sure that one, you see, now if you say that you are the superior and that you do not want to relate to the subordinate, yes, you can pretend to be here leading them and they can pretend to be following your instructions but behind the scenes they do whatever they like, and they will not show concern, they will not show love for the work they are doing.

*So what can we do to improve on this lack of supervision?*

The supervisors themselves need to be supervised, they need to be educated ... and then the goals should be clearly defined ... and if the manager or supervisor stands committed to the goals then they trickle down.

*Some people are saying that those at the top level may be committed because of better incentives but then when it comes to the middle there is not much incentive and the link between the top and the middle is broken but it is those in the middle who are involved in the supervision?*

There is a need for regular interaction; one should come down, go round to see what the subordinates are doing. You need not wait for the subordinates to come to you if you give the subordinates that respect ... so they can share their views.

*Is it because most successful people would like to be considered as a chief, the reason why they are not interacting with their subordinates?*

To some extent, I would say yes, in this background the boss reigns supreme. Do you know people go and wash his car and shower praises upon him?

*Can we do something about this?*

Why not? We can, it is all sensitization, you know Nduom's outfit, the Public Sector Reform, it is part of what they are doing. We took over from the colonialist and we should have structured all these things then, but the charm of independence or the attraction of it, you know blinded us from the most important things and people did not see that a lot of important things were at stake and that we were being challenged to work assiduously towards achieving goals. We were overwhelmed by the attractions of office and so we did not look at the job itself.

*So can we attribute the causes of our woes to this? I am sure you were about 8 years old so you saw most of what happened?*

Yes, I did, I did.

*And you saw the transition as well?*

Yes, yes.

*And you saw that things were better managed before?*

If the colonial administrator tells you come to my place at 10am, you should be there. But over the years when it is 10am, I had a problem on the way, there was a traffic jam. Why don't you factor in that traffic jam, I knew I was going to meet you, but I had to go to Tema at the same time, so I rushed and by 9am I was here. Of course, I had to do few things and to organise myself before the interview.

*So was it because the colonial official was not constrained by the culture or traditions like funerals? For example meeting your family member on the way to work? After the transition from the traditional to the modern systems we failed to come out with the procedures to work in the new environment thus contributing to the current situation. Do you think that we can come out of this situation?*

Certainly, with the possibilities of man, I believe in the ability of man to change his own way. I have a personal experience with a businessman ... We had to make a few changes people were clamouring for it, even if changes were made the effect were there for everybody to see, it had not gone so I stood justified in my clamour.

*Perhaps you benefited from some education which the others did not?*

Perhaps so, exactly.

*So what are in your views, the most important causes of our poor living conditions in Ghana?*

Who are we focussing on, is it the rural or urban poor? I would not want to think, I would not want to believe that the average person in Ghana now is worse of than the average person in Ghana in let us say 1950.

*What about as compared to 1960?*

It was worse in 1960. You see if you want to take the figures, or what the figures give you, the per capita income is thousand per head and now it has fallen to four hundred dollars, they do not give the true picture. In 1960 we were walking barefooted to school and so on, do you see?

*But when we were in our villages, everybody could have his or her fair share of food?*

Are you sure?

*I saw some of this and I grew up in the same area as you did?*

Where did you grow up? Do you think those conditions were far better than now?

*Yes I lived through the conditions in the 1970s in the villages. The cocoa farmers were being paid better then but over the years their capital has been depleted by over taxation by the successive governments.*

I have a different view, you see, do not let me terrify you by telling you that I am a sociologist, a political scientist and a lawyer and I am associated with other areas so much ... I would not accept that things are worse now than they were in the 1960s, I would not accept that.

*I learnt from someone that her dad was a junior public servant but he managed to look after his nine children and other children from his extended family, he sent all of them to secondary schools in the 60s and 70s, something which is not possible now even for a senior public servant?*

My brother, how many people were able in those days to send their children to college at that time. You know, you will have a family of let us say ten, and just one maybe, all the family people will gather their resources to take this boy through to secondary school.

*Maybe you are talking from the Ashanti Region's perspective, as the public servants were mainly in Accra, perhaps you are referring to the farmers?*

You are talking of the living conditions and I asked you which people you had in mind, now we are taking a cross-section; farmers, fishermen, labourers, civil servants, public servants, teachers, and so on. We are taking all this people into an account and I gave

you an example that right now somebody may have three mobile phones or two and then because he has to pay the bills ... he is complaining that life is hard. You are holding two mobile phones and you are saying that life is hard. Look, go back in those days what were our conditions? You go to school and in the afternoon when you come home you are shown your mother's kitchen and she has left some plantain there for you and may be some standing soup which you can use, sometimes you go and you find that it is so much a burden to cook and so you just rush back. How many people were in school at that time, how many people were attending school?

*At least when you compare the situation in Ghana then to most African countries at least Ghana was far ahead at that time, for example, with Cote d'Ivoire that was able to overtake Ghana in the 70s. So one may say that, taking into consideration the level at which Ghana started, we could have done much better?*

Wait, I was in Kumasi and from my home to school, I was staying at Amakom and I was attending Army Children's School at Gondar Barracks, I had to walk, how many people are now walking? Somebody was going to Akuafo Hall from the Legon (University of Ghana) main gate and the person had to take a taxi for this short distance. I will never agree to that, despite what other people have said. I would want to say that the living conditions now are better than they were in the sixties. In the sixties only few people were enjoying, the majority of the people were struggling.

*When we look at the conditions of the people in the Northern part of Ghana, can we say the same, have their conditions have improved?*

That is my conviction.

*But those from the North will disagree with you?*

That is what they will say; they say it for political reasons. Now with the capitation grant, and other things that are making the situation more attractive, why are they still complaining? When they come here and are able to make it. You know the northern people who came down and benefited from education and so many things, why are they still in Accra, why are they established in Kumasi and they are not going back to their home villages?

*If I tell you that Ashanti Region (with Kumasi as capital), your region used to be one of the richest regions in Africa when it comes to natural resources, what would you say about that?*

I would say yes.

*And if where they are coming from maybe one of the poorest in Africa, can we justify their migration?*

Why not? But you see there comes a time when you are so well resourced that you could go and do something back in your own village. I am talking about someone who has been educated who has got some level of income which would make it possible for him to run a fleet of cars, a fleet of vehicles and so on. Why don't they go back and invest there, why do they remain here (Accra and Kumasi), they will not go to their village. In fact, when they go there, they even go to rent a room in a hotel; they do not have any houses of their own there. When I started working the first thing that came on my mind was to build a house in Fumesua, do you see?

*But that is your Ashanti culture, that every Ashanti should build a house in Kumasi?*

Right now I do not even have a place or my own house here (Accra), I am not so bothered, because I have a house in my hometown.

*So how often do you go there?*

I go there, almost every two weeks.

*But I went to the North in April 2006, and before I left I would have shared your views but after going there and looking at the current situation it can be argued that it will be very difficult especially for someone who has been educated, especially when you started by*

*arguing that the Ghanaian educated do not venture into businesses? There are no public employment opportunities as you find in Accra or Kumasi?*

You see my brother, let me tell you something, now as I sit here, I am a high level income earner but I have three children and one wife. You go to the north; you will see that one person has four wives and thirty children. So what do you expect to happen? I can cater for my children's education up to the university level and that is what I have done, the person there has got twenty or thirty children, how does he take care of them?

*I think we have made significant progress here; do you have any other causes of our economic situation, especially as most officials are now drawing comparisons with South Korea and Malaysia, citing the fact that we gained independence around the same time? They are serious but we are not serious ...*

*Are they serious economically? And what do you mean by we are not serious?*  
When we started I told you the attitude of a Ghanaian and you see, it all started from independence from work; that is the Ghanaian workers' attitude. We feel that independence means relax and everything will come and that is how our money got misused. I know of the Nkrumah's Workers' Brigade where in the morning they will go the office, line up, take salute and then around 9am they will be dispersed to the farms. They will go and plant yam sects, they put seeds in the soil and by 11am they are back into town, they are back in their homes and by 6 to 7pm, you will find them fishing for the very things that they have planted, they will remove them.

*Why?*

They will go and cook the things that they have planted, they will take them to their houses and cook.

*Were you part of the Boys' Brigade, I guess you were too young at the time?*  
I was young, but I was not too young.

*Because someone I know who was a member in the Kumasi area speaks highly of the Boys' Brigade?*

The Workers' Brigade was the most criminal thing that ever existed in the Nkrumah's time.

*Is your view based on the literature or personal knowledge?*

Look, somebody will be at Jaachie (not far from Kumasi) ...his name will again be in Kumasi as well as in Ejura (all in the Ashanti Region) and at the end of the month, he will go to these three places and collect salaries...

*Is this the reason why Nkrumah's agricultural mechanization was not successful?*

I think so. He had a good vision, he thought these things could work but the people... When they were going to trade or agricultural fairs and so on, they will go to a private person's farm and collect a huge cassava and display it as coming from a State Farm.

*In the early 70s there was a state farm in my area, where I remember we used to go and queue to buy eggs, could they have been developed further?*

It was better we stopped the State Farms. Look at what is happening in the Soviet Union. Now for Agriculture and so on, you do not need the state.

*But in the beginning I said that the state expanded too quickly, what I meant by the state expanding too quickly was the fact that the government went into all the areas? May be the government should have focused on the areas meant for governments?*

Your definition of state expansion is perhaps different from my definition, if you were thinking perhaps we have so many ministries, on that score I would agree with you. But in terms of may be, educational expansion and the facilities for improving the society, do you see where I was coming from.

*Would you have any other causes?*

Perhaps, I could talk about...honestly, let me be very blunt with you, and tell you that I am not enthused about Nkrumah's coming to power. I am not enthused, so I do not know whether it is this bias which is prompting me to comment negatively on his policies.

*May be your views may be in line with the literature, but many Ghanaians do not accept these views?*

You see, why did the opposition oppose the building of Akosombo Dam at that time? Because the output of the dam was going to be so much, at that time we had not industrialised and as a result we had to export power to Togo and Benin ... at very low rates. And that is why we even use 240 volts, when some countries in Europe still use 110 volts, it was overly produced. And the opposition said let us use the resources that we have for our immediate needs and with time ... we could build this Akosombo Dam.

*So the priorities were not right?*

Our priorities were not right, we wanted to do things too fast ... if we had even listened to the opposition suggestions: let us construct the Bui Dam, let us construct these small dams, we would not still be suffering from these power outages.

*But one can argue that it is nearly forty years after Nkrumah's regime, has there been any change of policies regarding nationalisation, state participation?*

You see, it is very difficult to dismantle something when somebody has already set the pace, sometimes you find that you will have to continue with the policies because it has been started by somebody and it has established itself for sometime. Even these educational policies that the PNDC government started, when the current government came to power and felt the need to change the duration of the Senior Secondary Schools from three to four years, could they change it immediately? They had to take the time to adjust. When Nkrumah came for example we were doing this January to December from primary to middle school thing and he reduced it, he changed it from January to August and those of us who were in school at that time we had four months gap. We graduated four months earlier than the previous ones and it distorted a whole lot of things. After sometime, we became used to it and the university admissions and so on were also adapted to suit the timing, so that let's say we had 1961 academic year, now it became 1960-61 academic year.

*So are you saying that most of the policies are not well thought of?*

Somebody may have set a pace which cost huge amount of money; to come and just dismantle it will be bad and it will have serious ramifications. So you should let it go and then gradually, if you would want to phase it out you do so, that is why every government comes and it seems they still pursue the same Nkrumah policies. After all what is government for? Government is there to provide the resources, the wherewithal and so if Nkrumah put certain things there to give people access to water, electricity and so on what should the succeeding governments do? They have to continue.

*The functions of the public service, for example when it comes to defence we expanded too quickly as at now the defence budget is higher than the budget for agriculture.*

This is vested interest from the past, for example, the Busia government's attempts to reduce this budget resulted in its fall in 1972. So these vested interests prevail in a lot of areas leading to serious distortions. I agree 100% with your analysis.

*How do you see the extended family system in Ghana?*

You know the family gather round and support, except of course, some people do not return the gesture when they have been placed somewhere, they go on and learn the western culture and they forget that they were sponsored by the old people, a system which they are criticising. They go there, they marry somebody there and they think differently, denying the people back home the very thing that has sustained them.

*I asked my contemporaries from Ashanti why they would not work in their region?*

We can say that the economic situation is causing change? Besides the charismatic churches are also breaking up the extended family system, a phenomenon which has not

been well analysed? You see, I would not begrudge anybody who criticises the extended family, I will not begrudge anybody who criticises funerals and so on, but I personally will accept these things as very necessary. For example, if I am to give you a personal example, when I was attending college, I had to depend on my sister during holidays, you know at that time most women were not taken to school. In my case the woman that I come after and the one after me were not taken to school, but I was taken to school because I was a boy. Now, when I finished, I managed to go to few higher institutions and now here I am. I have looked after some of my sister's children and they have also grown up, there are some of them, let us say, in Tema who are in good businesses, except that at the moment I am not thinking of them the way our parents used to do. Our parents were always interested in their nephews and nieces to the neglect of their own sons and daughters. I don't behave like my grandfather do you see, my father was OK, he took care of his children and nephews and nieces, but now whatever property I have, I am not thinking of my nephews but rather thinking of my sons and daughters.

*You gave an example due to limited resources you were the only one who benefited from education and that compelled you to look after your sisters' children.*

And I looked after their children, they had to take care of themselves and their children, because the situation has changed now, do you see? Their lifestyles, their living conditions, we would not say as a result of their mothers not going to school, they have not also lost anything because, I took them up, about two children I took them to secondary school and one of them came out of the university.

*So that did not affect the welfare of your children in any way?*

I always think in such a way that there would not be tension.

*As it is now, does the extended family system require any refinement? Because a lot of people see it as breaking down, can we do something about it?*

No, there is no need to safeguard it, we should allow the society to move, this generation is moving towards the nuclear family, we should not try and go back because it is modernity, and people have read, so if I would want the system to stay, I would be alone, other people may not want that, we should not begrudge them.

*But the slow death is leaving some people behind, as you said some people have benefited but when they come to Accra they leave their uncles who have been deprived of their investments in these people?*

There will always be backlash, no matter what you do, as I said some people get oriented to some cultural things and they do not easily fall back to the system that has seen them through.

*Do you agree that the system is dying?*

I would not say it would die because whatever happens, the extended family system may still operate because people cannot easily break their links with their family relationships.

*But at the moment the families are only effective during the moments of hardship, like death and poverty, etc?*

Even in wealth you see some of these big businessmen, they have recruited their family members into their businesses.

*But they are saying that it is causing problems and it results in inefficiencies?*

Yes, to some extent I would agree but there is little you can do, it all requires supervision.

*What about our savings and consumption patterns in Ghana?*

Obviously, if some people were able to draw their budgets ... and say this month I hope to use this amount for this, but now hardly do you see people doing that. They live off the day, whatever comes handy, they spend. The people have not been used to thrift. Perhaps, as a result of the past shortages in what we call essential commodities, they want to grab whatever is available. So we do not plan, we buy on impulse.



*So we end up buying more than we need which results in wastage?*

For the time being, so the things will stay there and you may not use them throughout the month. What will it benefit one to buy twelve cakes of soap for one month when by calculation, he can only use four for the month. So why don't you buy four and leave the remainder to buy something else which you might need. But you buy twelve cakes of soap, twenty of this and that and as I said because of the shortages that we experienced in the past, we want to think that the shortages would come again.

*Can the inflation be another reason?*

That can be another reason. They do not believe that the economy will stabilise.

*So with that belief there will be inflation?*

There will be shortages of goods leading to inflation.

*Is it true that there is spiritual counterpart to everything like rivers, and human beings?*

Some people believe in it but I do not believe in it, but most people believe in it.

*How effective are the inheritance systems in promoting the survival of businesses?*

It is a big disincentive. Somebody builds a factory or a business and when he dies the one who takes over cannot run it properly, and people interfere so you will find that when the person is alive the business thrives but let him die today and there will be litigation everywhere until the whole business collapses. Do you know Poku Transport in Kumasi? You go to his workshop now, you will see that everything is at a standstill, vehicles are hanging. No, it is a terrible thing.

*Is the lack of proper succession planning due to the lack of education of the businessmen?*

No I think that one can be attributed to greed on the part of the successors. And you see perhaps, the owners do not plan well, succession planning. They should write a will that this business will be run on business terms, so they should employ somebody who will be the managing director or whatever and it should be divorced from the family.

*Perhaps, there is a need for a national education on this?*

Very well said, people do not even know, when one is alive and he is running a business and he is successful, he forgets that when he dies there could be a problem.

*Some people say that in our belief, we do not think about death and that we see life as circular? So few Ghanaians do plan their deaths?*

You see, as you have said, if you suggest the idea of a will to a businessman he will ask you do you want me to die? When you tell him plan or write down a will, he will tell you so you think I am going to die and you pray for me to die, so you are right.

*So you support the fact that we need some sort of education?*

Sure, we need it.

*As a lawyer, what do you think are the main problems of the law courts?*

The law courts are just like any other public establishments, the judges cannot be trusted. Look, I have so many interesting cases which are so clear and yet the judge will give some judgement which could be deemed bogus. But it is a reflection of what operates in the larger society. But please do not misunderstand me by saying that every judge is like that, you will find there are very good ones. Even when they make judgement against some cases or something they will find some convincing arguments to justify their actions, both the good and the bad.

*People have to go through the appeal process for it to be properly reviewed, why is that?*

The linkages, there is a case and somebody calls, this case involves my son, son in law or my daughter and so, before he goes to sit on the case he already has some prejudice which judges should not have. He should be cut off from such things so that when he goes he reads the case and gives objective judgements. But before he goes to court somebody has called him and told him there is a case before you, it involves my student

or my girlfriend, so he will look for opportunities to make the judgement sway in favour of that person. He will always try and find one thing which can free the relations.

*What about the laws themselves, the codes?*

They are OK. Well, it is just recent that we had these court rules reviewed; they dated as far back as independence. They just changed them in 2005 they have been in the system for quite a long time, amounts were referred to in pesewas, when we did not use pesewas again, you know fractions and so on.

*Why don't we make changes when we introduce things?*

Somebody has to take the initiative for law reporting, always look for a set like this and then review it.

*What about the logistics and human resource?*

Except for these commercial courts, all the courts are in dilapidated structures.

*So it seems like there is a serious problem?*

Yes, it is serious, very serious.

*Do you think the governments see the law courts as the pillars of development?*

No, we do not seem to picture it that way.

*But most of the policy makers know that they are important for our development?*

Perhaps, they look at certain ministries as more important than justice.

*So is it the vested interest preventing them from looking at the law courts?*

Because you see over the years we seem to have experienced that some ministries are always out, we hear more about them, but with the law courts unless somebody has a problem, he hardly goes to the courts. And there was a time too that it was pumped into our heads that lawyers were not truthful people and so on. So our attitudes have worked against some of these things and we do not appreciate the court system as a necessary tool for development.

*What about chieftancy?*

People are talking about it, let us break it down. When the French people [Ivorians] saw that they did not have chiefs and so on they created them. Because they saw that they were the necessary system for binding the communities.

*Binding the communities?*

Because as I sit here, I have such respect for my King to such an extent that, if let us say, a minister summons me, I could say to hell with him but if my King summons me, whatever I am doing I will go.

*So you have a high respect for tradition?*

I have a high respect for tradition.

*But there are conflicts here?*

Yes, there are conflicts, in spite of my education I still have respect for the chieftancy institution. After all, it has survived all these problems and I would like to believe that since they have been carried through the years to the present, this is not the time for us to think about breaking it up.

*What about refinement or reform, I am sure you will agree that there are problems?*

There are problems, some of the chiefs will go and all that they would want to do is to sell land, land which belongs to the people and they were just the overseers. They now claim that the land is theirs and they sell even without recourse to the people using the land for survival, and you want the people to come and worship you. But giving their bad side, I want to say that there is a good side too.

*So, the problem is land?*

Litigations, somebody is not a royal but will still vie for a royal position.

*So is it the prestige or the land, what if we create a new prestigious role?*

The government has other ways of elevating people, like the Cross of the Volta. They should let the chiefs do their own things. There can be reforms, reforms are necessary because the society is growing. For instance if you compare even the in the early part, let us say in the 19<sup>th</sup> century, how they dressed then and how they dress now, you can see the difference.

*So do you have a special interest in chieftancy or it is just one of your interests?*

When I was teaching, I was not teaching anthropology or things like that, I just have an interest.

*How about how we use our land in estates and agriculture?*

It is all poorly organised, so poorly organised, especially the chiefs just sell the land without thinking even of the future. Yes, you are the chief, for the mean time you are the one handling the affairs for the area, now you sell all the land without thinking of the children who will come after you, let us say fifty years after. But all the chiefs who have now got into certain positions are disposing the land as if, there is no tomorrow.

*What is causing this?*

It is greed, it is greed.

*Can anything be done to arrest this situation?*

Why not? But you see this is where the government should be careful not to promulgate any law or anything that will lead to people kicking against all those things. We have the chieftancy institution and they have their own set up, let them create the awareness for themselves to reform the system for themselves.

*You have a system where the government develops the infrastructure in an area with the taxpayers' money and the value of the land appreciates and through greed the chiefs sell. This affects the income distribution of the country, besides the chiefs do not pay taxes?*

That is it, you are right.

*So does this call for a proper coordination between the government and the chiefs so that there will be proper management of the most important land resource?*

Government should try and stay clear. But, you know, there is a minister responsible for chieftancy affairs, he should sit down with them and guide them on the need for them to take things into context.

*What about agriculture, how are we doing and if there are problems what are the main causes?*

Agriculture ... the government itself is not paying attention to that area, but I think there should be some effort to encourage people into agriculture. Land acquisition is difficult but I think the trend is now improving, people are gradually going there.

*What about the risks you mentioned initially?*

The risks are there ... but if they could be supported through insurance cover and so on then that could encourage people, so that at the end of the day if there are harvest losses and so on, the insurance companies will come in to make good what they have lost.

**Thank you very much, Sir**

**Appendix III: A raw interview transcript of a Ga male, traditional ruler and public sector manager, conducted on 10 January 2007**

*Can most Ghanaian workers be trusted?*

Yes, we have most of Ghanaians who are trustworthy. Definitely, with any human institution we have one or two cases of deceptions but on the whole, the majority of the Ghanaian population can be trusted.

*What about the dealings in business, can you trust Ghanaian businessmen?*

What we usually term businessmen, most of them are not actual professional businessmen but somebody doing buying and selling. You realise that most of the people who claim to be businessmen they have not even done (0.52) any and know actually what are doing or what they want to. So it will be very difficult to categorise a businessman in Ghana. In the system, there are few professionals who are actually business men.

*So can you trust those people who are engaged in those sorts of activities like the buy and sell?*

To some extent yes, but it is not 100 percent.

*So why not 100 percent, why can't you give them the full trust?*

The problem lies with integrity in that somebody will tell you that give him goods on credit or he will pay a deposit so that you give him on credit and from experience most of them are not willing pay.

*When they do not pay, are there any actions taken against them?*

You know our legal system is not something to write home about. You would try and may be use the police but the police will tell you they are not debt collectors so if you have a case send the person to court. But the time you will go through to get judgement ... That is why people are advocating for these commercial courts whereby when somebody is indebted to someone and the person is not paying he goes to the fast track commercial court.

*But the commercial courts are now in operation in Accra?*

They have begun but they are dealing more with past related matters. We have reached the point whereby the confidence in the judiciary is very questionable.

*We will come to the law court later, What do you think about competition at work between workers or colleagues?*

Here?

*Let us say in the public sector?*

We have been working with competition, for instance if you take the Revenue Agency group, Custom, VAT and IRS. We are being treated as public servants, so our conditions of service are supposed to be better than the pure civil servants, so those who are pure civil servants do not feel comfortable with it. That is what the Ministry for Public Sector Reform is trying to resolve by saying that if all of us are first degree holders, supposing we came out of the university to the public service around the same time, if it should not matter if you are at the Ministry of Health and I am at Customs may be there could be a facility with my job to give me some allowance but the basic salary should be the same.

*Does it make sense to you, what he is saying?*

Yes, and that would bring out the best in us, so you will see that everybody be trying where he will move to. It is a different thing working in a corporation. For instance, when people were formally working with Ghana Industrial Holding Corporation (GIHOC), there you must produce and market your goods and make your profit, so the motivation was there. And if you are able to do that then your remuneration will be enough. In our case, if we are able to meet our target then we stand the chance of getting our bonus. But the civil servants' target is to make sure that the policies are carried out and at the end of the day if the policies are implemented and they are successful they are not paid bonuses.

*So we need to work on their bonus as well and reward them on that basis?*  
Exactly, perhaps performance related bonus.

*If you say qualification then we could have a problem, because even here people are complaining that seniority is based on qualification and length of service and some people think that it should be based on competence?*

No, there is a problem with that... Yes, longevity stands for experience but all the same you will have to evaluate the output of the person somebody may be in the job for ten to twenty years but his output may not measure up to somebody who has been outstanding, very dynamic, very open minded, and learned on the job. Yes, he has gained experience over the years but you have to consider the output of the person, not necessarily how long he has served, it has been the typical Ghanaian situation, the 'MBA' (I have been here for long) people.

*But in the normal situation, if they have been in the service for a long time and they have acquired some experience which reflects in their output, then there will be no problem?*

Oh yes, that should have been the case. When we came as graduates, we met some people who were not graduates but they were very competent people and they knew their jobs. So when you happened to fall under such people and you submitted yourself to them, and they saw that you were not coming to lord over them because you are a graduate, you would marvel and we actually enjoyed working with them. When they got to know that you knew how to comport yourself, you are very humble, they would give you support in everything.

*Can one be a good manager without having precise answers to most questions subordinates raise about their work?*

No, definitely not. To be honest with you we had a situation where politics was so pervasive, so you will be there and depending upon one's godfather or godmother, then all of a sudden you will see that a certain person has been promoted 'out of or by dint of hard work'. One does not know what the dint of hard work is, there is hardly any basis, so you will be there and if it happens that somebody who could be three or four years behind you and because of his connection is promoted, and within six months he gets another promotion. We have several instances where some people have even surpassed those who took them into the service so if such people have now reached supervisory roles they will probably have no knowledge about what transpires and they will never be able to do that because definitely the young or junior officers will go and raise the landing certificate. And then if they raise the landing certificate, you must be able to interpret the rules ... and then you must be able to tell them OK...so if you are just promoted just like somebody because when the juniors realise that the will say 'let him be there we are the people on the ground'.

*So they will be aggrieved that the person came in and was favoured?*

Of course, it is natural they will be aggrieved. You imagine, I am a principal collector, then there is a chief collector, there is assistant commissioner then from the assistant commissioner we have deputy commissioners, you imagine if from a principal collector I am made deputy commissioner, not a chief collector or assistant commissioner, then I come back to the chief collectors and assistant commissioners for clarification.

*Especially when you do not agree on the basis of promotion?*

Exactly, these are some of the things, where some of us feel that the politicians should minimise their political interferences and let the fellows come to do their jobs one, there will be only one commissioner, there might be deputy commissioners but try as much as possible not to create that impression that because this person is from this background, he will bypass laid down procedures, and so on and so forth, that is one thing that will not augur well.

*So when the manager cannot answer most questions he is not a good manager?*

Not, at all.

*Even if he knows those who will answer, if something is drawn to his attention and he directs them to the place where they can find the information?*

That is where...you see, we have instances ... if I know that the goods this person is presenting they must fall under this code, but just to tempt the boss whether you are really the boss, I will recommend others which may attract lower rates, but because you don't know you minute that the goods should be released. So definitely...and at times you may now go in and they will recommend that you go and do managerial courses and so forth. Yes you will learn about the tutorial aspects of human behaviour that is how to relate to human beings but the core job you cannot do. So that is one aspect which has affected customs. Since most of our commissioners were from outside when they came they had their own opinions about the people with whom they were coming to work with, so it will take some time.

*And especially if you are expected to know everything and you do not want your subordinates to realise that you do not know so you would not go down to them?*

No, you will minute to them.

*And may be something you minute may not be right?*

Exactly.

*So a gap will be created?*

So that is why when the outsiders come what they usually do is to ally themselves with one or two subordinates so that they will give him the chance and then once you are closer to the commissioner you will enjoy all the benefits so it is a very sensitive organisation we have.

*So there is a problem? So what are the main causes of absenteeism in the public sector in general?*

With the public sector formerly we used to have our own buses, because of the transportation problem and accommodation, formerly we were having our transportation systems where we had our own buses which will be taking officers from Accra to Tema in order to ensure the workers get in on time, so they do not have the cause to say that they are late because the bus will be there and definitely the bus arrive in the office before at least thirty minutes before time so you do not have any cause but now most of the officers have to travel on your own.

*So you do not have the buses anymore?*

We have just some few buses. Formerly from Accra we had buses going to Madina, we had a bus going to Dansoman, so at the close of the work, those officers here who will be going to Madina they will take their bus, those going to Dansoman will be taking theirs and so on... Initially we had officers for the Tema collection then likewise we have some from Weija area but majority are not in the service's accommodation.

*So wherever they find accommodation, it could be Adenta?*

Or even Aburi and come down. And even with our office in Koforidua, office accommodation is a problem, let alone residential accommodation; these are some of the things. So in Koforidua, as they have stated in our newsletter, it has the highest ratio of senior officers to junior officers. That is where the problem is. Because may be somebody in the administration had been offended and wanted to punish some people, so the senior officers are transferred there to go and rot.

*Is it because they will not have much to do?*

In the Koforidua office, they have many senior officers, formerly when we were operating sales tax system then it was busy but now now because of the VAT we are operating any sales tax and then the excise duties are collected by VAT service on our behalf so for the work they are doing there is more of they do not need so many senior officers there, we have one assistant commissioner there, we have four chief collectors there, about seven principal collectors, senior collectors and what have you.

*Then they may not be happy there?*

You could see that you have a very bad manager, very vindictive kind of thing. There have been instances where people have raised this issue at a forum. The last one an official from Koforidua was saying that transfers must be done but we must do the transfers with a human face and posting senior officers to Koforidua knowing very well that the volume of work there is such that you do not need so many senior officers. Probably because you have a bone to pick with some officers, so you just dump them there. These are some of the things which affect progress of the public sector.

*Is it our culture that the people are vindictive?*

The Ghanaian per se, may not be that vindictive, it could just be one person.

*So this affects the productivity at work?*

What do you expect it to be? You make me feel I am not part of the system so I am just transferred, there to go and rot. Normally, when you meet your colleagues and you tell them that you are working in Koforidua, they will be asking what you have done.

*So when they are transferred there do they get the opportunity to come back?*

Oh yes, normally, if they are being rotated properly from two years there is the chance of you being moved somewhere subject to a maximum of five years.

*So when you have a senior staff at post in Koforidua for five years then it will be a serious situation?*

Of course, meanwhile you are not doing any serious job and the work is such that at a point in time what you are working on is what you must learn. So if you are just idling around and even the unfortunate aspect of it is that as we say 'the devil finds jobs for the idle hands'.

*Is this a general occurrence in the public sector organisation?*

This does not occur in the private sector because he is thinking about maximising his profit. So if he employs you must deliver. It is just like our brothers and sisters when they travel to go and work, he will sweat for the dollar. He knows very well that it is because that you have left home and the idea is to bring something home so you put in your best, it could be in your at the end of the day you would get rewarded.

*What are in your views the most important causes of our poor economic situation?*

At times we take it from the institutional aspect, the institutions play very important roles in every human set up, most of the policies that are being initiated in this country, most of our people are not aware at all.

*And we do not take any steps to inform the public?*

These are some of the things and then we keep on changing our policies as if we are doing trial and error. We put in things in place for one or few years and then may be take what we are expecting we want immediate results and we are dealing with human beings. Manners take time to change but we do not factor in all these things...The concept of culture is very important.

*Probably that is why I am here we have not been looking at our culture previously?*

We have always been thinking about economic factors and so forth but a human being is a human being.

*Any other causes of poor living conditions?*

One thing which still worries me is the Ghanaian attitude or value of time. We do not value time because if we valued time, by this time in our planning and so forth, we would have found ways and means to ease the traffic congestion when travelling from Tema to Accra as most people will be in traffic jams when moving from work to their home and they reach home around 8.30pm or 9pm.

*So what can you do, when you get home you cannot even read?*

If your wife is also working around this area, then who will be with the children, these are some of the things, we do not value time.

*So who will be looking after the children when they close from school at 3pm and you go home at 8.30pm, there will be no parental supervision?*

I was telling my kids that they are unfortunate because our mothers were full time housewives and that is why we are stronger. Because we did not depend on take away. Now because of time factor we just eat take away it affects our health.

*So we do not value time, do you have any other causes, that time factor is very important you are one of the few who have mentioned that?*

Yes, our attitude to work those of us in the public sector. We still have that mentality that we are working for the colonial master mentality. Last two week I went to the land registry to do registration of this land and the officer there, people were there submitting their application they you say it is break time so just walked out and he would not come back on time. You see we were there when he came back from break and it was getting to about 3pm. We were about fourteen people waiting for him from morning till evening, we were fourteen people.

*Was he the only one doing it?*

In fact because of that, I think they brought an additional hand. Because we have not been given targets, so who are supervising these people, because it is government work at the end of the day whether he registers two or three his salary will be paid, so it is our attitude towards work in the public sector.

*Why is it mainly in the public sector, because when the same people go to the private sector they change?*

They can work like that in the private sector, who will employ you and then you come and then when he wants to maximise the marketing of his goods then you come and sit down and at the end of the month you expect him to pay you, it will not happen. So our attitude must change. Here some of us do that. It is governments so he does not care. And may be some also do it deliberately for you to give him or her, a pass. So the corruption is there and probably because of the problem of low pay.

*The low pay?*

Because he feels he doesn't earn enough he plays kangaroo type of tactics to get something from you, if only he will fall on sympathies he will not be able to live so he must do that kind of thing. That one I know they usually do it and that is where they will bring things to try to manipulate the system so you will see that they will get some boys, who we usually term 'goro boys' (messengers) so they will collect about ten applications and process at a commission.

*They are very expensive*

Of course, you want to have your document.

*So they create the situation for those people to be there?*

Just like some of our people also do at the port, I am being honest with you because once you are doing a research you must get the true information.

*So that it will help in solving the problem?*

Just as you are interviewing me, just last week, there was a friend from a university in Canada who is also doing his PhD, so he sent me something like this on commonwealth. So when you came in, I asked myself these days what is happening? I must be honest with you that some of our colleagues also do, they will go and do the examination and raise the landing account then he will say he is tired and he is now going to sit down to write the landing account, just to frustrate you. So the corruption in the system is everywhere.



*So does it mean that people are trying to survive on corruption?  
That will be the order of the day.*

*Why would you try to extort your brother in order to survive?*

Because in the first place, we all have ... you go there because they want to exploit the situation they will tell you your salvation is with me the pastor. If he raises his hands then people will be falling, what kind of behaviour is that?

*And the government is not supposed to say anything?*

No definitely, you wonder whether people... we all passed through the mission schools and benefitted. That is why the morals down, they are telling you that your salvation is in their hands they have to pray for you, you fast and they give you olive oil or whatever it is and then you go and sprinkle it on things.

*So the education does not count?*

You just imagine when any of the orthodox churches are putting up a church, it will take years but some of these latter days churches within a year or two they have put up these huge structures. Where are they getting the money from? And they are not paying any tax, you see.

*I am happy you have raised this point?*

The people are not paying tax. Some of us who are in the public sector, only few public servants and so forth are paying tax and the majority of those who are in the informal sector, they are making the money and they are not paying any tax. Our executive secretary, Nana Owusu was saying in the papers that we have reached a point where 40 per cent of our annual budget is supported from outside, 40 per cent of our annual budget is supported from outside.

*So the people who are making the money are not taxed?*

We were at Legon he doesn't understand the Ghanaian, they will say they don't have money but many of them use BMWs, and other cars, where do they get the money from? You must tax the people? How many of them use those big, big cars? You must tax the people if they have so much to buy Mercedes Benz.

*I understand some of these people do not even pay the customs duties when they import the vehicles?*

They come with all forms of manipulations. That is why I am saying that the politicians too ... you will even be surprised that those who are supposed to know better are the ones doing it.

*So we have a bad attitude towards tax?*

Oh no, no, no at all. There was an instance where somebody brought in a car at that time the custom duty was about 15 million cedis and he was not able pay so the car was seized. And you at that level, you came down to buy the same benz at 2.5 million cedis. What signals are you sending out to the people?

*Exploitation?*

Even if you say you are going to auction the car it should not be below 15 million cedis. Common sense will tell you that you should not go below 15 million cedis. If anything it should be fifteen million plus.

*So the person is being punished for importing the vehicle?*

So at that time you would not bring a car whereby you will not be able to pay the tax on it.

*So, some of our government policies or actions are counterproductive?*

*Do you have any other points on this?*

*You mentioned the church proliferation and the irregularities there, is there anything that can be done to arrest this situation?*

Well people are rather thinking... we are of the view that the more we tend to be Christians or Moslems then our moral standing will be stronger and some of the teachings... immoral attitudes but you will rather be sorry or surprised to realise that it tends to be the opposite.

*Is it because the message we are being given are not in line with our culture?*

So we have a problem. Yes, democracy is very good, but definitely in every system there are bad sides, these are some of the things.

*So if the government wants to regulate, for example to ask the churches to submit proper accounts like businesses every year, what will the reaction be?*

Well it is the lack of accountability that is bringing about the proliferation and so many things, initially I will be the founder and the interesting thing is that now if I am the founder and I am a pastor. With time my wife also becomes a pastor so the buckle stops with us. So who are you going to account to? The church belongs to us, so the family will take charge of everything. So all that they do is that they will appoint some elders and you the elder what can you do towards them, so the elders do not have any say in it. So what happens you, you are very dynamic, you are bringing more people into the church so you realise that why is it that from all my labour and my efforts I am not being taken care of like the son of the pastor? So if that is the case I have so many problems so I will leave the church and then go and set up my own and that is exactly what is happening. There was an instance where somebody was a former executive president and then he began the second term and then when it came to the third term they elected another person, then he said he was going to contest for the secretary position he went and he lost. He wanted to be an executive member of the church at all cost so when he was defeated he said no if that be the case, take your church I am going form my own and he went with his followers and they followed him to form his church.

*Is there any reason why the government cannot regulate the proliferation of churches, are they afraid to lose votes?*

To some extent...Ghanaians are Ghanaians if you think if Christmas holiday all of us enjoy it so if coincidentally the Moslems and then the Christians anniversary coincided and they are having their holidays why do you want to name that this is for the Christians that is for the Moslems, meanwhile we are a HIPC country. This amounts to low productivity even in the advanced countries when people go to work on holidays they have to pay them twice their rates just to make sure that they go to work. So you see we put too much on politics. You just imagine this Beach road from the dual carriage to Teshie junction it is not even up to two kilometres but because of politics, because the track is there, apart from that two kilometres of road, it is not even up to two kilometres because from Kofi Annan junction to where we have the Catholic church on the right hand and the Latter Day Saints, because from there going the state is already there, why? We all go to Tema and back we see this congestion just because of politics we don't want to solve that problem and that is why some of us blame Jerry and co. Because they came in as a military government, so they did not need anybody's mandate to do that, they should have done it but they did not do it.

*We have not come to chieftancy yet, but since this issue has come up, could this problem have been resolved if the government worked closely with the chieftancy institution? As the chiefs could bring the Nungua and Teshie people together and tell them that the project is in their common interest to have the dual carriage, is it possible?*

That was how it used to be sometime ago and even from Lord Lugard's indirect rule that was what Lord Lugard saw and then involved the chieftancy institution but now the respect for our chiefs is waning because some of them have questionable characters they do not even have the power or the authority on their own people now. Formerly if you did something your own family will go and report you to the elders to find out what is wrong. But if you do that now he would not mind you, and even he will say he wouldn't come, you can take him to court we are all thinking about it.

*So there is a problem there too, there is community failure?*

Yes, totally, and that is where they have to... the responsibility the politicians only think about the next election so when he is doing something what they think most is to win the next election, that is very important to them than any other matter.

*But the chiefs are there all the time but they do not have the power over the people?*  
That is why even formerly the chief could even go to that extent by beating the gong gong that nobody should go to farm but now you go and try it, they will ask you whether they are coming to the chief's palace to collect their cassava?

*But nobody has collected cassava from the chief's palace in the past?*  
But immediately the gong gong is beaten you must be there. With our local government set up ... so that also removed some authority from the chiefs and we also have the local magistrates. Formerly most of the activities now were performed by the chiefs, because we understand our culture and that kind of thing. But immediately our chiefs started becoming corrupt whereby the fairness is no more there.

*How is the extended family system in Ghana now?*  
The extended family is more or less non existent and that is why we are having people without having ... then we are now having... but formerly we the Gas we did not have uncles or aunties, your mother's sister is either your junior or senior mother. You belong to all. Because when I was...my mother is the eldest daughter of my grand mother. So when we were growing up my mother would cook for the whole family even though the other sisters were also married what my mother cooked would be what was given to their husbands and so on. The next week the other one until it has gone ... But as we were growing up and so forth you see that thing successfully ... when I realise what I realised I said more. We know our father very well we also ... unfortunately for us we were seven boys and a girl so the sisters started complaining the boys eat too much so now everybody should cook for their children.

*That happened sometime ago?*  
Yes, I was in class three when my father died.

*When you needed the family most?*  
That is where... because my mother was the eldest she was even taking care of her younger sisters and now they are saying we are boys and we eat too much. So now everybody should cook for his or her children alone at that time.

*This questions the fairness of the extended family system?*  
I do not know what motive they have in mind.

*I saw cases where mothers cooked and hid them in their rooms for their own children only to eat, is it because of the economic situation or they are just wicked?*  
Oh, well such things happen mostly when you have step mothers and so on but where you have sisters in a compound house doing that then we have a big problem.

*Does this indicate that the system has become dysfunctional for a long time?*  
It is only that we have family because I quite remember at a point some of my auntie's children when my father was alive, they were staying with my mother and my father and then my mother was taking care of them alright but immediately my father fell sick for about two years and my mother was up and down and my father died. Unfortunately my father was the last born, he was the only surviving son so when he died there was no real brother, they were all cousins and what have you.

*May I ask what year this happened?*  
My father died in the 1950s, before independence.

*So at that time we expected the extended family system to have functioned better?*  
But now it is not there at all.

*So what happened to your father's estate?*

In our case, we were more or less given to one of my father's patrilineal cousins to act as our father. So one of the cousins was appointed as our father but he did not take care of us so we depended on our mother. Fortunately for us that aspect our father catered for us at that time.

*Was there a will?*

There wasn't any will as such but my father felt that what belonged to him should be handed to his children and that was exactly what happened.

*May be because you come from Accra, which is the capital and metropolitan you find the extended family non existent how about those around Kumasi and the other regions which are predominantly rural? So can we do something about this?*

That is why we have the intestate succession law 111.

*I understand in the past the families pooled their resources together to educate children from the family?*

Those days when they realised that their son or daughter is brilliant they may feel proud that they have one highly educated person in the family, it is the pride for the whole family, so they will pool their resources and make sure that the person is educated, but now we realise that we the educated ones rather are turning away. So you are educated and instead of coming back to also pay back for the younger members of the extended family to benefit, you now want to take care of you alone and your wife and unfortunately for us when you even receive a visitor from your side, your wife will not even like to entertain him or her.

*So what do you suggest should be done about this system to ensure at least there is social security?*

At the time when my father died I was in primary school but some of my elder brothers, three of them were working so they assisted my mother to take care of me. Even I stayed with one of them through my secondary school so we had the assistance of my brothers. Yesterday my nephew came around and I was telling him that look I paid a visit to my sister he was worried that I will take the trouble and come to his mother and I said you do not know when I was attending secondary school because they were pooling their resources, she was specifically asked to give me money for my transport and she accepted it. So today I am in the position she now a retired lady and it is getting to Christmas what I thought little bit I have a little bit for her, so I don't see that ... If you have that human touch it is only now people are thinking so much about themselves and what they can get from the system.

*But now that this system is breaking down and we do not yet have replacement in the rural communities. Is there anything we can do as a nation, may be in your special capacity as a traditional ruler can you think of something we can do to bring the community together?*

Yes we tried with the civilian groups we have union leaders or Kwahu La chief so that if there is any Kwawuman or there is any problem with any Kwawu man we take the matter to that particular group leader to resolve the problem so that we would not go beyond a certain limit, whereby there will be that feeling of not accepting people from other areas in our community. Not one case here or there ... so we have that coalitions in the various communities.

*Is it working?*

Yes, to some extent depending upon how you also relate to them, if you give them due recognition that they have settled on your land and that they are also part of the community. So if you give them the due recognition and then you let them feel at home then definitely if there is any issue they will give you the due respect, but if you don't ... more so now. Formerly our forefathers were not travelling or moving from one station to the other but now with education may be you live here you attend school in Assin Fosu then you meet so many people from various areas that is why people are saying that we

should bring back the boarding school system so that, at least you could have a classmate from Bolgatanga and the rest.

*Some people are arguing that could be the reason why Ghana has not suffered any of the civil wars?*

Of course, those problems, because when you are attending secondary school even though we come from various ethnic groups those who went to Achimota you were asked to put on your local attire, if you were from the North you would go to church with smock, you put it on, the others put on cloth so that nobody would look down upon somebody's culture we are all Ghanaians.

*This did not happen in my school may be they had stopped it then?*

So from Amoo's experience and Aggrey and so on, victimisation was very active so they made sure that everybody wore the traditional cloth.

*What about the Ghanaian attitude to thrift or savings, do we save for the future?*

Formerly, we usually liked ... first and foremost education, now with the free education system that we started after independence, we tend to adhere to that notion that it is the government who should provide education and that notion is still lingering in the minds of some of us. That is why some parents don't care whether their children attend school or not. Neither do they save for any rainy days ahead, they are just living from hand to mouth, and tomorrow should take care of itself. And more so, now we were living in a situation where formerly somebody may not be that rich, but he lived a decent life and people gave him the due respect but now people do not care whatever wretched life he or she lives, nobody cares.

*He may live in a community and most people may not know him?*

Why are you poking your nose into his affairs has he brought his pan to you for food or whatever. So these are some of the things where our social fabric we do not value morals, but formerly when even you do not know your people all the time if you come out, some people will be questioning there is something wrong with this person because we all know he will be going but .. .he just...so people will question even in the house you dare not go and buy something because all eyes will be on you. When your mother or your father sees that you have put on something they question because they have not bought that thing for you.

*According to their President if the judge is able to prove beyond doubt that you live beyond your means that could be sufficient evidence of bribery and corruption.*

When you come to customs you will find the junior officers, you the junior officers even if they are going to give out loans they will not give you loans for a car because your income cannot sustain the maintenance a car but you see the junior officers, may be, driving BMWs or cars like that while senior officers are struggling to get loans to buy cheaper vehicles like Opel. So if the set up has the mechanism, the management calls the staff to come and tell ... like say he has proposed some matter where ... can you go there and clarify, because we do not keep records.

*So why don't we keep records?*

The reasons why our forefathers were not writing wills were because there is a notion that immediately you start writing your will that means you are going to die.

*It has come a time when people should write their wills?*

Exactly, so may be now we are being enlightened, somehow so we feel there is need when you are no more but our forefathers, no, no they had the impression that if you write a will you are going to die.

*Is it true that there is spiritual counterpart to everything such as trees, rivers, mountains, land and human beings?*

Our people take this from for instance, if you take Psalm 122, I will set my eyes on to the hill where cometh my help my help cometh. So they were aligning it with the monument

around there, the mountains, the rivers and things. So likewise our people also have that belief that there are spiritual parties in every object surrounding the environment.

*Sometimes these beliefs tend to be counterproductive?*

Of course, during the time in every society where there is superstition you will not see any progress. Sometime ago Dr Moses Adibo was saying something of that sort. Unfortunately, we always blame the old ladies as witches, so why is it only old ladies?

*So the most vulnerable in the society bear the brunt of superstition. So what can be done about this, now even with the proliferation of the churches most of the educated have put away their education and have come back to superstition with the rising spirituality and religiosity in Ghana?*

When we were young we used to have 'Tigaris' (fetish priests) around, now the Tigaris are no more, but now we have these charismatic churches and what have you, who can perform all sort of miracles, so it is the educated who have transformed.

*So now let us talk about the inheritance, may be with the focus on your system, the patrilineal, what you think about it?*

The patrilineal system is OK. The only thing is that, if for instance as it happened with my father if you die early when your kids are not of age, then may be a brother or so will be appointed to take care of them so even your estate is supposed to be managed by him until the children are of age. It happens that some may be greedy that as soon as your children are grown up you do not have much problem.

*What about when it comes to the survival of businesses and the maintenance of property? Let say if one owns a business and if he passes away and the business is inherited by the children and the wives and they have to share?*

That is one aspect which is counterproductive, to me. When may be our...at times you will see that when there is a building they say we should sell and share and then let him or her get the share out of the money ...because if your father has had the chance or struggled to put up a house you are fortunate to have the start. So you will have something to start from you should rather use that start as the base for another thing, when you achieve yours then the whole family can benefit from this one and you cater for the other one rather than trying to share there and then. But most of the time if you happen to have those who are not able to establish themselves, they always create those problems. Some are also progressive, you will see that he has succeeded in his field alright but once this one belongs to the heritage then he will demand his pound of flesh, so it is human nature.

*But then if it were to be say the first son, some people may say it is not fair but the first son will always be in charge?*

That is what is supposed to be the first son should be the caretaker, in the absence of the father but it happens that he may not be that intelligent as the younger ones, but the mentality is there that because he is the eldest. I am talking from experience, you see, because of that there is a problem in our family our eldest wasn't resourceful, he had his chances but he was living reckless life going up and down and doing all sort of things and the younger ones who rather... that is where the problem is. Our mother was taking him to be the eldest and more responsible and to make sure that he set the example for we the younger ones he rather was having the problem, so the immediate people who were following him if they had not taken to our mother's piece of advice and adhered to the counselling some of us the younger ones we may have been worse off. So it happens, that is what you find with the eldest and the sad aspect of it is that I do not know if it is because of conflicts, we all have our capabilities and our shortcomings, but if I am in a situation where I know that, oh, even this junior officer he is very good in this one I do not hesitate to give him the chance to...because some people are not like that.

*Because as you said if you go then you will expose your ignorance?*

You will think people will ridicule you that a manager coming to ask me about how to do certain things.

*What about land management in the country this question relates to chieftancy but may be we should focus on land now? Are we ensuring that our future generation will have the lands for development?*

That is where the problem is now, especially in Accra because as custodian or chief we hold the land in trust for the dead, the living and for the future generation but now what is happening is that we the present generation if we have the chance we would sell the all the lands and get the money and spend it and then let those of future generation take care of themselves. Then you ask them that those of them who have been doing it, if our forefathers had done that would we have the chance of coming to inherit it, the forefathers were shedding their blood and that kind of things then we rather we are free now there is no war but because of greed we are having these problems with land demarcations and all that. We are just selling the lands left and right, we are not managing that land properly because if we have proper documentation there would be good value to the land. We know the proper planning where this side of the land is allocated for this commercial activity and that but if you look at Accra there is no planning. Nothing, only putting up buildings even they do not think about their children going to school, no church, how can you do that.

*Is it because the government and the chieftancy institution do not work close together?*

It is definitely trust, what was happening was that in Accra for instance some of the lands were taken by the government, for the interest of the people of Ghana, but now if the purpose for which the land was acquired no more holds and the land is not being put to that use the constitution says that the land should be given back to the owners. If you want to use it for another project then you see the chiefs. But what is happening we would not do anything once it is government we can go and move out and go and do anything because of that that is why one very lay excuse that it that is the case the let us sell the land so that they will not get the chance of coming to acquire large tract of land and then later on abandon it.

*So the government did not set a good example?*

This was what was happening to this Golden Jubilee building that they are putting up at our place, the old wireless station. The land was acquired in 1947 by Post and Telecommunications then, by that time we were not having serious aerodrome but later on with development in aviation and have solutions. Now with development and change in technology, that station is no more necessary. So the landowners are saying that if the land is not being used for that, the constitution says that it must be reverted to the owners because of the anniversary, the government just says there is a limit to their time they need a place so then straight away they will get some contractors who are prefinancing the building without consulting the chiefs, nothing.

*So the government was trying to acquire the land indirectly?*

The owners of the land have the first option if the purpose for which land was acquired was no more necessary then the land goes back to them. So if you want to use it for another purpose go and see the people sit down with them and come to an agreement. This gave rise to the case which is still in court.

*So has it been the building been put on hold?*

No, how can you fight government they say they are having the anniversary in March, so how can you tell the government that no. So it is a very bad example the government is setting and that is why they said the Act 12 or something that Accra, it is only in Accra, that if somebody even illegally acquires your plot of land and starts building and reaches lentil level you cannot pull it down.

*That leads to the land guards?*

Exactly, so that brought up these land guards and so on. So these are some of the main excuses the chiefs are using to sell the land. This is why he will sell and get his money so that tomorrow the government will not come and acquire his land and no compensation will be paid but in the interest of the republic.

*But then some people are saying that before the chiefs were selling the land they had a committee in charge of land but the chiefs have taken over that function?*

Formerly, for instance in our set up the overall chief does not even enter any land the land is being taken care of on behalf of the people by the committee but various clans so even if somebody approaches the chief that he wants a plot of land, he will ask him where the person showed interest then the chief will call the family head or may be the clan head of that plot and tell him such and such a person wants a plot of land so you go and give him the land. Land for time immemorial is not for sale, what usually happens if you want to farm the lands you are given the grant to go and farm either or may be in the ... so that the land belongs to somebody but it reached a point whereby the chiefs themselves even without consulting the people they are holding in trust for the...will go and sell and later on inform the people and that is where the problem started.

*So is it why there were a lot of litigations?*

So, because of that there have been instances whereby they have to go back to interpret the tradition to confirm how land is acquired and the evidence is there that the chief has no right to come directly, he must always pass through the clans. By all means at all costs finally, the final approval in everything will come before the chief and then you pay the royalty or the share but now the chief rather initiates the transaction.

*But the chief can say that I have my own clan and my clan own lands?*

Yes the chief will come from one of the clans they also have their land but still the clan head is the main supervisor for the clan land.

*But because he is the chief the head of the clan may not exercise his authority?*

That is where the problem started, if you give him the due recognition, yes, you are the overall chief so you are ... then you make him respond for his act because definitely he knows that if he misconducts himself you will have the authority to reprimand him.

*Now let us talk about the important issue of chieftancy, how can we ensure that the chiefs perform their functions without putting their institution into disrepute?*

As somebody said, the educated ones have rather corrupted the chiefs. Most of the problems in most ... yes, the overall landlord has died and we have not buried him, then ... a regent is appointed to supervise the burial and funeral rites. If it is their turn after all the burial and funeral rites before you talk, somebody is elected and installed chief, so now do you want to tell us that we have two chiefs; one is in the morgue and one is alive.

*So they did not install the regent they rather installed the chief?*

That is what is causing the trouble here in Greater Accra.

*Is the problem due to the interpretation of the customs?*

That is why some people are saying that if you have been installed as a chief and you are going to play a role to your own people, would you need the armour cars?

*So does it mean that it was not the type of person planned and the person wanted...?*

That is why the remaining clans are saying that it is not their turn so they don't know where they are deriving that power to install the chief and then you use armour cars to intimidate the people and then you say you are going to swear to your own chiefs. What kind of thing is this?

*But who will swear in the chief?*

Exactly, that is the problem.

*So was that person corrupted?*

We do not know. And these are some of the things, that people are using money now to influence the nomination, the election and then installation of chiefs. In our forefathers' time you dare not because they believed their ancestors will kill them for that. You dare



not go to the stool room if the people know that you are not the rightful person, you dare not even get nearer to the stool house.

*Is it because the people do not believe anymore in the powers of the ancestors?*

Well, because may be there is so many ... in our system, people have done so many things to contaminate the spiritual aspects of it.

*So they can now do anything especially with the land?*

You will see it you will even marvel you see these young men who are selling the tracts of land and founding business here and there.

*So because of that everybody wants to go in there, but do they go something else?*

It is the prestige.

*Just to be called Nana or Nii?*

We have an Akan saying that 'when you have money they call you Nana' they call you Nana even though you do not hold any title they call you Nana, Nana oh Nana.

*But don't they like the Opanin?*

What? Opanin for what? If you are the Obaapanin or Opanin you do not have money, no one will regard you, so these are some of the things which are corrupting the chieftancy institution. In the time of our forefathers there were certain crude methods we were adopting, you will see the wisdom in nominating and electing chiefs, even if it is your turn and they realise that you do not have suitable person from your line they will come together, and there will be an understanding that OK, now it is Kwame's turn but we realise that we do not have somebody with the potential so let's go to Kwadwo's line so that when it is Kwadwo's time and then they have got then we come back to see if they have one with the potential. There was mutual understanding. Now it is the matter of who comes with the heavy amount. I quite remember when this our present Otumfuo came, there was this Benjillo who had been installed as a chief of Nsuta in Ashanti Region for over eight years your people said if you say you are the chief you dare come to this town and he couldn't the queen mother said he was not the right one but it was because of the money you know and so when the Asantehene came and you know they managed even get to the Mamponghene and swore the oath to the Mamponghene.

*But he was supposed to have sworn to?*

He had to pass through to the Mamponghene to the Asanteman council so when they realised that he had managed to get the Mamponghene's approval to come to the Asanteman council that one was not possible so they made sure that he was never there. So when this one came he asked him you said you are a chief for eight years you have not stepped there so where do you reign, so he told the Mamponghene and he told them that he had given them two weeks to go and sort it out and if they do not sort it out he will give his judgement. So they went back and he said he had abdicated because it was glaring that if the chief asked you, you said you are a chief of Nsuta or whatever for eight years has he stepped there before? Have you celebrated your annual yam festival or whatever it is, he said no, so where are you ruling as a chief?

*So was he trying to impose himself?*

Definitely ...they imposed him as the chief without the consent of the queen mother who has the power, so that was the problem complained but because he had the money and the late Otumfuo was not always in Ghana.

*Somebody may say that it is his level of education?*

That is where if you know you cannot combine the two then don't enter into it because there are certain things that you cannot run away from.

**Thank you very, very much Nii.**

# **CHAPTER 7 • THE IMPACT OF CULTURE AND GOVERNMENT POLICIES ON ECONOMIC DEVELOPMENT**

## **7.1 Introduction**

The aim of this chapter is to integrate and discuss the findings of the primary research conducted through the survey and interview as well the secondary research carried out via secondary data and literature and used in the study according to the given objectives. The significant findings from the data are also related back to the relevant literature to assess the fitness of the findings with the existing theories and ideas. In relating the findings to the literature, the chapter will extract the original contributions and assess the implication of the study for current theory. Finally, the appropriateness and shortcomings of the methodology used in data collection and analysis are discussed here, leading to recommendations for further research.

As explained in Chapter 1, this study has the main aim of identifying key “actionable factors” for accelerating Ghana’s economic growth. The following are the research objectives of the study:

- To evaluate the main causes of Ghana’s economic performance since independence, with specific focus on the role culture has played in this;
- To investigate the dominant cultural values in Ghana today;
- To contribute to the understanding of the link between culture, institutions and economic development;
- To contribute to knowledge in the field of economic development by offering a conceptual approach for development of “culturally sensitive” economic policies.

The policy research indicated a pragmatist approach using mixed methods, with focus on the consequences of the research and the importance of achieving the research objectives (Cresswell and Piano Clark, 2007). The primary data were collected from employees in selected organisations in Ghana during the years 2006 and 2007. In the next section the findings are discussed under the above-mentioned research objectives.

## **7.2 Relating the results to the research objectives**

### **7.2.1 Causes of Ghana’s post- independence economic stagnation**

As discussed in Chapter 1, the colonial government established the following state of affairs of the economy just after handing power to Ghana’s first Prime Minister Kwame Nkrumah in 1951:

The Gold Coast economy has no checks on inflationary wave of spending. Direct taxation hardly touches most people; indirect taxes are relatively light, stocks are generally very thin, virtually the only goods produced locally for consumers are foodstuffs; and the supply of these cannot be increased with short notice ... Savings institutions are practically unused by the general public; and largely, for this reason, there is no capital market in which the Government could use monetary instruments (Government of Gold Coast, 1952, Ch.1).

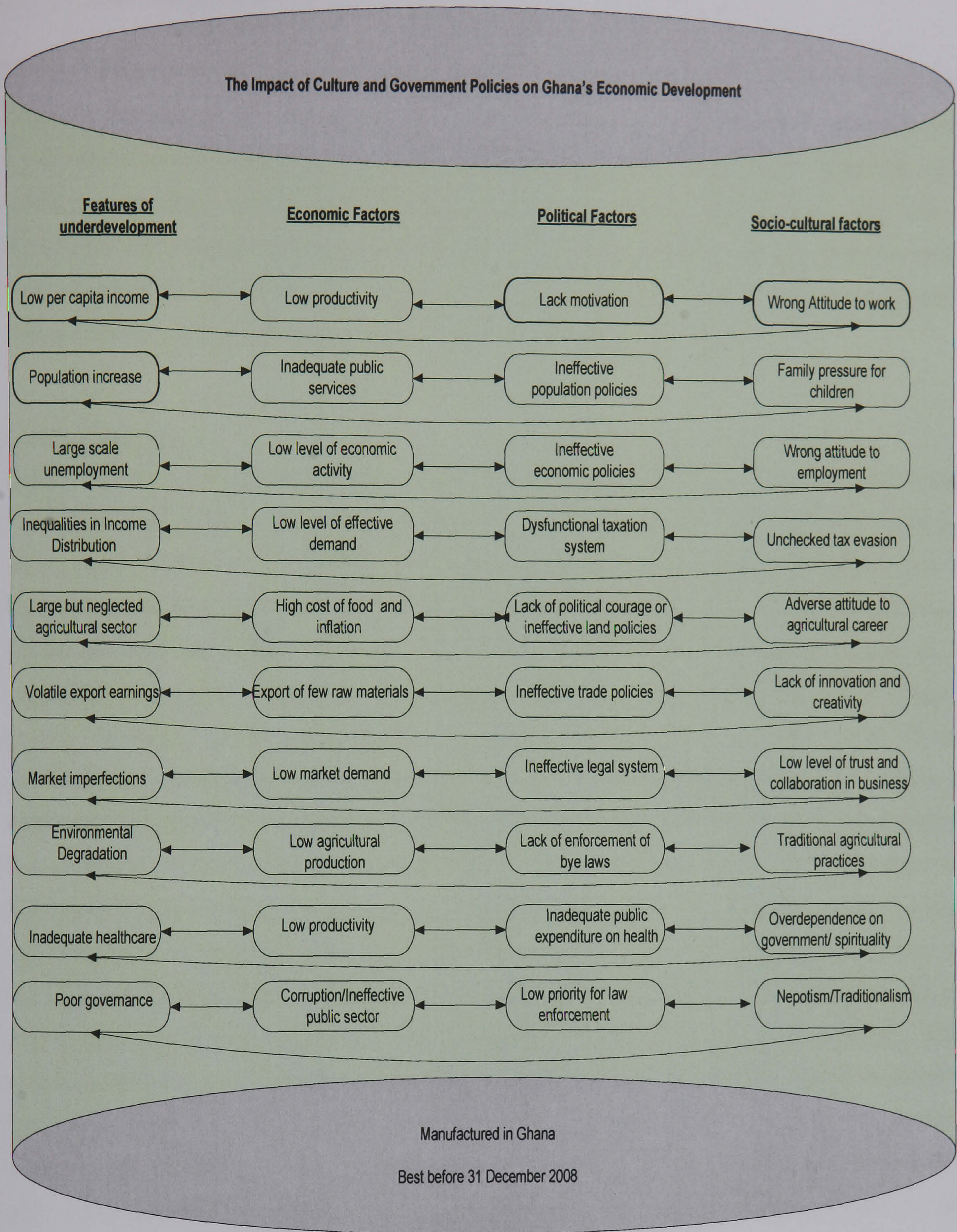
As shown in Table 2.2, in 1960 the per capita real GDP at constant 2000 US\$ for Ghana, Cote d'Ivoire and South Korea were US\$266, US\$562 and US\$1,110 respectively. Subsequently, the three economies have undergone different growth experience and their respective per capita GDPs in the year 2000 were \$251, \$623, and \$10,884. This implies that of the three countries, Ghana's economic growth has not only been disappointing but the per capita income had fallen below its level in 1960, giving an annual average real growth for the period as -0.14%. This nearly tallies with Aryeetey and Fosu's (2008) finding of average growth in Ghana's real GDP for the period 1961-2000 as -0.21%.

The lack of growth explains why there has not been a significant structural shift in Ghana's economy (see Table 2.1). Starting with almost the same structure in 1960, South Korea had increased its manufactured exports to 94% of its total exports in 2003 compared to Ghana's manufactured exports of only 16% in the same year. This situation has led renowned economists who have been engaged with Ghana's economy since independence to call for a study of all its 'economic, political, and institutional factors' (Leith and Soderling, 2003), 'deep-rooted historical, social and cultural factors' (Huq, 1989) so as to prescribe a solution to Ghana's stagnant economic situation.

As shown in Figure 5.4, the survey respondents attributed poor living conditions in Ghana to "the lack of government planning and foresight", "corrupt local politicians", "the public not trying hard enough", "lack of attention to rural agriculture" and "unwillingness to adopt modern practices." The interviewees also provided in-depth explanations and invaluable insights into Ghanaian economic stagnation.

This section establishes the link between culture, government policies and economic development based on the evidence extracted from the data. As already established in the previous sections, the Ghanaian development problems are best described as *levels of vicious circles* as illustrated in the 'can of worms' in Figure 7.1 below. The first column deals with a development problem and the other three columns are used to explain the interrelationships between economic, political and socio-cultural factors.

**Figure 7.1 The “Can of Worms” of Ghanaian Economic Development**



### 7.2.1.1 Low income per capita

Based on the literature, low per capita income is a major indicator of underdevelopment. It is often the result of low productivity, low savings, low investment, few resources, population increase, and backward technology (Lim, 1994; Leith and Soderling, 2003; Griffiths and Wall, 2007). The study's findings, which are generally in line with the literature's explanation, provided insights that cultural evolution and government policies may be among important reasons for the cause of Ghana's continued underdevelopment. The following are the findings provided under the various captions:

#### Low productivity

Based on the interview data, low productivity is the result of Ghanaian attitudes towards work especially in the public sector, where it is considered that "government's business is nobody's business," thus justifying the lack of effort. Low productivity, over the years, has translated into low wages and therefore poor incentive for the workers. With the adverse effect of poor motivation among staff in the public sector, a vicious circle of low productivity and low income has been introduced. As a result of the low income and the apathy towards government business, there is lack of supervision and effective performance monitoring in the public sector and, consequently, competence, skills and effort are not used as the basis for recruitment and promotion. The major explanation for this trend is the fact that the public sector has been the source of employment for extended family members and clients of powerful people and therefore most managers are reluctant to enforce rules at work, because they do not know to whom their subordinates are related. Behind the low productivity at work is absenteeism, which is mainly due to boredom because of lack of activity. These problems arise from overstaffing in the public sector and workers allegedly taking time off to attend funerals of relatives and festivals in their villages. Besides the hiring of incompetent people for the jobs, there is a general lack of training in the public sector to upgrade the skills of the staff. This combined with centralisation of authority means that when the head of department is away everything grinds to a halt. The low productivity is in some measure succinctly explained by an interviewee below:

It is lack of motivation and people have not got work schedules. You come to work and you do not see your clerk for about one week and you do not care. The checks are not in place, you issue a query then they start complaining. We all want to go to heaven but we do not want to die. Low productivity, if I come to work and you do not refer any work to me ... it is not even low, it is zero productivity (PV21).

The findings explain Leith and Soderling's (2003) revelation that productivity in Ghana in 2000 was lower than it was in 1960. Based on growth-accounting results for the period of

1960-97, Bosworth and Collins (2003) found that the output per worker in Ghana declined by 0.12% annually with the Total Factor Productivity (TFP) of -1.15% measured as residual. This led Aryeetey and Fosu (2008) to conclude that the slow rate of per capita income growth for the period seems rather more attributable to low productivity than to production inputs (pp. 294-295).

### Low savings

The study found the low rate of savings was mainly due to low wages and low incomes in Ghana. Moreover, most people spend on the family's welfare and invest in their children's education and they sometimes need to cater for their unfortunate and large extended family members. This leaves very little scope for savings. It was also found that because of the low deposit interest rates and high rates of inflation, those who have money to invest prefer to do so in buildings.

Lack of planning and budgeting also explained the pervasive "impulse buying". This was attributed to the past experience of continual shortages in essential commodities. It was widely acknowledged that social spending, elaborate funerals, expensive dowries, weddings and parties are the major culprits of the lack of thrift in Ghana. The banking system was also considered to be cumbersome and without adequate protection of customer confidentiality, which reminds most people of their past experience of asset confiscation. Generally, it seems that there is ignorance about savings and the habit is not yet cultivated and most people yield to the general talk that their "pay is not sufficient." The average gross domestic savings for the period from 1960 to 2000 was 8.3% as compared to 23% and 25% for Cote d'Ivoire and South Korea respectively (see Table 2.4). As Hofstede and Bond (1998) discovered, savings depend on the people's incomes, thriftiness, and the expectations of inflation and interest rates.

### Low investment

Smith (1776) explains that the stock of capital which advances division of labour can in turn be accumulated through parsimony and frugality of industrious entrepreneurs. Although criticised as inappropriate for less developed countries, the Harrod-Domar model's emphasis on high savings which enables increased investment and productivity leading to increased economic growth is quite relevant to the findings in this study. As domestic savings are considered the major source of funds for investment, low savings rate will translate into scarce funds for investment and therefore high cost of capital or lending rates.

The interview data also revealed a low level of entrepreneurship and that business has been mostly the preserve of the "not very literate, so they tend to ignore the few ideas

which over the years have been tested, tried and found to be helpful.” Moreover, the cumbersome and frustrating legal system does not promote contract enforcement thus leading to high level of contract defaults which explain the low level of trust in business.

Another consequence of the lack of trust is that most professionals and business people do not enter into partnership ventures. The implication is that most businesses operate below their economies of scale and do not grow. As explained by an interviewee:

[F]requently ... business partners have fallen out, it is all a question of trust. Let us say you have two partners, each of them would want to bring close family members into the business and when that happens it means you have got two antagonistic forces and interests ... [and] there is the tendency to fall out (PA2, Appendix II).

This situation reinforces a vicious circle in the areas of trust, market and investment and explains the low number of partnership or collaborative ventures in the country as compared to the number of sole trading businesses and limited liability companies.

Another explanation for the low investment is the past political instability and its concomitant changing policies. Moreover, the inheritance systems were found to be big disincentives to investment and discourage effective succession planning of businesses. Once the founder dies there is too much interference in the business from the extended family members. Mostly, they engage in protracted litigation that leads to the collapse of the once successful business. As Gyekye (1997) has observed, the inheritance systems have worked against the “development, proper maintenance, smooth management, and continuous survival of businesses” (p.253).

This contrasts with the traditional Japanese and English inheritance systems, which discouraged fragmentation of property and supported the faster rate of modernisation and industrialisation through the energy of the younger sons who fended for themselves in the cities (Hofstede, 2001).

It is interesting to note that the African development literature’s dominant interpretation of slow accumulation stresses failures in governance, especially in the inefficient public sector investments (Artadi and Sala-i-Martin, 2003) and corruption. As two renowned Ghanaian economists, Aryeetey and Fosu (2008), conclude, Ghana has not invested enough over the years and that whatever investment has been made has not been productive.

### Lagging Technology

In *The Theory of Economic Development* ([1912] 1961), Joseph Schumpeter (1883-1950) considered innovation, the process by which new ideas are utilised by entrepreneurs to

create a new combination of production resources to increase their profit, as the engine of development in an economy. The survey respondents considered the “unwillingness to adopt modern conditions” as an important cause of poor living conditions in Ghana. The interview data significantly confirm the claim in the literature that “technology has lagged behind,” as follows:

[T]he [Westerners] sit down and observe the system to see if it is just kicking and what they can do to improve it ... so they are always creating, they are always innovating and that innovation means productivity, when innovation comes it means wealth. But over here, it is only one way of doing things, because we do not apply science to anything here in the country (PC13, Appendix 6.3).

Gyekye (1997) also observe that sustainable development, which depends on the efficient exploitation of natural resources, concerns the enhancement of the material well-being of a society through science and technology. However, in Ghana, once a technique or equipment is found to be working it is not considered necessary by the creators or the users to innovate and improve on its quality for efficient functioning. Trompenaars (1993, p.125) adds that “man’s economic development can be viewed as a gradual strengthening of his devices to keep nature at bay.” It is interesting to note that some of the participants related technology to population increase, which is discussed in the next section.

#### **7.2.1.2 Population increase**

As discussed in section 2.5 and in Table 2.11, Ghana’s population almost tripled from 1960 to 2000. The interview data revealed rigid and entrenched cultural practices that put pressure on a Ghanaian couple to marry and have children even if they are not in gainful employment. As a young mother explained (see section 6.3.4), relatives and friends would be looking out for the couple’s children as “they tell you children are blessings, it is God who takes care of children, so they have large families without thinking about their future.” She goes on to explain that combined with unemployment and poor wages, this has led to the increasing number of children on the streets. If one is unemployed and forced to have children there will be no money to provide for them. The effect of this culture is captured by the analysis of a senior public sector official:

I think first we have ... population explosion ... the numbers have increased very fast and we are not able to produce to meet the many mouths that we now have. ... The labour must be trained; [else] you might not even have skilled labour during the population explosion (PV22).

A Labour Union Chairman explains that “because in the past there was no control in the birth of people, all they do is give birth and it has affected the per capita income of the country [and] the responsibilities of the people.” As explained by Hayami (2001), “when ...



population growth is explosive and not paralleled by increases in employment and income, developing economies could face resource exhaustion, economic degradation and destitution” (p.59). In a recently edited publication, *Political Economy of Economic Growth in Africa, 1960-2000*, Ndulu and O’Connor (2008), in echoing Malthus and Ricardo, also argue that the high population increase “leads to diminishing returns, as land and physical capital are spread over more workers” (p.32). They add that “rising dependency ratios ... dilute the contribution of any given real GDP growth per worker to real GDP growth per capita” (p.33).

### **7.2.1.3 Large scale unemployment and underemployment**

As a result of the population increase discussed above, Ghana’s economically active population aged 15 - 64 grew from 4 million in 1970 to 10.1 million in 2000 (GSS, 2002). However, due to the lack of education and economic opportunities, this has resulted in large scale unemployment and underemployment. A 2002 national exercise to register the unemployed and underemployed found that of the 903,347 people who registered only 11% had reached secondary school and more than 50% had not had any training for a trade (see Table 2.12). As the interview participants confirmed, education could be the panacea to poverty and unemployment. And yet they feel “the level of education is very low” and “there is lack of quality manpower in Ghana.”

The interview data revealed a significant and disturbing discovery in the area of unemployment and underemployment in the northern part of Ghana where there are frequent ethnic conflicts. This explains another vicious circle of unemployment, poverty and conflict as elaborated by an interviewee who originates from the region:

[W]hat is happening in agriculture, for instance in the North, they only have rains for three to four months in the year and more than 80 % of the inhabitants there are farmers ... and they can only do the farming for only three months. The rest of the time they are just sitting down ... there is nothing to do. They are not trouble makers but they have nothing to do, anybody can just go there and entice them (PN20, Appendix 6.4).

This seems to be Ghana’s nightmare and it calls for immediate attention from the Government and its development partners. Ghana’s neighbour, Cote d’Ivoire has just emerged from a protracted political instability associated with the North-South divide. The current situation in northern Ghana is forcing most of the youth to migrate to the cities in the south and other countries to find menial jobs. It is not surprising that the World Bank Country Director described this phenomenon as the “biggest risk picture for the country as a whole” (Statesman, 2006). *The Financial Times* had also found the creation of formal sector jobs and the provision of services to the increasing urban population as “one of

Ghana's biggest challenges as it tries to break into a higher range of economic growth" (White, 2005b, p.2).

As a result of inefficiency and mismanagement, the public sector is no longer the major employer and the private formal sector has also failed to generate jobs. The origins of the inefficiency in the public sector and the work attitude are explained well by a public sector lawyer:

It is how we started from [independence] so we have got the impression that everything must be done by government ... when Kwame Nkrumah started he established Workers' Brigade. People went there they did not work and they got paid, this was his socialism (PA2, Appendix II).

The multinational human resources manager also explains that due to the "attitude of the workforce people shy away from investing in employment generating activities because [the workers] are not satisfied with whatever levels of [wages they are paid] and they want everything now." This explains why of the 8,292,114 economically active reported by the 2000 population census, 80.3 % worked in the private informal sector, while 6.2% and 8.0% worked in the public and private formal sectors respectively (GSS, 2002). The urban informal sector provides about 65% of the urban labour force, mostly in self-employment.

It was also found that well-educated Ghanaians did not participate in business as in the past they were easily absorbed by the public sector, a "crowding out" effect, which has always conditioned the minds of the educated for "white collar" and "risk-free" jobs, mainly in the public sector. This is explained by a senior public sector official: "Business is risky and ... for a long time there were few educated people and there were jobs available ... so one would not even want to go out to 'hustle' in the risky areas." Significantly, it seems that there is a tax loophole for the operators of the "one man" informal sector, as a senior public sector manager complains of an ineffective tax system:

[Y]es they are not taxed so why not, particularly those who buy and sell. So I can buy and sell, I am not required to submit tax returns ... the mechanisms are not there ... They are very effective in importing and handling containers of goods but the goods just enter the system and nothing happens (PV22).

Another public sector manager, who is also a traditional ruler, makes a contribution indicating the dissatisfaction of the formal sectors with the current situation where the informal operators are enjoying a "tax haven" in the country and perhaps undermining the credibility of the taxation system:

[T]he majority of those who are in the informal sector are making money but are not paying any tax. They come with all forms of manipulations; you will even be surprised that those who are supposed to know better are the ones doing it (PG18, Appendix III).

It is therefore not surprising that despite the large percentage of the informal sector operators, the tax contribution from the self-employed only accounted for 5.35% of total direct tax revenue as compared to 35.7% of tax collected from those in the formal sector (MFEP, 2004). As a result those in the formal sector are penalised as they have to pay twice as much in taxes (Lewis, 1984).

#### **7.2.1.4 Inequalities in the distribution of income and development**

According to 2005/06 *Ghana Living Standard Survey*, the percentage of the population below the upper poverty line set at 3,708,900 cedis (just over 1US\$ a day) fell from 51.7% in 1991/2 to 39.5% in 1998/99 and further to 28.5% in 2005/06 (GSS, 2007). Significantly, the report attributed the overall performance in poverty reduction to economic growth as summarised below:

In summary, poverty reduction has benefited from very favourable economic growth in the last fifteen years. However, the decline in poverty would have been even better if it had not been offset by increasing inequality, particularly since 1998/99 (GSS, 2007, p.17).

Although the percentage of the rural population living below the poverty line declined from about 64% in 1991/92 to about 39% in 2005/06, it is important to note that 86% of those below the poverty line in Ghana are living in the rural area, (GSS, 2007). What is more surprising is that at the national level about 46% of the poor are from households whose main activity is cultivation of food crops. So, the so called subsistence farmers are living below the subsistence level. The fortunate ones survive on remittances from their family members who are working in the south or in the “Diaspora” and “remit money to [their] families at home ... and they buy food with it.”

Sylos-Labini (2001) has observed that “given the rate of economic growth, the share of the poor can be more or less reduced depending on redistributive policies which, in their turn, depend on the cultural and political situation of each country” (p.135). The interview data found that those in the rural areas are now acutely suffering from the effects of increasing urbanisation. With the concomitant shift from extended to nuclear family system or collectivism to individualism they can no longer rely on their relatives in the cities for remittances. The data also revealed tensions between the north and south, between the uneducated and the educated, between the ruled and the traditional rulers, between the village and the city dwellers and the extended family system.

From the interviews, it was found that there is acute lack of infrastructure in the northern areas which is impeding the development of the area. The evidence on inequality in income and development in Ghana confirms Rostow’s (1984) assertion that “excessive

rates of population increase, inadequate priority for the modernisation of rural life, and relatively poor performances in tax collection, which reduces the resources available for social services” (p.250).

#### **7.2.1.5 Large but Neglected Agriculture**

Although the total output of agriculture has fallen below 40% of the Gross Domestic Product, the 2000 population census revealed that 48.3% (76.3% in 1970) of Ghanaian households were engaged in agriculture, animal husbandry and fishing. In the rural areas, 73.1% of the rural households (88.6% in 1970) were still engaged in agriculture, animal husbandry and fishing (GSS, 2005). The study’s survey participants considered the “lack of attention to rural agriculture” as the fourth major cause of poor living conditions. Underlying the agricultural problems is the land tenure system, a problem that has persisted since 1897 when the colonial government failed to introduce the Land Bill. The failure to reform the land tenure system has, however, created a vested interest in Ghana and accounts for misallocation of land and human resources in Ghana.

As a result, farming in Ghana has been mainly rain-fed because of low investment and poor technology, as settled agriculture requires the security of title for loans to invest in agricultural infrastructure like irrigation. The interview data provide a lot of insights into the causes of the situation in Ghanaian agriculture. Understandably, most of the participants were emotional. Starting with an interviewee who witnessed a shocking experience of “ghost employees” in the Workers’ Brigade and mechanised State Farms, which were intended to replace peasant farming after independence:

[I]t all starts from ‘independence from work’ that is the Ghanaian workers’ attitude. We feel that independence means relax and everything will come and that is how our money got misused ...The Boys’ Brigade ... was the most criminal thing that ever existed in Nkrumah’s time. Look somebody would be at Jaachie, his name appeared in Kumasi as well as in Ejura [all in the Ashanti Region of Ghana] and at the end of the month he would go to these three places and collect salaries (PA2, Appendix II).

As a result of past experience it seems that few Ghanaian youth are willing to develop their careers in agriculture as they have grown to learn that the field is synonymous with poverty. The following comment by a multinational employee is incisive:

Agriculture is very vital to us but then we only pay lip service to it. Agriculture is not encouraged, they also say that people should enter into agriculture but we see that farmers are very poor. If I should see a farmer in the twenty-first century using cutlasses and hoes ... It does not attract me to go into such a venture. But if agriculture is modernised, it would become a business and everybody who sees it as a business can be attracted to it. There are people who are in it, but that is not the scale at which agriculture should operate in Ghana to even reach the food self sufficiency level and then export to some countries (MG10).

Again, due to lack of storage facilities, marketing chains, and poor infrastructure, about 30 to 40% of the annual harvest is wasted (Mahtani, 2005). An interviewee from one of the major food growing areas in Ghana provides the summary of the situation including weather changes, lack of market for the produce and policy failure:

In agriculture the low productivity is because we depend so much on nature in Ghana and of late weather changes have also affected the yield because of the change in the rain patterns. And then ... because of the lack of market the products are seasonal [they] come in abundance and ... people refuse to buy ... In my village there are yam farmers they plant at the same time and they harvest at the same time, last year when I went there the yam tubers were on the road they could not get the buyers so they will just ask you when you get there, just pack what you can into your car and go. The Ministry of Agriculture developed a certain type of yam and they all went into it together and then it came in abundance and nobody was buying. They should have thought about how to market those things because the following year they refused to farm (PV21).

The above demonstrates the lack of coordination of government policies in areas of agricultural yield improvement and the marketing of the improved produce. As the major food growing areas are distant from the highly populated coastal areas, transportation to the cities is a major factor in the distribution and marketing of produce. Moreover, the past irrigation projects have been inappropriate as they have not been adapted to the Ghanaian environment, thus contributing to the high dependence on rain. It was found that the small scale irrigation projects, which are rather effective, are not favoured by the donor agencies or the government. Unlike the large scale projects, they are difficult to showcase. However, most of the large scale projects in the north are not functioning mainly because of mismanagement and lack of maintenance. An interviewee makes a very useful contribution:

And I have always said that it is not a matter of going in for a big project like Tono Irrigation, very capital intensive and very costly to manage because given our poor maintenance culture in Ghana, you would expect that within some two years it will collapse. I would rather advocate for small scale irrigation that can trickle down to the districts so that people can at least farm twice in the year (PN20, Appendix 6.4).

As discussed in section 2.4, Mellor and Johnston (1961) elaborate the potential benefits of agricultural productivity to the economic development of a country, like Ghana. They argued that agriculture could provide food for the working population, raw material input for industry and that it could also be a major foreign exchange earner. More importantly, they said that the agricultural sector could be the main source of demand to the other sector's output.

The above discussions emphasise the potential role of agriculture in Ghana's economic development. The part played by the chieftaincy institution and communal land ownership in reinforcing the ambivalence of the people and governments towards agricultural development or modernisation. The Ghanaian agricultural potential will therefore remain unrealised until the ideology of communal land ownership is changed once and for all.

I would say the government's main interest is not in agriculture but may be in other businesses ... for instance collecting their revenue because the way they look at those things, if they paid the same attention to agriculture I think we would have done better.

#### **7.2.1.6 Internal and External Markets (Trade)**

According to Hayami (2001) the market is "the organisation that coordinates people's activities in seeking self-interest towards increasing social economic welfare" (p.221). It was Adam Smith who explained that in a very small market limited by the "power to exchange" few will be dedicated to one employment as the surplus of one's labour can hardly be exchanged for someone else's ([1776] 1991, p.15). In his time he found that "by means of water-carriage a more extensive market is opened to every sort of industry than what land-carriage alone can afford to" (*ibid.*, p.16) and he observed that "there are in Africa none of those great inlets ... to carry maritime commerce into the interior parts" (*ibid.*, p.19). It was not surprising that in his development programme to stabilise and diversify the economy, Gordon Guggisberg tried but failed to extend railways to open up most parts of Ghana so as to secure his famous "four large baskets of articles greatly in demand - cocoa and palm oil from the south - groundnuts and shea butter from the north - together with seven little baskets of rice, copra, sisal, corn, sugar, coffee, and tobacco - little baskets but good" (Guggisberg, 1921).

This failure to extend railways to the north contributes to the domination of exports by three main primary products of cocoa, gold and timber and why Ghana has persistent large trade deficits as the export earnings are determined by the vagaries of both the international commodity prices and the weather. In 2006, Ghana's total exports were US\$3.727 billion compared to total imports of US\$6.754 billion (EIU, 2007, p.44), indicating the openness and fragility of the Ghanaian economy. This confirms the persistence of Kay's (1992) observation that on the eve of independence Ghana "suffered the acute form of structural dislocation characteristic of an open dependent economy: production and consumption were not integrated within the country but through external trade" (p.xv). One of the participants summarised that Ghana is failing to develop because it is "relying on leakages to develop [the] country. It is like using a sieve to carry water which will flow away ... when you were thinking of a full sieve but when you fetch it, it sieves away."

## External Trade

Based on the Human Development Indicators statistics, Ghana's exports of goods and services accounted for 17% of its GDP in 1990, 40% in 2003 and 36% in 2005. The corresponding figures for Cote d'Ivoire were 32% in 1990, 47% in 2003 and 50% in 2005. However, the review of imports of the two countries reveals that Ghana's imports of 26% of GDP in 1990 rising to 52% in 2003 and 62% in 2005 have been persistently higher than its exports, whereas Cote d'Ivoire's imports of 26% in 1990, 34% in 2003 and 42% 2005 have been always below its exports (HDR, 2005, 2007/8). This high import growth versus stagnant exports in Ghana led to a record trade deficit of US\$2.8 billion and a current account deficit of US\$628m (5.3% of GDP) in 2006 (EIU, 2007). These statistics indicate that Ghana has increasingly operated trade deficits in the past 15 years revealing the fragility, external dependency and the lack of integration of consumption and production of the economy. A young interviewee explains the trade situation in her simple language:

Our raw materials are being exported and they will bring back the finished product, why don't we get our people to learn how to finish products? ... We send our cocoa outside and they will bring us chocolate (PG16).

A more senior official gave her version, which explains the persistent inflation which to her is due to the heavy reliance on imports:

You know we are always saying that the inflation is very high ... I think that it is because we as Ghanaians ... want to patronise things that are not made in Ghana here, because we always want to buy things from outside ... But we tend to leave our things here and chase others, naturally if you are chasing other people's goods with other denominations or currency, naturally you will have high inflation, so that is what I think, it boils down to imports (PA5).

As another participant explains because of the reliance on rain-fed agriculture "we will be importing rice all the time" and "we will be in deficits all the time." Between the years 2002 to 2006 the world price of rice rose by 58.3% compared to a fall in the price of cocoa of 10.4% (UNCTAD, 2007). Ghana's rice import rose from 37,867,684 kilograms in 1998 to 755,039,169 in 2003 (see Table 2.8) explaining Ghana's precarious situation of food imports.

According to a multinational manager,

Ghana, unfortunately, has become a consumption country rather than production country. No nation can develop without opening the base of productivity so if you do not produce and export it means that you would be left behind (MA3).

Ndulu and O'Connell (2008) found that the ratio of net food imports to GDP in sub-Saharan Africa rose by 1.4 percentage points a decade during the period 1960 to 2000, eight times faster than the rest of the world (p.23). A review of the data on internal trade below provides more insights.

## The Internal Market and Industry

According to the Trade and Development Report, 2007 trade integration in the ECOWAS zone has advanced very slowly since the early 1990s and intra-regional trade has been highly concentrated in a few countries with Nigeria, Cote d'Ivoire and Senegal accounting for almost 90% of all intra-regional exports. The relatively low level of intra-regional trade in ECOWAS is also explained by the high dependence of most member countries on exports of primary commodities. Other obstacles to intra-regional trade are bureaucratic and physical ones, such as road charges, transit fees and administrative delays at borders and ports, which raise transport costs and render deliveries unreliable. It appears that, in general, countries at higher levels of industrial development and diversification such as Cote d'Ivoire in UEMOA achieved surpluses in their trade with their regional partners. Regionalism can help the process of industrialisation and efficiency gains through intra-industry trade (UNCTAD, 2007).

According to the statistics available from Ghana Statistical Services, since 1996 the GDP by sector at constant 1993 prices have remained constant for Agriculture (35-36%), Industry (around 25%) and Services (28-30%) with manufacturing hovering around 9% of GDP. The poor performance of manufacturing after 1988 has been blamed on the lack of sufficiency of appropriate trade and macroeconomic policies for sustaining high performance in a structurally constrained economy (Aryeetey and Fosu, 2008). ISSER (2005) also attributes the slow growth of the manufacturing sector to lack of credit, weak management and low demand for industrial goods. However, Kuada's (1979) explanation that the problem underlying industrial growth is the lack of internal dynamism that links the various industrial sectors together and increases the domestic value added to production in each unit, seems more plausible.

This ties in with Leontief's (1966) contribution that in a well-functioning economic system "the effect of an event at any point is transmitted to the rest of the economy step by step via the chain of transactions that link the whole system together" (p.74). The Ghanaian private sector has been largely blamed for the slow response to the economic reforms (ISSER, 1993). However, as a participant explains, "the old policies from independence have not been to encourage private participation in production." The same person provided a more important dimension to the problem:

[W]e get overwhelmed by a very small success, so if somebody buys a bus that is plying Kumasi and Accra, he is happy and when the business starts doing well he is not thinking of buying another bus he is rather thinking of going to become a chief in his village ... [He does] not even ... differentiate between [his] income and [his] capital (PN20, Appendix 6.4).



A public sector accountant also explains that “the people think that you should inject huge capital before you can start a business, so we don’t have the creative minds to create wealth.” It appears that the lack of trust of Ghanaians in business, based on perception or experience of profiteering and “super profits” may be a more fundamental problem than (it) meets the eye, as an interviewee explains:

Because, the little that I know about a Ghanaian businessman ... he always has the idea of cheating the people [he is] transacting business with ... He will tell you it costs 40,000 cedis ... because you are my friend and if you trust that person you pay the 40,000 cedis ... after a few days ... you see that the very thing costs 20,000 cedis (MG8).

The above is borne out by a public sector lawyer who says that “those in business ... sometimes ... believe that they must make super-profit and so when they are doing business they try not to play it fair.” The participants’ way of dealing with the situation is to “exercise caution” and “when they want to buy something they go to about three or four people and find out the price so that they will have an idea as to how much the price should be.” As usual, the participants think the government should intervene, as argued here: “As for the businessmen, the government should give them some training ... because we are losing trust in these business people, honestly (PA5).”

Once again, I would say caution is the word. If you say, you want to do business with everybody then there is the likelihood of you being duped. From the argument of a traditional ruler, it can be said that the legal system has a major role to play in the state of affairs:

The problem lies with integrity in that somebody will tell you that give him goods on credit ... and from experience most of them are not willing to pay ... You know our legal system is not something to write home about ... the time you will go through to get judgement (PG18, Appendix III).

The above discussions confirm that the “power of exchange” in Ghana is fettered by lack of trust. Sadly, the lack of trust is not limited to the market, but it seriously manifests itself in business and work associations as well. This prevents private businesses from achieving their minimum scale of efficiency and productivity. As Fukuyama (1995) argues:

The impact of spontaneous sociability on economic life is significant. It affects the overall structure of national economies, the sectoral distribution of industries, the role that the state is tempted to play, and the day-to-day conditions under which workers relate to managers and to one another. It may also have an important impact on aggregate GDP as well (p.342).

### Lack of Trust and Business Registrations

An analysis of the statistics of businesses registered by the Registrar General's Department between 1993 and 2003 in Table 2.10 indicates that the average numbers of sole proprietorships, limited liability companies and partnerships were in the descending order of 12,924, 5,568 and a woeful 202 respectively. The interview participants' explanations on this trend are quite significant. A public sector reverend minister initially explains that "in effect, here people do not trust each other because they believe that if [they] form partnership with you, at the end of the day, it may not work so why don't [they] go alone?"

The response of a UK trained Chartered Accountant who is a multinational senior manager significantly explains the lack of Fukuyama's (1995) "spontaneous sociability on economic life" and the low number of partnerships and in the practice of professionals in Ghana:

If I am entering into partnership with a Ghanaian, I will take my time to research to make sure that I can deal with the person. It is not something I will take lightly. I will spend a lot of time in researching into it ... if I do not know the person very well then I cannot trust the person. It all depends on how well or how familiar I am with the person (MC4).

A seasoned public sector lawyer explains that "Ghana here, we have had a long time one-man business or firm' and goes further to explain the effect of the reluctance to form partnerships on the Ghanaian legal practice that reflects the situation in most of the professions like accountancy and medicine, which arguably, deny the public of the potential benefits of the professions:

By this time if you go to 'cocoa affairs' [the colonial high courts for dealing with rising land litigations] you see them [the lawyers] standing there ... They will be better off going into partnerships and forming firms. At the same time because the trust that you began with is not 100% ... people are a bit reluctant to ... to go into such partnerships because the individual members of the partnerships have their own personal interests, obligations, responsibilities and expectations, which may not always be in tandem with the common interest of the partnership (PC12).

#### **7.2.1.7 Governance**

In his *Wealth of Nations*, Adam Smith contributed that,

Political economy, considered as a branch of the science of a statesman or legislator, proposes two distinct objects: first, to provide a plentiful revenue or subsistence for the people, or more properly to enable them to provide such a revenue or subsistence for themselves; and secondly, to supply the state or commonwealth with revenue sufficient for the public services. It proposes to enrich both the people and the sovereign (1776[1817], vol.2. p.142)

In this millennium, Ghana has earned itself a good international reputation for good governance, respecting the rule of law and being democratically mature. It became one of the first countries to be subjected to the African Peer Review Mechanism (APRM) by other African leaders in January 2006 (AfDB/OECD, 2007). Interestingly, the peer review report highlighted the same problems (see chapter one, section 1.4) as two colonial assessments of state of affairs before independence, with respect to the land situation and the fragility of the Ghanaian economy. The same problems emerging as some of the important themes of the present study, indicates their persistence and therefore vindicating the initial discussion with the economics professor which led to the conceptualisation of the present study that “Ghanaians do not solve problems.”

The interviewees provided a lot of insights into the past governance problems in the country, which resulted in political instability and the consequent lack of commitment.

Part of the blame can also be put on poor governance, ... on our leadership because we had not gone through the process of democratisation for a certain period of time ... Once people take power by force, there is no commitment and, therefore, people harbour lackadaisical attitude towards government, so all these things would account for the country not having developed to such an appreciable level to let the people live above poverty levels (MA3).

It seems that the lack of political courage could be a feature of post-independence Ghanaian politics, explaining the persistence of the core problems and lack of implementation of effective policies. According to Evans (1995) the effectiveness of the “developmental state,” with a transformative capacity requires a “combination of internal coherence and external connectedness” with critical social groups in what he calls “embedded autonomy” whose efficacy depends on the nature of the surrounding social structure as well as on the internal character of the state (pp. 411-413). The participants cited instances of lack of political courage on the part of successive governments in solving critical problems as their preoccupation was rather “to win the next election”.

So you see we put too much on politics. You just imagine this Beach Road from the dual carriage to Teshie junction, it is not even up to three kilometres ... We all go to Tema and back we see this congestion, just because of politics we don't want to solve that problem ... It boils down to the lack of political will, call it strength, call it courage (PV23).

Another participant attributes the ineffectiveness of the legal system in delivering timely justice to lack of political will and he would like to see a government that will change the judicial system in order to restore people's confidence in the judiciary.

An interviewee explained what could lead to the lack of Evans' (1995) embedded autonomy required for a developmental state in Ghana, “the mentality of the African” when the political parties come to power they need to look after themselves, so “once I am part

of the government, I should always be there and therefore if I am not part of the government I shouldn't contribute to their success" and "it has become part of us, the *pull him down* attitude is always in operation. So some people will not contribute because they think they are not with them and will not do anything that will help the whole country." He continues to explain that the governments need political bases to lean on and also they need to provide "jobs for the boys" that were the foot soldiers, that fought to bring them to power and so there is always a win-lose situation:

[T]here are foot soldiers who helped the government come to power and some of these people may be unemployed and downtrodden so when they come to power ... they introduce some policies to help them to also get somewhere ... You must always get the support base which in our traditional settings, it is always with the chiefs ... (MC5).

### The Chieftaincy Institution

As previously discussed, because of the vested interest created in custodial land ownership since the colonial government's 1897 aborted Land Bill, the chiefs have become very powerful as they control the important resource of land in the country. The colonial government had to co-opt the chiefs into the colonial government. As an interviewee who is a chief explains, "from Lord Lugard's Indirect Rule the chieftaincy institution" ruled most of the people in the villages, "but now the respect for our chiefs is waning because some of them have questionable characters. They do not even have the power or the authority over their own people now." So there could be a problem of community failure because "formerly the chief could beat the 'gong gong' [drum] that nobody should go to farm but now if a chief tries it, they will ask the chief whether they are coming to the chief's palace to collect their cassava [food]?"

Formerly most of the activities were performed by the chiefs because [they] understand our culture." The survey data revealed a very low confidence in the chieftaincy institution (36 %) compared to the Government (48.9 %) and Parliament (43 %). The low confidence in the chieftaincy institution as explained by the interview data is to do with their poor management and sale of community land. This low confidence is explained by the lack of enforcement of laws in the villages or rural area where the chiefs still reign supreme:

[T]he majority of our laws do not work, they are on paper only ... we do not implement them ... we have left out a very important ingredient in the Ghanaian society, the chiefs and elders ... Wherever there is a settlement in Ghana there is a chief. Traditionally, the chief was a political leader, the chief justice, every authority rested on him. He had his elders who were responsible for the various functions and ... he also effectively utilised the traditional religious aspects so that people were even afraid when they [were] alone to go against some of the norms of the village ... [Now], those functions have been taken over by some of the people from the central government (PN20, Appendix 6.4).

The lawyer continued to explain the fragmentation of authority in Ghana caused after independence, which has created a “loophole” in law enforcement in the rural areas and why most of the people in the rural areas are not affected by the actions of the central government. This is because the government does not have the means to be adequately represented in the rural areas. On the other hand, people can also choose to ignore the orders of the chiefs as they are aware of their lack of authority, as explained by the lawyer:

[T]he government has taken over most of the roles of the chiefs but there is one thing that central government has not been able to do; the chief has his elders in the system, the chief could enforce moral values. The central government has not been able to open police stations in all the towns, let alone the villages. So the government hasn't got its workers in all places, meanwhile, it has displaced the chiefs and their elders from all their functions. They have not delegated some functions to the chiefs (PN20, Appendix 6.4).

There seems to be a vacuum in the enforcement of law and authority. The central government has weakened the chiefs but has not created an alternative functioning enforcement structure.

#### The Chieftaincy Institution and Land Management in Ghana

A key to the understanding of the Ghanaian development situation, as discussed above is that the “chiefs still have control over the land and land goes with economic empowerment.” The central government in Ghana controls power in the urban areas but not the important economic resource of land, which is still controlled by the chiefs. This situation has often created tension as evidenced in the colonial report. There is also a lack of trust between the chiefs and the government. From the analysis of the interview data an important loophole is discernible in the use of government revenue. In the urban areas the government uses the taxpayers' funds to provide infrastructure and develop the areas that leads to appreciation of land value.

The chiefs then realising the new source of wealth embark on indiscriminate sale of land at the appreciated value, and as the data reveal, use the proceeds for their personal benefit without developing the communities. Moreover, the chiefs do not pay taxes, so the position of a chief in a land-rich area has become the easiest way of self enrichment, thereby explaining the numerous chieftaincy disputes and litigations, which are stifling development in Ghana. This, as we discussed earlier under agriculture, explained the government's ambivalence of the government to the development of agriculture. A traditional ruler explains the tension and struggle between the chiefs and the government for land, especially in Accra, the capital, where land is of very high value:

It is definitely true, what was happening was that in Accra for instance, some land [was] taken by the government for the interest of the people ... but now if the purpose for which the land was acquired no more holds ... the land should be given back to the owners. But ... once it is government, [it] can ... do anything. That is why ... the chiefs ... sell so that they [the government] will not get the chance to acquire large tracts of land and later on abandon it (PG18, Appendix III).

The above issue may not have gone down very well with the Ghanaian public, especially the youth. As revealed in the data, it is not surprising that the *African Peer Review Mechanism* (APRM) found the land and chieftaincy situation to be a potential source of conflict in Ghana. Recently, there was public outcry when the Government decided to put up a building on a previously acquired land to commemorate *Ghana at 50*. The traditional authorities took the government to court claiming that the Government should have renegotiated with the owners for a new lease as the purpose for which the land had been previously acquired had changed. Most of the interviewed participants felt that these situations “lead to the retrogression of the economy”.

Clearly, there is an urgent case for land reform in Ghana to block the gaping loopholes in land tenure and management systems. Until that is done, the potential of land resource in the country will not be realised and it will be very difficult to develop agriculture in the country. This has been the nightmare of successive Ghanaian governments. Behind the problem is the belief that land in Ghana belongs to the ancestors and therefore should be overseen by the chiefs. It is interesting to note that although there have been clear breaches of the custodial responsibilities as clearly confirmed by the interviewees, the same people find it difficult to think of an alternative solution, probably due to their ancestral beliefs. It seems that a viable solution will be for a courageous government to introduce appropriate land tax and reforms even though that would require proper planning and documentation of the land.

As Kang and Ramachandran (1999) reveal “rapid economic growth in Korea started with investment in the agricultural sector ... accompanied by the creation of infrastructure and institutions” (p.784). This included the bitter pill involving the introduction of land reform and land taxes. The Ghanaian land problem is a difficult one and cannot be resolved through the intervention of the international organisations such as the IMF and the World Bank. It requires the actions of Ghanaians themselves, a national debate on what they require of the land and how long they can allow the majority of the population to stay in poverty while their land remains uncultivated. Ironically, when Joseph Chamberlain stopped the introduction of the 1897 Land Bill in Ghana he was also fighting for the liberalization of land ownership in Britain for economic development. He could not possibly have realised then that his decision would result in vested interest that would reinforce the underdevelopment of Ghana in the future.

### Corruption and inefficiency in the public service

Out of the eleven institutions in which the participants were required to express their confidence, the civil service and government agencies appeared the least popular with only 31.3 % confidence. This confidence level is quite low for an institution that implements government policies and provides public services. As already revealed in Chapter 7, the reasons for the low confidence are poor services, corruption or extortion of money from the public, nepotism and favouritism. A multinational manager provides a summary:

I think that the [employees of the] Civil and Public Service are engaged in financial and moral corruption that lead to a sort of economic retrogression ... They try to make money from other places, so jobs that are supposed to be done with transparency, will not be done in that way as people turn to look for money and other things. If it also comes to employment ... instead of employing somebody very competent, they employ a cousin in the village ... who may not be that competent (MG10).

### The low level of confidence in the legal system leading to lack of trust

The survey data in Chapter 5 also revealed a very low confidence in the law courts at 34.5%. As the interview participants observed in Chapter 6, it seems that Ghanaians “do not appreciate the court system as a necessary tool for development.” Moreover, due to the low pay in the Public Service and the lucrative business in land and chieftaincy litigations, the lawyers refuse to work in the Attorney General’s Department. “[A] lawyer can take one case and get more than a judge’s three months’ salary” (PN20). Therefore, the legal system in Ghana demonstrates a clear case of misallocation of human resources, with the public or litigants as the preys and the lawyers as predators.

This is evidenced in choked law courts and protracted cases as the few judges and registrars have to handle many cases. As a public sector lawyer says “sometimes you lose interest in what you are looking for, when judgement is delayed too much it is like justice denied ... this system has created problems for Ghanaians.” A multinational manager rightly observes that currently most people can break the law so the “judicial system should be strong so that the people will know that if they go to court, the law will deal with them.”

### Government Policies

As previously discussed, the survey respondents attributed the most important causes of poor living conditions in Ghana to the lack of government planning and foresight, corrupt local politicians, the people not trying hard enough, the lack of attention to rural agriculture, and unwillingness to adopt modern practices. The traditional ruler among the

participants succinctly explained the expression of the lack of foresight in Government policies:

We keep on changing our policies as if we are doing trial and error. We put things in place for one or few years and then change ... you want immediate results, however, you are dealing with human beings. Manners take time to change but we do not factor in all these things (PG18, Appendix III).

A senior public sector official explains the importance of maintaining policies and the cost of changing policies in the country:

Somebody may have set a pace which cost a huge amount of money; to come and just dismantle it will have serious ramifications, so you should let it go and then gradually ... phase it out ... that is why Governments come and it seems they still pursue the same policies, Nkrumah's (PA2, Appendix II).

The interviews revealed a serious lack of awareness of government policies and services, as the following extracts data indicate: "Most of the people are not aware of most of the policies that are being implemented," and for instance "the people do not even know that if you have a piece of land there is a government agency where you will need to go and register it." It was also observed that "most of the programs are rather imposed on the people [they] should rather go to the roots."

As Evans (1995) explains, the developmental states in Asia did not only have higher levels of capacity but they exercised greater selectivity in the tasks they undertook as they focused on industrial transformation based on strategies of export promotion. By way of contrast, the interview participants think that "in Ghana our priorities are just not right ... we are not able to distinguish between things we need and things we want" and "we were too ambitious, it is over ambition." As explained by a senior official, at independence, Ghanaians were "overwhelmed by the attractions of office and so did not look at the job [responsibility] itself" (PA2). He continues to observe that "people did not see that a lot of important things were at stake and that we were being challenged to work assiduously towards achieving goals." Like Evans (1995), the participants drew comparisons with Asia:

Sometimes people will cite the Malaysian experience, they went through poor positions and the citizens supported whatever policies and sacrificed for the country. But in Ghana, nobody wants to sacrifice, everybody wants to enjoy yet ... government should do everything ... so it is a problem (MA3).

On the whole, the data on government policies confirm that development plans since independence have been unrealistic and inappropriate and have failed to address the more immediate needs and productive capacities of the country. An interviewee provides an incisive summary on the planning and leadership situation in Ghana:



[W]e have 'Vision 2020' from the previous regime, this regime also introduced 'Vision 2015' ... they are beautiful documents. Now, I think we have the problem of operationalising the documents, in translating the vision ... we want to be an industrial nation equal to Britain, equal to Malaysia ... but how do you get there? I think our leaders have failed in combining all these factors so that you have a forward movement which will lead to growth ... [For example] you have produced so many doctors but no hospitals for them to work ... so the doctors start moving out of the country and then you say there is 'brain drain' (PV22).

## 7.2.2 Dominant Cultural Values in Ghana

This section discusses the findings of the study that are related to the investigation of the contemporary dominant cultural values in Ghana. The various definitions of culture relevant to the study's objectives of economic development were explored and the important themes in the definitions were found to centre on "groups unique shared solutions in the way of how to relate to other people, nature and time" (Trompenaars, 1993, p.12).

### Demonstration Effect of Conspicuous and Social Spending in Action

The analysis of the interview data under the various layers of culture as illustrated by Figure 6.1 reveals a culture driven by conspicuous consumption in the form of status symbols and rituals. These are vestiges of "demonstration effect" in the "opulence and profligacy of colonial expatriates in the castles." An interviewee who hails from the region with the most colonial castles in Africa, significantly but tangentially contributed to what could be considered a demonstration effect in action in Ghana:

When I went to the US, they asked me what we call Christmas [in Ghanaian language]. I said '*buronya*', meaning the Whiteman [the colonial expatriate] has got it. The white people [the colonial expatriates] came to the castle, the people saw them celebrating, rejoicing and enjoying themselves meaning that the white people have got it, they have money and they are well to do (PC13, Appendix 6.3).

It is significant that most Ghanaians engage in unchecked and lavish spending at Christmas and also during other rituals such as funerals, weddings and christenings and yet still do not know the significance of Christmas. Importantly, the negative demonstration effect in Ghana is not captured in the Ghanaian literature on culture or economics. In his criticism of Gunnar Myrdal's (1956) contribution on the negative aspects of international demonstration effect to the plight of the underdeveloped countries, Bauer (1959) only saw the benefit of demonstration effect in the "replacement of subsistence cultivation by production for exchange" and that "the population ... can imitate the saving and investing habits as well as the consumption habits of the more advanced countries" (p.112). This study's evidence only support the consumption habits, not the important habits of savings

and investments, as already discussed under their respective sections under 7.2.1 above. Bing (1968) also made the following remarkable observation:

Colonialism has never consisted merely in rule by an alien power. It brings in its train a series of commercial, financial, military and social relationships which do not disappear at the ending of imperial rule and have often, from long usage, come to be regarded as part of the natural order of things. Thus the old colonial system cannot be set aside by some broad sweep of policy (p.24).

And to confirm the demonstration effect in Ghana, a multinational manager adds that Ghanaians “will go beyond their means and spend their three years’ savings” on elaborate funerals and parties and “some people like to show off”, even though some of them are poor” (MUW6). This proved to be one of the reasons for the low savings rate in Ghana.

### Rituals, Reciprocation of Gifts and Corruption

The interview data also found that elaborate rituals could be driving most of the activities of a modern day Ghanaian, especially corruption and could be the culprit of Ghana’s low productivity, low rate of savings and poverty. Significantly, it was found that elaborate funeral celebrations and other expensive rituals could be the most convenient medium of corruption and to secure the collaboration of powerful public officials. This culture of reciprocation of gift has therefore been turned into an “appropriate” tool of corruption as Ghanaians “think that [they] must always influence people with money before [they] get results.” As the “people are not prepared to wait for the right thing to be done, they are always concerned with getting results now and, therefore ... [i]f [they have] money, [they] use it to influence ...” (MC5). As evidenced under section 6.3.3 through the culture of reciprocation of gifts, funerals could be a medium of corruption for public officials. Hofstede and Hofstede (2005) define corruption as: “when people use the power of their position to illegally enrich themselves or when citizens buy the collaboration of authorities for their private purposes” (p.62).

The Reverend Minister attributes the phenomenon of elaborate funerals to the lack of research in Ghana to identify expenditure patterns in order to adapt and control socio-cultural practices. These findings are in line with the observation made by Anthony *et al.* (1979) that a “high proportion of tangible wealth” is converted into “intangible prestige symbols” in the form of elaborate funerals or taking a costly title which seriously limit capital accumulation” (p.205) necessary for economic development. The analysis also reveals the total absence of Smith’s “productive labour” (those producing vendible commodities) in the layer occupied by the national heroes. The initial analysis of the interview data therefore confirms Smith’s observation that “capitals are increased by parsimony, and diminished by prodigality and misconduct” (1776, p.321).

### Invention of Tradition, Land Mismanagement and Soft State

The analysis of the 'heroes' layer of the 'onion' reveals the important contribution of the chieftaincy institution to the state of economic development of Ghana as discussed above under section 7.2.1.10. The colonial authorities through their policy of Indirect Rule and their failed introduction of the Land Bill in Gold Coast in 1897 may have significantly contributed to the state of affairs. In his article, "Indirect Rule in the Gold Coast: Competition for Office and the Invention of Tradition", Gocking (1994) rightly concluded that:

The loose and flexible rules governing traditional Akan [Gold Coast] political life were carried over into the colonial period and contributed significantly to the chaotic, parochial politics of the later period ... Gold Coast political life thus developed an extremely permeable quality, as success in the political world of the Crown Colony government came to depend on success in the parochial world of the traditional state as well. In this way, a new cast of players came to exploit the traditionally loose and flexible rules of the traditional state and, with new skills and stratagems, pursued new spoils (p.442).

The spoils that go with the institution of chieftaincy have raised the stakes to such an extent that it is creating acute misallocation of human and land resources in the economy. The multinational manager made a significant point under section 6.3.2 when he contributed that academics do not have the honour and prestige that the chiefs have. Chiefs have "landed property that give some [vested] interests" as well as the respect and honour the chiefs derive. The existence of this state of affairs indeed produces a "doublemindedness that can be frustrating and detrimental to development" (Dickson, 1975). This is manifested in the number of land and chieftaincy disputes and litigations that clutter the Ghanaian legal system. A participant made an incisive comment on the issue:

We do not know our left from right about land management. If a traditional ruler can say that the land in a whole region belongs to him and it has been accepted, then we do not know the importance of land (PV9).

### Important Cultural Values

The analysis of the responses to the interview question on "the most important qualities children should learn at home" also revealed the following core Ghanaian desirable values: respect for age and other people; obedience to parents (filial piety); hard work; good morals, godliness; religiosity, truthfulness and parenthood. These values will be discussed under their respective dimensions below.

### 7.2.2.1 Power Distance

This cultural value dimension is defined by Hofstede and Hofstede (2005) as “the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally” (p.46).

A simple scatterplot produced from the ten regional factors scored against their corresponding regions indicate that, with the exception of the Northern region that proved to be an outlier, the regional scores were quite similar and that there was a slightly increasing trend from the wealthier south to the north of Ghana. This is in line with Hofstede’s (2001) observation on the relationship between power distance and wealth, in which he argues that the richer countries are associated with lower power distance.

Hofstede and Hofstede (2005) found the following factors that are associated with national wealth and less dependence on authority as indicators of low power distance: less traditional agriculture; more modern technology; more urban living, more social mobility, a better educational system, a larger middle class. The correlations of the regional power distance scores with the corresponding demographic data indicate positive correlation with age ( $r=0.76^{**}$ ), job category of respondent ( $r=0.65^*$ ), the highest level of schooling ( $r=0.52$ ) and a negative correlation ( $r=-.51$ ) with religious affiliation, confirming the observation that traditionally Protestant nations tend to score lower on power distance than Catholic nations (Hofstede and Hofstede, 2005, p.65). The correlation of the scores with the non-VSM 94 survey questions as well as their corresponding socio-economic data obtained from Ghana Statistical Services. Table 5.6 provides significant correlations in: the belief that “people are born with unchangeable destiny given by God” ( $r=0.80^{**}$ ), “confidence in traditional rulers” ( $r=0.72^*$ ), the importance of “corporate responsibility for the health and welfare of its staff and their immediate families” ( $r=0.65^*$ ) and “following of rules and procedures” ( $r=0.55$ ). These correlations indicate that in the data large power distance is associated with fatalism or belief in destiny, traditional authority, rules and there is high dependence. As Inglehart (1997) and Hofstede (2001) have observed, in societies where power distances are large, authority tends to be traditional and sometimes even rooted in religion. The correlations of the dimension with the Ghanaian regional statistics indicate a culture of high school attendance ( $r=0.62$ ) and low polygamy ( $r=-0.64^*$ ). According to Hofstede (2001), in the large power distance society, organisations centralize power as much as possible in a few hands and subordinates expect to be told what to do. Salary systems show wide gaps between top and bottom in the organisation. Visible signs of status in large power-distance-countries contribute to the authority of bosses and older superiors are generally more respected than younger ones.

Hofstede (2001) explains that in power distance cultures the powerful are entitled to privileges and are expected to use power to increase their wealth so scandals involving them are expected and are generally covered up. Incomes are unequally distributed and taxation protects the wealthy, so that incomes after tax are even more unequal. However, on top of the influence of poverty, power distance adds to the frequency of corruption, as larger power distances stand for fewer checks and balances against power abuse. Hoppe's (1998) scores from the elite in eighteen developed countries in 1984 were able to predict seventy-six percent of the differences in Corruption Perception Index in the year 2002.

The interview data revealed in Chapter 6 confirm the above observations. It was found that "having good relationship with the superior" is of utmost importance to the respondents in the public sector where the fate of employees is determined by their superiors. This is because "if the manager uses one day to fill a[n appraisal] form, other factors will influence whatever [is said] about the employee" (PN20). The data also indicate the preference for "one boss organisational structure, as with "two bosses, it is very likely you would not have a clear directive" and "you cannot look inside a bottle with both eyes." Generally, all the respondents felt that depending on the approach it is right to express disagreement with the superior. However, "it is not the general practice, because ... Ghanaians culturally like to respect age and save face and they take it as disrespectful when you express disagreement." Interestingly, the responses on this question unravelled a fundamental Ghanaian value of respect for age, authority and face saving, indicating a culture of large power distance and short term orientation. A public sector manager explains:

In Ghana, all that we know is that you should give respect to your seniors or the elders or whoever is your boss and before you are able to tell the boss some of those things you disagree, you will have to be very sure of what you are saying. And you also have to present it in a way that the boss will not be offended, else it will be bad (PA5).

In large power-distance countries, subordinates are unlikely to approach and contradict their bosses directly (Hofstede and Hofstede, 2005). The respect for the institution of chieftaincy in Ghana is an important reflection of the large power distance in Ghana and supports the idea that power holders are entitled to their privileges. In spite of the respondents' comments on irregularities bordering on corruption, lack of accountability and abuse of power in the institution, the same respondents indicate their high respect for the institution. The contradiction is evidenced by a top official's comment associated with abuse in land management and tenure:

[T]he chiefs are now claiming that the land is theirs, and they sell without recourse to the people who are using the land for their survival ... Litigations, somebody is not a royal but will still vie for a royal position. But giving their bad side, I want to say that there is a good side too ... We have the chieftaincy institution and they have their own set up, let them create the awareness for themselves to reform the system for themselves (PA2, Appendix II).

The traditional ruler among the participants confirms the precarious situation in the institution by admitting that “people are using money now to influence the nomination, election and then installation of chiefs.”

The findings below are in line with Hofstede’s (2001) indications of a large power distance culture:

- High dependence on successful extended family members
- High respect for chieftaincy institution and age
- High value for white-collar jobs at the expense of agriculture
- Centralized decision-making in the public sector organizations
- Complaints of lack of supervision and monitoring in the public sector.
- Unchecked power abuse in the public sector and government.
- Power goes with amassing of wealth - chiefs and politicians.
- Unfair tax system - exemptions based on patronage.
- High rate of corruption in society
- Distrust of police service
- Expectations of actions by authorities
- Importance of good personal relationships with superior
- Chieftaincy disputes and litigations.

#### **7.2.2.2 Individualism/Collectivism**

As discussed in Chapter 6, section 6.4.2, this dimension deals with the role of the individual versus the role of the group. The Ghanaian extended family is wider and deeper than the average Euro-American nuclear family, and it includes grandparents, relatives, in-laws, grand children and “adopted” children. Such a family may function as a single household or a series of adjacent households linked together by a common head and having mutual benefits, roles in child care, catering arrangements, economic activities and collective funeral responsibilities (Fiawoo, 1975).

A simple scatterplot of the regional factor scores against their corresponding regions produced reasonably close scores with a downward slope from relatively high individualism in the wealthy south towards the northern regions. Table 5.9 provides the significant correlations of the ten regional individualism scores with the non-VSM 94

survey questions as well as their corresponding socio-economic data obtained from Ghana Statistical Services. The first impression of the correlations in the table is that of a Ghanaian educated and elite culture, indicated by the high correlations of the dimension in the areas of high school attendance ( $r=0.84^{**}$ ), small household size ( $r=-0.92^{**}$ ), female household heads ( $r=0.91^{**}$ ), low polygamy ( $r=-0.76^{**}$ ), high literacy rate ( $r=0.85^{**}$ ), lower percentage of income spent on food ( $r=-0.67^*$ ), and low incidence of poverty ( $r=-0.66^*$  in 2006 and  $r=-0.64^*$  in 1999). The correlation of the dimension with the respondent's regions of birth, expectedly gave a coefficient of ( $r=-0.75^{**}$ ). This is because one's individualism increases as one distances from the extended family. The other VSM 94 questions, which correlated with this dimension were "nervous" ( $r=0.68^*$ ), "advancement" ( $r=0.53$ ) and "trust" ( $r=-0.58$ ). In a collectivist society a relationship of trust should be established with another person before business (Hofstede and Hofstede, 2005).

As Hofstede (2001) explained, individualism scores of the regions can be fairly predicted from the regions' wealth, the richer the region the higher will be the individualism score. In the Eurodata survey the question "accommodation comprising whole house" answers correlated positively with IDV ( $r=0.62^{**}$ ), whereas "accommodation in apartment/flat" correlated negatively with IDV ( $r=-0.61^*$ ) (de Mooij, 1998, p.62). The correlations of the scores with "opportunities to serve country" ( $r=0.60$ ) and "corporate responsibility for the welfare of staff" ( $r=0.65^*$ ) also confirm collectivism. In the IBM survey "serve your country" was found to be strongly associated with collectivism (Hofstede and Hofstede, 2005, p.81). In the Chinese Value Survey, collectivist societies answered that filial piety, patriotism were important (Hofstede and Hofstede, 2005).

The significant correlation with "hard work does not bring success" ( $r=0.75^{**}$ ) could be attributed to the lack of a work ethic or lack of recognition of effort in the public sector. The confidence in the churches correlated negatively ( $r=-0.64^*$ ) and with the law courts at ( $r=-0.52$ ). In collectivist societies that have in-groups and particularism the administration of laws and rights may differ from one category of people to another and this is not seen as wrong (Hofstede and Hofstede, 2005, pp.105-6). As revealed in the interview data in Chapter 6, "there is a case and somebody calls the judge and says 'this case involves my son, or son-in-law or my daughter', so before he goes to sit on the case he already has some prejudice which judges should not have." In 1975, Professor Dickson made an important call for change, which still remains unheeded:

If we are to have stability, then we must learn to look at obligations inside extra-family relationships as having binding force. Jobs must go to those most qualified to hold them, and there should be strict impartiality and objectivity in our actions and decisions taken in the course of carrying out our obligations as civil servants, university professors, soldiers, judges, etc. (Dickson, 1975).

From the responses, it seems that the respondents attach much importance to good physical conditions at the work place, an indication of collectivism, as they “see it as a motivational factor and it improves health and gives prestige” (PV11). According to one public sector official, “If the money was good but the setting was not good, I would take the job reluctantly; if the environment is superb but the money is not good I would still take it because it gives me prestige” (PG7). An interviewee observed that “a lot of people are not satisfied with the conditions at the work place, so even going to work seems like a punishment” (PA5).

Most of the participants also emphasised the importance of training as a cause of low productivity at work, indicating collectivist culture. In most collectivist societies, the work goals of training and physical conditions, things that the employees expect from the organization, stress the employees’ dependence on the organization and therefore indicate collectivism as in rich countries training and physical conditions could be immaterial and taken for granted (Hofstede, 2001).

Allied with the extended family is the reverence of ancestors and face saving. A public sector official portrays the “filial piety” and the changing trend in Ghana:

You know here, we revere the dead, so that is our culture, ancestors. It is the dead, the living and the yet unborn so ... we believe the dead are the stakeholders of whatever we do ... it is now that the trend is changing that people take very good care of their children but still the dead are very important ... we have not started taking care of our grandchildren (PV15).

In cultures in which people are dependent on in-groups, the people are usually also dependent on power figures. Most extended families have patriarchal structures with the head of family exercising strong moral authority (Hofstede and Hofstede, 2005, p. 83).

The extended family system creates “high dependency on people as some people will not believe in their own abilities and will not try hard” (MV9). “As part of an extended family people try and find jobs for others, their cousins, and that is nepotism” (MC4). Another respondent complains that “we are selfish, when you put somebody in an office, the person would like to favour only those close to him or her, family and friends, even though they might not be qualified for that position” (MG1). Most of the respondents claim that “in most of the public sector organisations promotion is not based on hard work and technical skills.”

Well, in Ghana especially with [the public sector organisation] ... it is a whom you know affair so in most times what you do or whatever hard work you put in, if the boss wants to refuse to recognise it, he will refuse to recognise it (PV15).



It appears that the Ghanaian public sector serves as a cliff-hanger for the extended family system, and could be the only area where the culture of collectivism based on the extended family systems remains. The following provides indications of both individualism and collectivism:

#### **Evidence of Individualism and Collectivism in the data**

- The strained extended family system;
- Past socialism and state intervention policies;
- Hiring and promotion decisions influenced by extended family and patronage;
- Low worker commitment to organizations and government business;
- Less control over job and working conditions and fewer hours worked;
- Emphasis on belonging to groups and face saving;
- High dependence on government for education and other social needs;
- High dependence on organizations for social welfare.

The correlations and discussions above point to both individualism and collectivism cultures. Perhaps it can be argued that the strained extended family system is giving way to individualism as evidenced in the interviews. It could also be due to the fact that the sample came from the highly-educated middle class who live in the cities with their nuclear families with the strains of the extended family system. As Fiawoo (1975) explains, “the modern Ghanaian ... would readily identify himself as part of an extended family unit yet most urban-dwellers tend to behave as if they were linked to only their conjugal family ... [and] turn to extended family only in times of crisis.” Berger (1994) also explains how migration from rural areas into the large cities in Ghana, can create new cultures with remarkable speed. As Geertz (1973) explains, “when each man makes his living more or less independently of how his neighbours make theirs, his sense of the importance of the neighbourhood community diminishes” (p.149). Assimeng (1999) also contributes that the contemporary Ghanaian society features a growing “urbanisation” and social relations is becoming more secondary,” individualistic, competitive, segmented and less caring ...” (p.238).

#### **7.2.2.3 Masculinity/Femininity**

Masculine societies reinforce assertiveness and competition while feminine societies foster “nurturance and a concern for relationships and for the living environment” (Hofstede, 2001). A simple scatterplot graph produced from the ten regional factor scores also showed that, with the exception of the Upper East region, which proved to be an outlier, the regional scores were quite similar and there was a slight decreasing trend from the wealthier south to the north of Ghana. Table 5.12 presents the correlation results with

the socio-economic and demographic indicators as well as other questions from the Ghana Values Survey. The high correlations with the Ghanaian regional statistics were in the areas of: poverty incidence in 2005/6 ( $r=0.61$ ) and 1998/99 ( $r=0.68^*$ ), unemployment ( $r=0.80^{**}$ ) and literacy ( $r=-0.62$ ). It must be noted that though the dimension barely correlated with gender ( $r=-0.39$ ), it significantly correlated ( $r=0.60$ ) with the region of birth, indicating perhaps, the traditional culture of the rural areas in Ghana where poverty and the belief in spirituality are high. The correlation with consumption of home made goods was ( $r=.0.73^*$ ) and ties with de Mooij's (1998) finding that "foreign goods are more attractive than own" correlated ( $r=.52$ ) with masculinity. Significantly, there were strong correlations with the belief that the "inheritance systems are working against the survival of business and property" ( $r=0.79^{**}$ ) and the 'unquestioned obedience to people of responsibility ( $r=0.78^{**}$ ). The dimension also correlated positively with "attendance at religious services". Verweij (1998) also found that masculinity correlates highest with four of the eight religious variables: importance of religious rites, religiosity, orthodoxy and Christian worldview. According to Hofstede (2001), the importance of religion correlated with MAS, ( $r=0.83^{**}$ ) and religion is rated as relatively more important in poor, masculine societies.

#### **Evidence of masculinity in the data based on Hofstede's connotations**

- Everyone wants to excel at the same time, "leading to unfair competition;"
- Lack of cooperation, as one "is always looking for something for himself and therefore does not collaborate properly;"
- The importance of rituals and elaborate "spending on rituals like funerals and church services;"
- The importance of money in society and high level of corruption as, "the people just want to make money at the workplaces" and the "influence of money has broken down all the institutions;"
- The lack of confidence in the Labour Unions because "the people think that the employers "buy" (bribe) the Union Leaders;"
- Although most participants believe that circumstances and the extended family system are the major causes for people's failure, others think that some "people are not making any effort, they are only sitting down everyday and they want you to come and do something, if you do not do it they think you are wicked ..."

#### 7.2.2.4 Uncertainty Avoidance

This dimension is associated with societies' ways of alleviating the anxieties of an uncertain future through the use of technology (uncertainties caused by nature), law (uncertainties in the behaviour of people), and religion (uncertainties caused by the supernatural forces) and that most of the uncertainties are subjective and their roots are irrational (Hofstede and Hofstede, 2005).

A simple scatterplot graph produced from the ten regional factors scores also showed that, with the exception of the Upper West region, which proved to be an outlier, the regional scores were quite similar within a minimum range. This dimension shows correlations with three other dimensions: power distance ( $r=0.57$ ), individualism/collectivism ( $r=-0.56$ ) and long/short term orientation ( $r=-0.43$ ). The correlations with the demographics of the survey participants were rather quite significant and are in line with the literature thus confirming the validity of the dimension. For example, the correlation with the respondents' religious affiliation ( $r=0.82^{**}$ ) is supported by Hofstede's (2001) observation that the Catholic/Protestant ratios in countries were shown to be correlated with both UAI and MAS.

Another significant demographic correlation is the region of birth ( $r=0.69^*$ ) indicating that uncertainty avoidance increases in the same direction as the regions of birth, increasing from the south to the north. As expected, there are negative correlations with the job category of respondent ( $r=-0.67^*$ ) and age of respondent ( $r=-0.43$ ), indicating that as one grows and becomes more senior the potential of dealing with uncertainties increases. This is why respect for elders and their way of doing things, gerontocracy, is widely practised in traditional societies (Reader, 1997). Reader (1997) explains that gerontocracy does not encourage innovation or change and that is why the "technology of cropping, herding, and iron economy remained unchanged and functionally inefficient for so long" (p.281). In Ghana traditional rulers and elders derive their authority and legitimacy from religious beliefs, mainly ancestral worship (Dickson, 1975; Nukunya, 2003).

Among the correlations with the socio-economic and demographic trends, the most significant is the unfortunate correlation ( $r=0.85^{**}$ ) with the percentage of working children aged 7 to 14 in the 2000 population census. The significant correlation with women in polygamous unions ( $r=0.82^{**}$ ) is also notable as one moves northwards in Ghana. There were also strong correlations with the number of adults per household ( $r=0.76^{**}$ ), the percentage school attendance ( $r=-0.66^*$ ), poverty incidence in 2005/2006 ( $r=0.64^*$ ) and literacy level ( $r=-0.60$ ). In addition to the above correlations, the medium correlations with household agricultural income ( $r=0.46$ ), non-farm self-employment income ( $r=-0.51$ ) and

mean annual per capita income ( $r=-0.56$ ) reveal the association with subsistence farmers with low economic activity. This dimension showed strong association with religion and religiosity, the correlations with the belief that there is a spiritual counterpart to everything ( $r=0.74^{**}$ ), people are born with unchangeable destiny given by God ( $r=-0.57$ ) and confidence in the churches ( $r=0.80^{**}$ ). In traditional and agricultural societies, religions prescribe praying or sacrificing to ensure the seasons' crops, the healing of disease, or the success of a venture (Hofstede, 2001).

Importantly, this is the only dimension that correlates negatively with the statement "hard work does not generally bring success" ( $r=-0.69^*$ ) indicating work ethic culture. The correlations with the institutions revealed the following: confidence in the Churches ( $r=0.80^{**}$ ) and Law Courts ( $r=0.65^*$ ) which are in line with Inglehart *et al.*'s (1998) World Values Survey findings, where uncertainty avoidance correlates with the confidence in the Legal System and the Police. The stronger a culture's tendency to avoid uncertainty, the greater its need for rules (Hofstede, 2001). The summary of the interview findings below confirm the survey findings.

#### **Indications of high uncertainty avoidance in the interviews**

- High respect and fear for older people and high dependence on nature;
- Traditionally risk averse and the educated find business risky;
- High rate of self-employment (informal sector);
- High expectations of managers – powers of superiors depend on control of uncertainties;
- Lack of confidence in Civil Service;
- Low confidence in Legal System;
- High level of spirituality and religiosity;
- Belief in miracles.

#### **7.2.2.5 Long/Short Term Orientation**

This is related to the choice of focus for people's efforts: the future or the present (Hofstede, 2001, p.29) and relates to the extent the group will be orientated towards long term results or rather emphasise instant gratification. Kluckhohn and Strodtbeck (1961) found three types of culture: present-oriented; past-oriented; and future oriented, and that it is mostly people in the future-oriented category that enjoy economic or social development. Hofstede (2001) also observed that this is the dimension that sets Africa and Asia apart when it comes to economic growth.

A simple scatterplot graph produced from the ten regional factor scores also showed that, with the exception of the Brong Ahafo region which proved to be outlier, the regional scores were quite similar within a minimum range. Table 5.18 provides the significant correlation results with the non VSM 94 questions and the Ghana socio-economic and demographic trends. Like the uncertainty avoidance dimension, this dimension also correlates with religious affiliation ( $r=-0.70^*$ ). This is in line with Max Weber's (1920) attempt to establish causal relationships or meaningful linkages between Protestant ethics and "the spirit of capitalism." Berger (1994) also recently argued that the proliferation of "Evangelical Protestantism," in countries like Ghana, fused with local African religions brings about ... a cultural revolution and the converts "begin to act like sober, responsible, eighteenth-century English Methodists." Interestingly, Berger continues with his incisive comments that "evidence demonstrates that the people in these churches begin to practice in their lives, the ethic of discipline and self-denial, hard work, saving rather than consumption, and systematic planning for the future."

From the above discussions, it is not surprising that this is the only dimension that correlated highly with owner-occupied houses in 2000 ( $r=0.66^*$ ). There was also medium correlations with non-farm self employment ( $r=0.49$ ) and negative correlation with agricultural income ( $r=-0.49$ ) pointing to the culture of self-employed traders in the informal sector. There are also medium correlations with poverty incidence in 2005/6 ( $r=-0.58$ ) and in 1991/92 ( $r=-0.51$ ).

What proved to be the most interesting finding of this study are the correlations of this dimension with the Ghana Child Labour Survey conducted in 2001 (GSS, 2003). There were important correlations in the areas: "children saving regularly" ( $r=0.63^*$ ), "children do not save regularly" ( $r=-0.79^{**}$ ), "children's satisfaction with job" ( $r=0.63^*$ ), "parents' preference for children's future-complete education and work" ( $r=0.72^*$ ) and "parents' preference for children's future – full time job" ( $r=-0.85^{**}$ ). These results indicate the presence of long term orientation in the Ghanaian culture; however, it seems that the future orientation has been linked with education. This is understandable as children's education currently is the only viable social mobility in Ghana and the payment of children's school fees proved popular in the interview data as preventing savings. Arguably, this long term orientation culture could be influenced by culturally sensitive policies.

Hofstede and Bond (1998) also claim that, the value of having a "sense of shame" supports a sense of shame and decency in business, "thrift" leads to savings and availability of capital for reinvestment leading to economic growth, while "persistence" or "perseverance" suggests general tenacity in the pursuit of economic goals. However, high

preference for personal steadiness and stability would discourage the initiative, risk seeking and the changeability required of entrepreneurs. There were also significant correlations with “the importance of prestigious, successful company or organisation” ( $r=0.86^{**}$ ), “spiritual counterpart to everything” ( $r=-0.64^*$ ) and opportunity for serving country ( $r=0.63^*$ ) which are compatible with long term orientation culture.

According to Hofstede (2001), children growing up in a short term orientation culture are socialized into the immediate need for gratification, spending, sensitivity to social trends in consumption and enjoying leisure time. He adds that there should be respect for tradition, face-saving, being seen as a stable individual, respecting the social codes of marriage, tolerance and respect for others as a matter of principle, and reciprocation of gifts, greetings, favours as social ritual. As a result, few families in such cultures will muster the initiative, risk seeking and adaptability required of entrepreneurs in quickly changing markets.

#### **Evidence of long/short-term orientation in the interview data**

- Focus on the past and present ancestorship- in Ghana, “there is tension between the present, the future and the past;” (PV15)
- Excessive participation in rituals, e.g. festivals, funeral celebrations and religious services – “one of the things that are draining us is the elaborate funeral;” (MA3).
- High respect for tradition and the chieftaincy institution, lack of attention to future, land ownership and tenure based on respect for tradition and ancestorship; (PA5);
- Importance of face saving;
- High social consumption - demonstration effect - “The amount they spend on funerals and parties, they call it ‘chilling’... people who have money always want to show off ...” (MV9).
- Importance of children learning tolerance and respect at home;
- Expectations of quick results – ‘Get rich quick’ or self aggrandizement (MC5);
- Low savings rate explained by low wages, low interest rates on deposits, preference for building property, investment in children’s education, wastage and catering for large or extended families were given as the major causes of low savings (PUE8);
- Reciprocation of favours -extended family system.

### **7.3 The interrelationships between culture, institutions and economic development**

The survey participants' expressions of low confidence in most of the important Ghanaian public institutions comprising the law courts, police, parliament, civil service, the institution of chieftaincy, labour unions are quite significant. This may be an indication of problems with the institutional framework and probably state failure. Smith (1776) enumerated the following three functions of the state which could be used as benchmarks:

- the duty of protecting the society from the violence and invasion of other independent societies;
- the duty of protecting ... every member of the society from the injustice or oppression of every other member of it, or the duty of establishing an exact administration of justice; and,
- the duty of erecting and maintaining certain public works (pp. 46-98, vol.3).

Many academics have tried to establish the links between culture and institutions. A review of the literature however, indicates opposing views. For instance, Arthur Lewis viewed both institutions and ideologies as adjusting to economic opportunities. North also strongly argued that culture and other ideologies are not required to explain growth as they are not exogeneous but they adjust to the economic opportunities in the long run. This view is also shared by Laundau (2003) who observes that once it is possible to seize economic opportunities, growth will occur and institutions will accommodate themselves to protect incentives and to encourage trade. This study's findings do not support the above views, considering the persistence of the chieftaincy institution and the ideology relating to land ownership in Ghana.

As demonstrated in the previous chapters, there are strong links among culture, institutions and economic development. Hayami (2001, p.11) explains that rules that contradict the morals of people would not be sanctioned socially and, if stipulated formally, would not function effectively. Table 7.1 below illustrates the interconnections of the various dimensions of culture with the various institutions in Ghana.

**Table 7.1 Summary of Significant Correlations of Regional Values Dimensions confidence in institutions**

					PDI	IDV	MAS	UAI	LTO
Confidence in the churches						(0.64)*	0.51*	0.80**	-0.46
Confidence in the law courts						-0.55		0.65*	
Confidence in the labour unions						0.42			
Confidence in the parliament							0.51		
Confidence in the civil service					0.92***				
Confidence in the police						-0.45			
Confidence in the government									
Confidence in chieftancy/traditional rulers					0.75**				
Confidence in big private companies									0.48
Confidence in big state enterprises					0.39	0.39			
Confidence in big foreign owned companies					0.50				

Another view is that the societal norms lead to the development and pattern maintenance of institutions in society with particular structures and ways of functioning. These include the family, educational systems, political systems, and legislation. These institutions once established reinforce the societal norms and the ecological conditions that led to their establishment (Hofstede, 2001, p.11). This explains why societies continue to be trapped in economic stagnation and poverty under dysfunctional systems bound by strong social inertia for the preservation of established institutions (Basu et al., 1987).

#### 7.4 Summary and Conclusions

This chapter has integrated the primary and secondary research, as well as the quantitative and qualitative methods in the evaluation of the main causes of Ghana's economic stagnation. It has been established that as a result of the political economy of colonisation, the Gold Coast economy on the eve of independence was characterised by high susceptibility to inflation, low direct tax base, low stock and manufacturing base, ineffective savings and capital market. The survey respondents attributed the important causes of poor living conditions in Ghana to "the lack of government planning and foresight", "corrupt local politicians", "the public not trying hard enough", and "lack of attention to rural agriculture". The work attitude in the public sector was found to be among the important causes of low productivity which over the years, has reinforced a vicious circle of low productivity and low income and supports Leith and Soderling's (2003) observation that Ghana's productivity in 2000 was lower than in 1960.

The low rate of savings was mainly attributed to low wages and incomes, high expenditure on family welfare and education, especially on the large extended family members. The low or negative real deposit interest rates have also discouraged savings. It was widely claimed that most Ghanaians do not plan or prioritise their needs and they engage in



conspicuous social consumption. The low level of entrepreneurship is due to the fact that business has previously been the preserve of the “not very literate” and for a long time the “educated ... were easily absorbed by the public sector.” Past government policies and attitude to business from independence have also not encouraged private participation in manufacturing. The bottlenecks in the legal system have also led to a low level of trust in businesses with the result that most professionals and business people do not enter into partnership ventures or collaborative ventures. This explains the low number of registered partnerships in the country as compared to the number of sole trading businesses. In a collectivist society a relationship of trust should be established with another person before business (Hofstede and Hofstede, 2005). The inheritance systems were also found as big disincentive to investment and they are blamed for discouraging effective succession planning in businesses. The pro-natal cultural practices have contributed to a “population explosion” which explains the vicious circle of unemployment and poverty. It appears that the majority of the informal sector operators are “making money but are not paying any taxes,” as shown by the low percentage of tax contribution from the self-employed (5.35% of total direct tax revenue) as compared to 35.7% from the formal sector (MFEP, 2004).

Agriculture in Ghana is mainly rain-fed and is characterised by low investment and poor or backward technology. As a result of the recent change in the environment and rainfall patterns, agricultural yield and productivity have been stagnant leading high food imports. Although the majority of the labour force in the north is engaged in agriculture, it only rains during three to four months in the year and so most of the farmers are idle for most of the year. This explains why 46% of Ghanaians living below the poverty line in the 2006 Ghana Living Standard Survey were food crops farmers (GSS, 2007) and reflects successive governments’ ambivalence towards agriculture. Related to Ghana’s lack of agricultural development is the lack of diversification in agricultural exports. In 2006, Ghana’s total exports were US\$3.7 billion compared to total imports of US\$6.8 billion resulting in a record trade deficit of US\$2.8 billion and a current account deficit of US\$628 million (5.3% of GDP) (EIU, 2007, p.44). That explains the continued fragility, external dependency and the lack of integration of consumption and production in the economy after twenty-six (26) years of economic reform. The trade deficits in the past 15 years could account for the chronic inflation.

The study has also shown that there has been a lack of political courage in the implementation of effective but harsh policies like taxation and removal of subsidies, explaining the persistence of Ghana’s fundamental problems. As Evans (1995) explains, the effectiveness of the “developmental state” with a transformative capacity requires a “combination of internal coherence and external connectedness” with critical social groups in what he calls “embedded autonomy” (pp. 411-413). He continues that the Asian

developmental states had higher levels of capacity and were selective and focused on export promotion strategies of for industrial transformation. The post-colonial governments in Ghana “were too ambitious” and they changed policies as if they were engaged in trial and error and failed in the implementation of plans to address the more immediate needs and productive capacities of the country.

The political struggle for independence weakened traditional authority, a situation that had led to “loopholes” in law enforcement and implementation of government policies as the governments lack adequate representation in most of the rural areas. The lack of success in land reforms since colonisation means the “chiefs still have control over most of the land” in Ghana, a situation which frustrates development and has led to a lack of trust between the chiefs and the government. In urban areas the government provides infrastructure and amenities with taxpayers’ funds which result in the appreciation in land values for the chiefs to embark on indiscriminate land sales for their personal benefit to the neglect of their communities. This has raised the stakes of the position of traditional ruler and has led to the misallocation of human and land resources in the economy which is explained by the academics’ preference for chieftaincy rather than work in the universities. This explains the numerous and protracted chieftaincy and land litigations in Ghana and the very low confidence in the chieftaincy institution (36%) as compared to the confidence in the Government of (48.9 %).

The regional scores of Power Distance were quite similar with a slightly increasing trend from the wealthier south to the north of Ghana which supports Hofstede’s (2001) association of lower power distance with richer countries, less traditional agriculture, more urban living, more social mobility, a better educational system and a larger middle class. The high correlation with “confidence in traditional rulers” ( $r=0.72^*$ ) also ties with Inglehart (1997) and Hofstede (2001) claim that authority tends to be rooted in tradition in power distance societies. It was also found in the interview data that large power distance in poor countries will lead to fewer checks and balances thus facilitating power abuse and corruption as found, as demonstrated by the irregularities in the chieftaincy institution and the public service. This finding is in line with Hoppe’s (1998) association of the dimension with Corruption Perception Index.

The regional scores computed for Individualism/Collectivism also exhibited a slight downward slope from the relatively wealthy south towards the northern regions, which supports the association of the dimension with wealth in Hofstede’s work. The correlations with “opportunities to serve country” ( $r=0.60$ ) and “corporate responsibility for the welfare of staff” ( $r=0.65^*$ ) also confirm collectivism (Hofstede, 2001). In cultures in which people are dependent on in-groups, the people are usually also dependent on power figures.

Therefore, most extended families have patriarchal structures with the head of family exercising strong moral authority (Hofstede and Hofstede, 2005). Based on the interviews it can be argued that the strained extended family system is giving way to individualism. This could also be due to the fact that the sample came from the educated middle class who live in the cities with their nuclear families. However, contemporary Ghanaian society features growing “urbanisation” with “social relations becoming more secondary,” individualistic, competitive ...” (Assimeng, 1999, p.238).

The regional scores of masculinity and femininity were also similar with slight downward trend from the wealthier south to the north of Ghana. The high correlations with unemployment ( $r=0.80^{**}$ ), and 1998/99 ( $r=0.68^*$ ), and literacy ( $r=-0.62$ ) make this dimension important for economic development. Its correlation ( $r=0.60$ ) with the region of birth, point to indigenous culture of the rural areas in Ghana where poverty and the belief in spirituality are high. The correlation with consumption of home made goods ( $r=0.73^*$ ) ties with de Mooij’s (1998) finding that correlated masculinity ( $r=0.52$ ) with the statement that “foreign goods are more attractive than own.” The positive correlation with “attendance at religious services” also ties with Verweij’s (1998) correlation of masculinity with the importance of religious rites and religiosity. Hofstede (2001) also found the correlation of masculinity ( $r=0.83^{**}$ ) with the importance of religion.

The uncertainty avoidance dimension correlates with the respondents’ religious affiliation ( $r=0.82^{**}$ ) and thus supports Hofstede’s (2001) correlation of both uncertainty avoidance and masculinity with the ratios of Catholics/Protestants in countries. As expected, negative correlations were found with job categories of respondents ( $r=-0.67^*$ ), indicating uncertainty avoidance reduces with seniority and justifies the respect for elders and their way of doing things (gerontocracy) (Reader, 1997) in both the interview and survey data. The uncertainty avoidance scores also significantly correlate ( $r=0.85^{**}$ ) with the percentage of working children aged 7 to 14 in the 2000 population census, the percentage school attendance ( $r=-0.66^*$ ), poverty incidence in 2005/2006 ( $r=0.64^*$ ) and literacy level ( $r=-0.60$ ). Moreover, the medium correlations with household agricultural income ( $r=0.46$ ) and non-farm self-employment income ( $r=-0.51$ ) reveal an association with rural farmers. The regional scores also strongly correlate with the belief that “there is a spiritual counterpart to everything” ( $r=0.74^{**}$ ) and confidence in the churches ( $r=0.80^{**}$ ). As Hofstede (2001) observes, in traditional and agricultural societies, religions prescribe praying or sacrificing to ensure the seasons’ crops. The correlation with confidence in the law courts ( $r=0.65^*$ ) is in line with Inglehart *et al.*’s (1998) correlation of uncertainty avoidance with the confidence in the legal system.

The regional scores of the Long/Short Term Orientation dimension also correlate with religious affiliation ( $r=-0.70^*$ ) and tie with Max Weber's (1920) attempt to establish causal relationships between Protestant ethics and "the spirit of capitalism." Expectedly, the dimension correlated highly with owner-occupied houses in 2000 ( $r=0.66^*$ ). There were also interesting correlations with "children saving regularly" ( $r=0.63^*$ ), "children do not save regularly" ( $r=-0.79^{**}$ ), "parents' preference for children's future in education and work" ( $r=0.72^*$ ) in the Ghana Child Labour Survey (GSS, 2003). As Hofstede and Bond (1998) observe, saving depends on people's incomes, thriftiness, and the expectations of inflation and interest rates. The medium correlations with non-farm self employment ( $r=0.49$ ) and negative correlation with agricultural income ( $r=-0.49$ ) point to the culture of self-employed traders in the informal sector. There are also medium correlations with poverty incidence in 2005/6 ( $r=-0.58$ ) and in 1991/92 ( $r=-0.51$ ). However, the interview data confirm Hofstede's (2001) observation that in a short term orientation culture, the people find the immediate need for gratification; engage in social consumption, respect for tradition, face-saving, and reciprocation of gifts, greetings, favours as social ritual.

The study has shown that among the reasons for the lack of economic growth in Ghana are low productivity, low savings and investment, population increase, lack of innovation and backward technology. Underlying these causes are cultural factors, government policies, Ghanaians' high indulgence in rituals and conspicuous consumption. The findings from both the survey and interviews indicate the existence of large power distance culture, which is evidenced by the high respect for the chieftaincy institution and centralisation of power in the public sector. A collectivist culture is also indicated albeit, strained by economic conditions and high rate of urbanisation, as urban dwellers struggle to look after their nuclear families to the neglect of their extended family members in the rural areas. The high religiosity and spirituality, combined with the pro-natal culture point to the culture of masculinity and high uncertainty avoidance. Finally, the lack of planning and attention to the future also points to a short term orientation culture. The next chapter provides the summary and conclusions of the study.

## CHAPTER 8 • SUMMARY AND CONCLUSIONS

### 8.1 Introduction

As outlined in Chapter 1, the main objective of this study was to identify key “actionable factors” for accelerating Ghana’s economic growth by investigating the cultural dimensions of its economic stagnation and suggesting appropriate policy measures for change. Using the theoretical foundation of Hofstede’s (2001) and others (Smith, 1776; Adelman and Morris, 1965; 1988), the study proposed that there are interactions among culture, government policies and Ghana’s economic development. In addition to the extensive research of literature and economic databases, the above proposal was empirically tested using a three area survey and interview methods for collecting, organising and analysing data to investigate Ghana’s dominant cultural values.

This approach was necessitated by the paucity of systematically and empirically tested data on Ghana’s culture as well as following Majchrzak’s (1984) recommendation for ideal policy research. The evaluation of the study’s findings in the light of extant research offered an explanation for Ghana’s continuous state of underdevelopment since independence. It also recommends that for effective economic development in less developed countries; a “culturally sensitive approach” to development needs to be adopted. This, as demonstrated in this research, entails a detailed study of the social, cultural and historical evolution, and economic policies of the target country and it is imperative for the identification and implementation of “culturally sensitive” policies. As Irma Adelman (1961) observed, “underdevelopment must be understood in the context of the entire complex of interrelationships that characterize the economic and social life of the community” (p.145).

This final chapter presents the study’s conclusions, contributions to knowledge in the areas of research methodology, cross cultural studies and economic development. It also provides “culturally sensitive” policy recommendations and analyses the study’s limitations with a view to identifying areas for post-doctoral research.

#### 8.1.1 Review of Research Objectives

Since independence, Ghana has attracted the attention of the world’s best development economists, like Arthur Lewis, Peter Bauer and Tony Killick, who have significantly contributed to the study of the problems of poverty and backwardness of underdeveloped

countries after the Second World War. However, due to previously and widely-held 'division of labour' and "disciplinary boundaries" among the social scientists, economic development efforts have been restricted to economics. Therefore, little attention had been paid to date on the impact of national culture on economic development in Ghana. Having investigated the interactions of culture, government policies and institutions on economic development, this study has significantly led the way and contributed to filling the gap in the knowledge of the above interactions in Ghana. A public sector lawyer interviewed during our research articulated the significance of this study in a way that is both simple as well as deep:

I have seen a lot of surveys and questionnaires but I have never seen some of these questions linking culture to our development and linking culture to our attitudes, it has not been done. You will not see any empirical research in Ghana that has these dimensions taken into account. No. What you are doing now will help draw people's attention to these areas and will become a reference point (PN20, Appendix 6.4).

A priest also added to this contribution by saying, "in this country, we do not do much research. If we did research we would have found how funerals these days have become exorbitant and ... control it and make it affordable for everyone" (PC13, Appendix 6.3).

The research objective of evaluating the main causes of Ghana's disappointing economic performance since independence, with specific focus on the role of culture, has been met as discussed in Chapter 7. The central thesis of this study is that Ghana has always had good opportunities for economic development. However, due to vested interests and short term orientation of powerful groups, formed through colonisation and decolonisation, past successive government policies have not only reinforced underdevelopment but have also introduced distortions and dysfunctionality. This has destroyed the necessary motivation required for optimum allocation of important resources for economic growth. As Sen (1983) argues, there is neglect of "entitlements" of people and the capabilities these entitlements generate (p.754). However, while Sen admits that the study of entitlements should go beyond purely economic factors, and take political arrangements into account, it is significant that like most economists he leaves culture out of his recommendation.

The factors explaining Ghana's economic failure since independence have been: inappropriate government planning and export strategy; the development and maintenance of growth-inhibiting institutions and public policies; the lack of incentive to workers and entrepreneurs; the heavy investment of public resources in rapid state-led import substituting industrialisation to the neglect of agriculture; lack of population control; the failure of policy makers to adjust rapidly and flexibly to external shocks and the lack of

attention to low production capacity. Underlying these factors are cultural values and ideologies. Among these the most important are the extended family system, ancestral belief and its concomitant chieftaincy institution, land tenure systems and inheritance systems, elaborate rituals and celebrations, which combine to reinforce the stagnation of Ghana's economic growth and development.

Using Hofstede's (2001) *Five Values Dimensions* as the theoretical foundation, the study empirically investigated regional and ethnic cultural values in a Ghanaian public sector and replicated the dimensions by factor analysis. The factor analysis was based on the mean scores of the native-born of the ten regions of Ghana generated from the responses of a survey using Values Survey Module (VSM 94) questions and administered in Ghana. The survey results were corroborated and triangulated by 35 in-depth interviews that covered similar questions as the survey and conducted in the same public and multinational organisations. The interview data were also analysed qualitatively to provide insight into the workings of contemporary Ghanaian culture. From the cultural investigations two important models were developed. The first one shown in Figure 6.1, "Ghanaian culture onion," is the analysis of the interview data to illustrate layers of culture in the form of an onion, moving from the outer layer of cultural practices to the inner core of values and assumptions (Hofstede, 2001; Schneider and Barsoux, 2003).

This was very useful in demonstrating the causes and effects of the motivational distortions and dysfunctionality in the layers of Ghana's contemporary culture, a "concoction" of past colonial expatriates' profligacy, traditionalism and modernisation, which motivates the average Ghanaian in conspicuous and wasteful consumption. The end result is what the interviewees call "get-rich-quick" or "self-aggrandisement," which suggests that there is a widespread perception about the embeddedness of corruption in the political and social culture of the country.

An important and original model in terms of its practical significance and succinct explanation of Ghana's economic development is the 'can of worms' (see Chapter 7, Figure 7.1). This depicts Ghana's continuous underdevelopment as characterised by layers of vicious circles running through economic, political and socio-cultural factors. As Leith and Soderling (2003) rightly concluded, "all the economic, political, and institutional factors must be tackled simultaneously. Otherwise Ghana will be trapped in a stunted recovery." This conclusion, as we discussed in Chapter 1, partly motivated the study.

## 8.2 Explaining Ghana's lack of development

This section summarises the Ghanaian situation in a more holistic way, by combining the literature and data discussed in the previous chapters. From the study's findings it can be concluded that the key to understanding Ghana's continuous underdevelopment can be found in its historical and the cultural evolution of colonisation and decolonisation (Sylos Labini, 2001). This is in line with Kuznet's (1989, p.73) observation that "the radical shifts in internal structure and external conditions of a country have long historical roots, and are not easily treated by economic analysis; and yet ... they may have profound economic growth consequences."

In the pre-colonial states which formed modern Ghana, the people were responsible for their own economic well being and survival (Gyekye, 1996). The traditional rulers (chiefs) and their elders were the religious, political and judicial heads of their states or kingdoms and the custodians of the people's ancestral cultural heritage and land (Buah, 1998; Nukunya, 2003). The specific norms that governed the social institutions were "thoroughly integrated with a religious system" that invoked extreme sanction for each violation (Bellah, 1958, p.1). Following contact with the Europeans, the Basel missionaries and then the Wesleyans were invited by the Danes and the British to the Gold Coast.

Cognisant of the destructive effect of the colonial foreign-controlled economies on communal life in other colonies during the nineteenth century, the Basel missionaries set out to encourage agriculture and made attempts to develop local rural industry (Fage, 1969). In the process they introduced the "capitalist virus" (Sombart, 1899) that was meant to transform subsistence production into wealth accumulation in Ghana. They contributed to the fast growth of the Gold Coast economy between 1890 and 1914 based on peasants' exports of rubber, palm produce and cocoa (Ingham, 1995). This economic growth and investment in mining concessions led to high appreciation in land values around the time of colonisation and could have accounted for the difficulties faced by the colonial government in the introduction of the Land Bills of 1890s, which was meant to transfer ownership of all unoccupied land to the Government. The people felt that the purpose of the Bill was to seize their land for large-scale farming investment by the rich British capitalists. The Gold Coast Aborigines Rights Protection Society, which comprised chiefs and indigenous businessmen and intellectuals (Bing, 1968) was formed to oppose the introduction of the Bill.

Consequently, the colonial government had to resort to a strategy of "divide and rule" by co-opting the traditional rulers into the system of Indirect Rule, while excluding the



educated elite thus splitting the previous alliance between the chiefs and the intelligentsia. This could have been considered essential by the authorities not only for the smooth implementation of subsequent policies but for the consolidation of their colonial power, promotion of export agriculture and to command the allegiance of people on the ground. In order to justify their actions, the colonial authorities had to embark on the codification and promulgation of whatever tradition they identified. In the process there was 'invention of tradition' to appeal to the indigenous population (Ranger, 1992). This changed the rather dynamic and flexible customary practices into rigid prescriptive laws and ensured that the country was 'steeped in unchanging tradition' (Reader, 1997, p.651).

Therefore the colonialists condemned the country to live in a reconstructed moment of its past. The impact of this strategy on future development of the nation may have led Arthur Lewis to conclude that the hindrance in the emergence of the modernising elite, which could have facilitated the secularisation and development of the country, was the most important negative effect of colonialism. The Basel missionaries were also conveniently dealt with by the colonial authorities during the First World War, when they were rounded up as German spies in 1919 and had all their assets confiscated (Bing, 1968). The above interpretation confirms Kay's (1992) observation that the emergence of a capitalist mode of production and capitalist class that competed with the British capital in the colony was not favourable to the colonial authorities. That is why Cardinal (1932) complained that the increase in wealth in the Gold Coast amounted to a cultural revolution, and condemned the increasing individualism that manifested in the individual ownership of land and shift to patrilineal inheritance.

The successive post-colonial governments also discouraged Ghanaian entrepreneurship and confined it to small-scale industries. As a result of the Indirect Rule system and the invention of tradition, vested interests were created in land tenure and ownership, dysfunctionality set in and land litigation became "a curse to the country" and a persistent problem for successive administrations to solve. This was because the lawyers, who were previously allied to the chiefs, now had to mainly depend on legal fees from the chiefs and other land litigants for survival in the colonial economy.

The chieftaincy institution in Ghana can therefore be considered as an amalgam of traditional belief, colonial invention of tradition and pursuit of self-interest. In contemporary Ghana, it seems that the institution is a bottleneck to development and it is being held responsible for the distortions in incentives, particularly, in the inefficient use of land as well as the lack of accountability and transparency, as clearly revealed in the interview data in Chapter 6. The interviewees generally accused the chiefs of disposing of land and using the proceeds for their personal use.

Since the Watson Commission's observation in 1948 that the insecurity of tenure militated against the better utilisation of land and development, very little has been done by successive post-colonial governments in Ghana in the area of land reform. They have also failed to promote agriculture as most of them considered it to be a colonial occupation and associated farming with economic backwardness. The importance of agriculture in the provision of food and raw materials to support their industrialisation policy was also not well appreciated. This was in contrast to what obtained in the post-colonial Cote d'Ivoire where agriculture was promoted and developed to form the basis of its thriving agro-processing industry.

The immediate post-colonial government in Ghana rather introduced inappropriate, socialist and disastrous large-scale mechanised state farms to the neglect of peasant farming, which had previously produced almost all the country's local foodstuffs. Although the main activity of the Ghanaian workforce is agriculture, the agricultural share of GDP is about 40%, indicating low productivity in the sector. Most farms are small-scale and rain-fed, and the acute lack of storage and marketing chains combined with the poor infrastructure lead to the loss of about 30% to 40% of annual farm harvest. The communal land ownership also affects private property rights and combines with other factors to prevent long term investment in agriculture. This explains why most of the interview participants drew comparisons between the successful agriculture in Cote d'Ivoire and the neglected agriculture in Ghana. Interestingly, they attributed the cause of the situation to Nkrumah's post-independence policies. This supports Kuznets' (1989) observation that patterns of behaviour, social institutions and value systems from the pre-modern past, get translated into land ownership and tenure, scarcity of skilled labour and of entrepreneurship. Consequently, productive agriculture is inhibited by the adoption and lack of investment in modern agricultural technology.

As a result of traditional agricultural practice of shifting cultivation involving 'slashing and burning' of bush, there has been significant loss in land fertility and change in rainfall patterns in northern Ghana, which could have otherwise provided the 'food baskets' for the country. Most of the youth in the area are idle, particularly in Dagbon and Bawku, where unsurprisingly, there have been regular ethnic conflicts involving loss of lives and property. The absence of technical progress in Ghanaian agriculture has resulted in diminishing returns and it clearly demonstrates 'Ricardian trap' and acute 'food problem' (Schulz, 1953) at work. The low productivity of the Ghanaian rural economy has translated into the failure of local agriculture to satisfy the growing home demand for foodstuffs and raw materials. This also explains the rising import bill for rice and other foodstuffs from Asia, Cote d'Ivoire, Burkina Faso and other countries. A review of annual food imports

and the stagnant yields in food production confirms an alarming situation in Ghana (see Chapter 2, section 2.3.2).

By way of contrast, agriculture in Cote d'Ivoire has been gradually transformed into a relatively successful business activity, using modern techniques: migrant hired labour from West Africa, organized markets, money transactions, individual enterprises and ownership of land (Yansane, 1984). Originally like Ghana, land ownership was collective and was based on traditional laws and customs. However, the colonial government in Cote d'Ivoire facilitated individual ownership or long-term leaseholds on agricultural and mineral concessions by both African and European entrepreneurs for the promotion of cash crops for the international market.

The initial post-colonial government policy of nationalisation of foreign-owned enterprises and confinement of local entrepreneurs to 'small-scale enterprises,' was intended to make the public sector the major formal sector employer in Ghana. However, as a result of corruption and mismanagement, the public sector has failed to create the needed employment. It was also found in the interview data that low productivity is the result of poor attitude to work, as it is considered in the public sector that 'government's business is nobody's business.' This low productivity over the years has translated into low wages and incentives, resulting in the poor motivation of the public sector staff thus explaining the vicious circle of low productivity and low income.

There is a lack of supervision and effective performance monitoring in the public sector and consequently recruitment and promotion are not based on competence, skills and efforts. The major explanation obtained from the data was that the public sector has been the source of employment for extended family members and clients of powerful people. Consequently, most managers are reluctant to enforce rules at work as they do not know to whom their subordinates relate. This has contributed to very low productivity in the public sector and the Ghanaian economy. That is why the slow rate of per capita income growth for most of the post-independence period is attributed to low productivity (see Bosworth and Collins, 1996; Leith and Soderling, 2003; Aryeetey and Fosu, 2008).

It was also found in Chapter 6 that, most Ghanaian public institutions are undermined by corruption and incompetence, leading to low confidence in the public sector. They are seen as impediments to the private sector's proper performance and the sources of institutional, structural and financial constraints. Of particular importance was the lack of public confidence in the police and the legal system, which has translated into a low level of trust required for the operation of a market economy. As a result, it was found that most Ghanaians would not like to enter into partnership ventures with their fellow Ghanaians.

This confirms the very low number of registered partnerships as compared to the number of sole trading enterprises and even limited companies (see section 2.3.4, Table 2.10). There is a lack of collaboration among professionals, such as medical doctors, lawyers and accountants, in the form of partnerships as revealed in Chapter 6. This lack of collaboration has had an adverse effect on the quality of professional service delivery in the country, resulting in the lack of confidence in lawyers and other professionals as expressed in both the survey and interview data. Furthermore, as sole traders are usually considered high risk by the banks, most of these businesses find it difficult to source finance and therefore do operate below their economies of scale for productivity increase and growth.

The inadequate institutional arrangements also account for why socially contrived markets, such as insurance and mortgage have failed to develop in Ghana. This explains why the majority of Ghanaians operate in the 'spontaneous and self-enforcing markets', the informal sector, characterised by low productivity and poverty. The lack of development of socially-contrived markets could also be one of the explanations for Ghana's underdevelopment, as explained by Olson (2000). The lack of trust also explains why most business people are engaged in 'buying and selling' in the informal sector. The analysis of Ghana's 2004 direct tax revenue indicates that contributions from the self-employed operating in the informal sector only accounted for 5.35% as compared to 35.7% collected from Pay As You Earn (PAYE).

Since independence, the successive post-colonial governments have tried to reduce the traditional rulers' authority to be custodians of their cultural heritage and land. However, due to self-interest, a unique importance of tradition has been created in Ghana by the traditional rulers. The growing spirituality, religiosity and ancestor worship have led to the lack of motivation and serious misallocation of land and human resources. This is manifested in the proliferation of spiritual and charismatic churches, and the high number of litigations in the law courts arising from land and chieftaincy disputes. Arguably, traditionalism has also promoted the celebration of elaborate funerals, festivals and other rituals during which the traditional rulers reign supreme. This explains the average Ghanaian's propensity to convert a high proportion of savings into status symbols and rituals, a phenomenon which seriously limits capital accumulation. As found in the interview data, funeral celebrations and donations could be important drivers and medium of corruption in Ghana.

On the other hand, it was revealed in Chapter 6 that the curtailment of power of the traditional rulers without the compensating institution of central government representing the people has left a gaping hole in the administration and governance of the people in the

rural areas. Here, government policies and laws are hardly felt by the people. Consequently, the lack of an effective working relationship between government and traditional rulers has led to a lack of enforcement of laws and the proper management of resources for economic development.

As analysed in Chapter 2, Table 2.2, the average gross domestic savings for the period 1960 to 2000 in Ghana was 8.3 per cent as compared to 23 per cent and 25 per cent for Cote d'Ivoire and South Korea respectively. Hofstede and Bond (1988) explain that savings depend on people's income, thriftiness, expectations of inflation and interest rates. The interview data in Chapter 6 also found that, due to the prevailing low deposit interest rates and high inflation, those who can afford to save rather prefer investment in buildings. In addition, past experience of shortages in essential commodities combined with lack of planning and budgeting, it translates into pervasive impulse buying and thus contributes to low savings and high consumption in Ghana. It was widely acknowledged in the interview data that social spending as a result of demonstration effect, elaborate funerals, expensive dowries and weddings, and parties are the major culprits of the low savings and thriftiness in Ghana. The demands of the extended family networks, the respect for traditions and ancestors have combined to divert the future orientations of most Ghanaians to the past and present, confirming a culture of Short Term Orientation.

As investment is largely determined by the people's marginal propensity to save, which is also determined largely by the people's time preference for consumption, Ghana has been characterised by very low investment rates in the post-independence period. The analysis in Chapter 2 shows that Ghana's average annual gross capital formation for the period 1960 to 2000 was 13.7% compared with Cote d'Ivoire's 17.5% and South Korea's 28.9% respectively. As explained above, successive Ghanaian governments have actively discouraged private entrepreneurship and their intervention in the economy through the expansion of the public sector, also discouraged capital accumulation and investment in Ghana. This situation has been a major constraint on Ghana's economic growth since independence (Aryeetey and Harrigan, 2000). The survey and interview data in Chapter 5 and 6 respectively, found the inheritance systems to be disincentive and that they discourage effective succession planning of businesses. It was also revealed in the interview data that due to the high level of spirituality in Ghana, most Ghanaians fail to prepare wills and testaments as they are afraid that they will die as soon as they prepare their wills. Moreover, the wills of most wealthy family members are disputed and involved in protracted litigations in court. The picture painted of the Ghanaian inheritance situation by the data points to the case of Jarndyce versus Jarndyce in the 18<sup>th</sup> century Britain in Charles Dickens's *Bleak House*, where protracted litigations in estates of the wealthy often lead to destruction and collapse of businesses and property. Therefore, the

minimum that is invested in business and property in Ghana is not maintained, as there is a lack of adequate succession planning. In addition, the introduction and maintenance of devices ranging from administered interest rates, credit allocation, state ownership of financial institutions, arbitrary confiscations of financial assets and chronic high inflation all worked together to discourage both local and foreign investors from investing in Ghana.

Since Ghana gained its independence in 1957, it has not successfully implemented effective population policy to discourage early marriages and change the traditional pronatal beliefs which are adverse to childless couples, particularly women. The persistence of these beliefs, combined with the improvement in health services after independence, resulted in population explosion and significant increase in economically active population. As discussed in section 2.5, Ghana's population almost tripled during the period 1960 to 2000. However, due to the low production capacity in the country, the increase in population has translated into higher percentage of people living below the subsistence and poverty line. The low government revenues arising from ineffective tax collection measures also limit any opportunity for redistribution of income through the social services. Moreover, the opportunities in the production of labour-intensive and low-technology manufactured goods have not been adequately explored.

After independence, there was a lot of pressure from the labour unions that Nkrumah had used in his political struggle for independence for minimum wage legislation. The government yielded to a high minimum wage demand without ensuring commensurate productivity increase, and the consequent high labour costs, distortions and low productivity led to closure of mines and other nascent businesses in the country. As Lim (1994) explains, the increase in total factor productivity depends on having less price distortions in an economy. The extended family networks were also found to prevent the translation of hard work into self-improvement as extra income has to be spent on other family members, thus reducing the incentive derived from hard work. Furthermore, the relative higher clerical wages have led to a high preference for clerical work over more productive labour with the result that most enterprising Ghanaians are discouraged from engaging in productive labour in industry and agriculture. This explains the high migration of the educated and skilled Ghanaian labour abroad to find the means of survival which is not widely available in Ghana.

The evidence from the study suggests that human and land resources could suffer from acute misallocation. It also seems that most of the 60% of the total labour force engaged in subsistence farming are below the subsistence level as confirmed by the Ghana Living Standard Survey 2005/2006. The rapid state-led industrialisation/modernisation, mainly financed by the surplus of neglected cocoa farmers, led to budget deficits, inflation and

continual political instability that ensued in February 1966 and lasted until 1981. The situation in Cote d'Ivoire was quite different as they developed their land, created their industry and organised business and trade more efficiently (Yansane, 1984).

### **8.3 The implications and contributions of this study**

The main aim of the study was to identify key “actionable factors” for accelerating Ghana's economic growth by investigating the cultural dimensions of Ghana's economic stagnation and suggesting appropriate policy measures for change. The present research contributes to the cross cultural and economic development literature in the following significant areas:

- The application of critical theory methodology to the understanding of the development inhibiting aspects of contemporary Ghanaian culture like the ancestral belief surrounding land ownership and high respect for authority and the chieftaincy institution. As most researchers consider these areas as sacrosanct, few researchers have critically reviewed the institutions considered as cherished by Ghanaians. As revealed in the interview data in Chapter 6, most of the problems related to Ghana's underdevelopment are located in the chieftaincy institution and the land tenure system.
- As noted under section 8.1.2, this study is the first empirical research of its kind dedicated to Ghana, which links Ghana's culture to its development. The ‘can of worms’ illustrated and discussed in Chapter 7 of this study attempts to make an important contribution to the development and policy literature, and will facilitate the understanding of the importance of culture and institutions in developing countries.
- The use of mixed methods involving survey, interview and secondary data in the measurement, validation and triangulation of cultural dimensions at the regional level has arguably replicated and critically extended Hofstede's work. In Chapter 4, it was found that most of the criticisms of Hofstede's work centred on his lack of attention to ethnic or regional cultures. By focusing on regional and ethnic cultures in a country, this study has shed light on the myths and generalisations associated with the importance of ethnic culture in developing countries. For example, Hofstede (1983) claimed that some of the younger nations are not integrated culturally as the set of borders they inherited from the colonial period do not represent cultural dividing lines (p.16). As explained in Chapter 5, section 5.4.2, the study has shown through the analysis of variance (ANOVA) of the VSM 1994 questions, that education and occupation were the only significant and

distinguishing cultural factors in Ghana. This was confirmed when all other variables were controlled with the exception of regions of birth and ethnicity to explore the differences in the mean scores of the 20 VSM 94 content questions. The result only gave a statistically significant difference at the  $p < .05$  level for the 10 regions [ $F(9,191) = 2.4, p = .013$ ] on the question 'fear of expressing disagreement with superiors' out of the 20 VSM 94 questions.

- Using the criterion of the survey participants who were born and at least educated to the primary level in their native regions in the computation of mean scores for culture measurement, this study's methodology and data analysis, have shown a practical way of measuring ethnic and regional culture in multiethnic societies, in a way which is simple to follow and replicate. As discussed in section 5.4.2, due to the importance of educational levels in explaining the differences, education sector was controlled by computing mean scores for the ten combinations of regions and ethnic groups, using two educational levels of secondary school and tertiary levels. This combination was found the most homogenous in the sample and also maximised the number of respondents (284) used for factor analysis.
- In Chapter 5 section 5.5.2 and Chapter 7 section 7.2.2, interesting results were obtained in the correlation of the five dimensions with Ghanaian regional statistics and other data generated from survey. The correlations of the masculinity/femininity dimension with unemployment, the incidence of poverty, religious services attendance, "unquestioned obedience to people of responsibility" and "inheritance systems" are quite important contributions to cross-cultural and development literature. The uncertainty avoidance culture was also found to be associated with poverty, percentage of working children (child labour), polygamy, spirituality, confidence in the churches and law courts. Power distance culture in the data was also associated with the belief that "people are born with unchangeable destiny given by God" and "confidence in the chieftaincy institution". The individualism/collectivism dimension proved the most important and seemed to be the 'panacea' to poverty in Ghana. There were significant correlations with literacy, percentage of school attendance, and a rather surprising correlation with "hard work does not generally bring success. It is more of luck and connections". This may indicate that in Ghana, the wealthy do not acquire their wealth through hard work, but by other means, or it may signify the lack of appraisal systems in getting employment and career promotion in the public sector.

The above contributions indicate that this study is methodologically and theoretically innovative and has filled knowledge gaps. The significant contribution of this study is the focus on underlying causes of underdevelopment. Echoing Olson (1983), Ingham (1995) argues that much work has been done on sources of growth but they do not often address



the “underlying causes of growth which lie deep in a society’s culture, philosophy, politics and institutions” (p.36). In their seminal work, “A Factor Analysis of the Interrelationship between Social and Political Variables and Per Capita Gross National Product,” Adelman and Morris (1965) found that, the relationships between levels of economic development and differences in social and political structure reflect the interaction of an integrated system of institutional and behavioural change which underlies the process of economic development. Unfortunately, since Adelman and Morris’ empirical contribution to economic development theory using factor analysis of economic and non-economic variables, few economists have done further work in the area to shed more light on the underlying causes of growth or development. Adelman and Morris (1988) also used principal components analysis, as in this study and found that institutions played a major role in determining development performance. By combining the works of Hofstede (2001) and Adelman and Morris (1965), this study has shed new light on the underlying causes of underdevelopment in Ghana.

#### **8.4 Overview of Culturally Sensitive Policies for Ghana**

The study’s recommendations for Ghana’s economic development include the search for effective working relationship and allocation of authority between government and traditional rulers, in order to align the interests for national development and to plug the “loophole” in law enforcement and governance. This will be in line with what Drucker (1989) terms ‘the integration of the body politic through major “interest blocs” into “the economic estates of the realm” for the common interest of economic development (p.16).

Effective accountability measures should also be introduced to strengthen the regulation of charities and chieftaincy affairs, to eliminate abuse of power and to ensure that traditional rulers, politicians and pastors are accountable to the people. The positions of independent commissioners could be established with the powers to check the abuses of custodial responsibilities of traditional rulers, pastors and politicians, and to ensure accountability. Furthermore, the interference of politicians in law enforcement and other public duties should be minimised to ensure that laws and bye-laws are enforced without fear or favour. The taxation systems should be comprehensively reviewed with the objective of rendering them firm and flexible through the introduction of appropriate rewards and sanctions. This will help to move the tax burden from corporate bodies and formal sector workers to the wider population and to ensure equitable allocation of resources.

More innovative and fairer inheritance tax system and legal system are urgently needed to create the needed incentives for effective succession and maintenance of business and property in Ghana. For instance, the tax laws should encourage lifetime or piecemeal gifts to future heirs to ensure smooth succession of property and businesses. It is also about time that the inheritance tax laws introduce stiffer punishment for relatives or extended family members who take advantage of the estates of their dead relatives for unlawful self-enrichment.

It is also high time Ghana instilled discipline into its land management system by properly surveying and registering all its land resources as well as introducing appropriate land taxes to ensure proper allocation of land resources. Agriculture in the north also needs to be given serious attention in the areas of small-scale irrigation and provision of storage facilities to provide employment for the youth.

Stronger measures and laws (in line with Singapore's anti-corruption laws) are also required to deal with pervasive corruption and extortion in the public and social institutions which are practised under the guise of reciprocation of gifts and donations for rituals, particularly funerals. The research has revealed a long list of irregularities in the Ghanaian public sector in Chapter 6, section 6.4.4 in the areas of: corruption; abuse and centralisation of authority; lack of adequate monitoring and supervision; absenteeism; nepotism and favouritism and many others. Specifically, the evidence in Chapter 6 indicates that the public sector is characterised by very low productivity and not only could it have a serious impact on the implementation of government policies, but it could also stifle the private sector, as clearly indicated in the interviews. There needs to be public education on how the activities in the public sector are funded in order to raise the awareness of the public to their entitlement to certain public services financed by tax payers in order to discourage them from paying public servants for the services. The government must set effective performance targets aimed at productivity improvement in the public sector and also introduce appropriate sanctions to ensure the achievement of targets. For instance, the revenue agencies could be monitored based on the amount of revenue collected, while the service providers could be assessed based on the feedback from their clients or the quality of services provided. If well implemented, this will trickle down to all public servants to ensure they are only paid for work done which will lead to productivity increase. It will also go a long way in restoring public confidence in the public sector. As most of the interviewees recommended, the introduction of clocking systems will help to reduce absenteeism and ensure workers are only paid for the work done.

Officials must know that it is immoral to extort money from a poorer citizen before providing the services which that citizen is entitled. Although the NPP Government came

out with a slogan 'Zero Tolerance for Corruption,' much remains to be achieved in this area, if the policy is to reduce corruption and income inequality for Ghana's economic development. As a multinational interviewee advises, the Government should first pay the workers well by putting in place appropriate beneficial measures and then introducing structures that will discourage the abuse/misuse of the system.

Related to the public sector is the judicial system. This study has shed a lot of light on the importance of the judiciary in maintaining trust in a country, such as the protection of investment, private property rights and enforcement of contracts. It was demonstrated in Chapter 6, under section 6.4.4, that the function of the courts has direct influence on all types of dealings among the citizens in a country. However, Ghana's judicial system is fraught with problems from logistics to human resource. Litigations go on forever in the Ghanaian courts and it seems that the nation has come to terms with the excuse that the judges handle too many cases and so to adjourn cases, is human. This problem could also be related to the lack of monitoring of the judiciary. It will help if judges are made to submit reports to the Attorney General on cases that are not disposed of within a specified period. While justice is delayed, the lawyers are the ones who benefit from the situation and it is no wonder that they would rather be lawyers than judges. This is a clear case of distortion and misallocation of resources.

Funeral celebrations and donations have become increasingly exorbitant giving an indication of a rather 'high mass consumption' society. Unfortunately, it seems to have become a medium of corruption or the means of securing the collaboration of powerful public officials or individuals. However, political leaders who should find a way of controlling the problem rather find the attendance at funeral celebrations a convenient way of winning the people's vote. On most Saturdays in Ghana you see motorcades of senior government officials travelling across the country to attend funerals and give donations which could be twice their monthly salaries. Apart from the adverse effect on savings, there are always reports of accidents involving loss of lives of people making long journeys to attend funerals in other parts of the country. The time involved in the organisation of the funeral and its celebration could be also phenomenal and a serious culprit of Ghana's low productivity. For a country that desperately needs to mobilise resources for economic growth, conspicuous consumption and celebration cannot be allowed to go unchecked for political expedience. In the history of other countries, this was the subject of sumptuary laws which ensured people "cut their coats according to their sizes" and resources were well mobilised for growth. This is an area where the government could work with the traditional rulers to ensure its effective control. An interviewee's observation and recommendation could be useful here:

[Funeral celebrations] have become competition, now they are party grounds. We think that we are modernising, but what we see about Ghanaians is that we look at the [Western] culture and we copy wrongly and so it becomes a burden on us. Now funerals are meant to show that people are wealthy. It's got out of hand and somebody must do something about it (PC13, Appendix 6.3).

## 8.5 Limitations of the Study

Although an attempt was made to cover most of the anticipated limitations of the study during design, it is reasonable that a study of this nature and scope will have limitations without detracting from its contribution to knowledge. The principal limitation of this research was that despite the drawing of group cases from a total sample size of 396 public sector workers, the maximum number of cases for ecological correlation and factor analysis was limited by a combination of 10 regions and ethnic groupings. As correlation results are based on sample sizes, the smaller the number in the sample, the higher the coefficient required to provide significant results. For example, in this study involving ten regions, correlation coefficients should be above positive or negative 0.63 to be significant at the 5% level. However, as explained in section 5.4.3, ecological correlations are based on means which are more stable than single observations which are characterised by wide fluctuations.

Another limitation that needs mentioning is that ecological factor analysis based on ten regions can only, of necessity have ten regions as cases compared to 20 variables, thus giving rise to flat matrices, with fewer cases than variables. What is important in ecological factor analysis is the number of respondents contributing to a group mean. Although all efforts were made to secure enough respondents from all the regions in Ghana, it was not possible to obtain adequate representation from the four northern regions. Perhaps, this was due to the inequality in education and employment in the ten regions of Ghana. The problem was quite acute with the Brong Ahafo and Northern Regions which proved to be outliers in the factor scores and possibly affecting the correlation results. As the regions which did not satisfy this criterion could not be dropped, more efforts were made to identify the effects of the outliers. As stated in section 5.4.2, Hofstede's (1980) original work reported similar limitations in the 1972 respondents when he could not obtain enough respondents for Ghana, Nigeria and Sierra Leone and he only used 42 respondents from three occupations to represent the three countries (Hofstede, 2001, p.52).

The answers to the survey questions measuring values and attitudes are influenced by demographics of the respondents, such as gender, age, educational level, religion, marital status, occupation, and the year that the survey was held. In order to make accurate

comparisons of regions, the samples of the respondents for each region should be matched on all criteria other than their regions of birth or ethnic groups (Hofstede, 1994). It must be noted that this is the misunderstanding surrounding Hofstede's work or most cross-cultural studies (see for example Spector et al., 2001; Kruger and Roodt, 2003).

A review of these two critiques indicates the total absence of matching of responses before their analysis and therefore could not have obtained any reliability scores from the scale as intended. This study has confirmed that after matching respondents based on the results of Analysis of Variance (ANOVA), VSM 94 provides reliable scores for all the five scales for the dimensions on the regional level in a public sector data. However, matching necessitates very large samples which could be beyond the means of a PhD study, as the matching implies a lot of the respondents are eliminated before computing the means for the regions. For example, although this study had 396 returned responses from the public sector, the number had reduced to 200 and below when it came to matching regional samples for factor analysis.

The research design factored in the possibility of comparing the results of three areas. This did not materialise as only the public sector had employees from all the ten regions of Ghana. The multinational only had employees from the southern areas (5 regions) and therefore could not be used for ecological factor analysis. The sample which covered the informal sector also had employees from only two regions of Ghana. This meant that only the public sector sample could be used for factor analysis and the contrasts could not be made of the results.

Finally, the interviews were mainly conducted with relatively higher educated employees of the public sector and the multinational. This circumscribed sample, therefore, does not include the views of the non-literate operators of the informal sector which could have provided incisive contrasts to the views expressed by those in the middle class.

## **8.6 Recommendation for Further Research**

This study attempted to identify the levers for accelerating Ghana's economic development. An understanding of the relationship between culture, government policies and economic development provides a lot of insights into the likely causes of underdevelopment and provides opportunities for developing "culturally sensitive" economic policies. It is hoped that the findings from this research will prove beneficial to development practitioners in Ghana and other developing countries in their recommendation of 'culturally sensitive economic policies. Like most research and new

ideas, the applicability and the wider validity of the findings from the research could benefit from further inquiry. As discussed in section 8.4 above, there are certain directions which when followed can add to the value of this research. In the following section the areas that could be explored for further research are examined.

The most obvious opportunity for future research lies in the main limitation of this study, obtaining adequate matched respondents for stable regional mean scores. As already discussed, it turned out that most of the employees in the formal sector were born in the south, mainly in the capital city of Accra. Consequently, while the southern regions were over-represented, the four northern regions were under-represented thus explaining the few outliers in the factor scores. In order to enhance the validity of the factor scores, a larger scale study based on university students, teachers or police officers with the opportunity of obtaining adequate matched respondents will be more appropriate. This will also go a long way in confirming the robustness of the methodology used in the study.

As the focus of the present study required the collection of primary data on the Ghanaian regional and ethnic values and attitudes for the first time, it was not possible to extend the study to other countries to allow the comparison of the study's scores with Hofstede's. In Hofstede's work, Ghana was included in the West African region with Nigeria and Sierra Leone. Therefore, a further study aiming at matched respondents from the three countries, in addition to their Francophone neighbours as well as Britain and France could also assist in shedding more light on the underlying causes of West African underdevelopment from the socio-cultural perspective.

Most of the participants of the interviews drew comparisons of different attitudes and practices in the Ghanaian public and private sectors. The ANOVA results of the three area samples also indicated significant differences among the public sector, multinational and informal sector employees. This was not surprising as the cross-cultural literature confirms the existence of organisational culture. Although this study provided for the contrasts among the organisations, the multinational and informal sectors failed to return nationally representative samples for matching the respondents. The differences have therefore not been fully explored in the present study, as it was initially intended. Therefore, a large scale study covering enough employees from different industrial sectors of the Ghanaian economy will be useful to ascertain the cultures of the public, private and informal sectors.

## 8.7 Concluding Remark

This study has comprehensively explored the impact of culture and government policies on Ghana's economic development, an area previously unexplored. Significantly the study has gone a long way in shedding light on the underlying causes of Ghana's continuous underdevelopment despite its huge potential which put the country among the highest growing economies in the nineteenth century. Of the underlying causes, the historical and cultural evolution of colonisation and decolonisation seem to be important. It has been shown that the 're-invention of tradition' on colonisation has given undue importance to the dead, ancestors and consequently the chieftaincy institution. This has significantly contributed to motivational distortions and misallocation of both physical and human resources. The end result is that the majority of the population is struggling to survive and is 'getting money (corruption) instead of earning money.' The consequence is that 'money has destroyed all the institutions' and undermined trust necessary to drive a modern economy.

This study's findings demonstrate that economic development cannot be achieved by focusing on economics alone. And other social processes need to be taken into account in understanding the dynamics of the development process. From this perspective, this study has highlighted the role of culture in influencing government policies and other socio-cultural institutions that matter in economic development.

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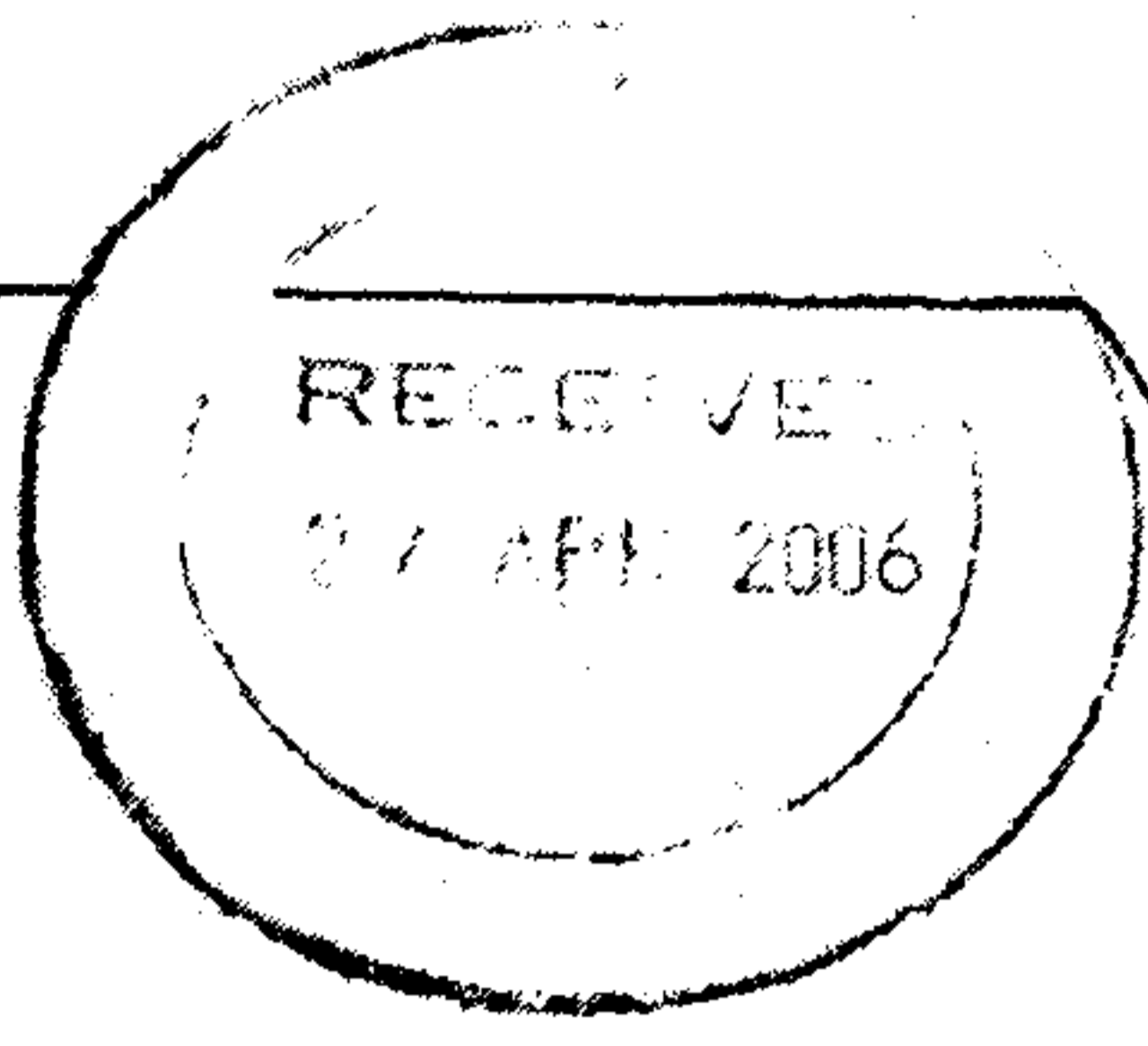
# APPENDICES

## Appendix 4.1 Access Request Letter

### APPENDICES

#### Appendix 5.1 Access Request Letter

The HR Manager



**OXFORD  
BROOKES  
UNIVERSITY**

7 April 2006

Dear Sir,

**THE IMPACT OF CULTURE AND GOVERNMENT POLICIES ON GHANA'S  
ECONOMIC DEVELOPMENT**

Thank you very much for welcoming me to your organisation this morning.

As discussed, I would like to be granted access to the staff of your organisation in order to conduct a survey and a few selected interviews. The aim is to reach a cross section of Ghanaians.

Your participation will help with the identification and understanding of the dominant Ghanaian cultural values necessary for the formulation of effective economic policies to accelerate Ghana's development.

The survey will be mainly self-completion, anonymous, questionnaires and few interviews per location. The completion of the questionnaire will take up to twenty five minutes. The duration of the interviews will be an hour maximum.

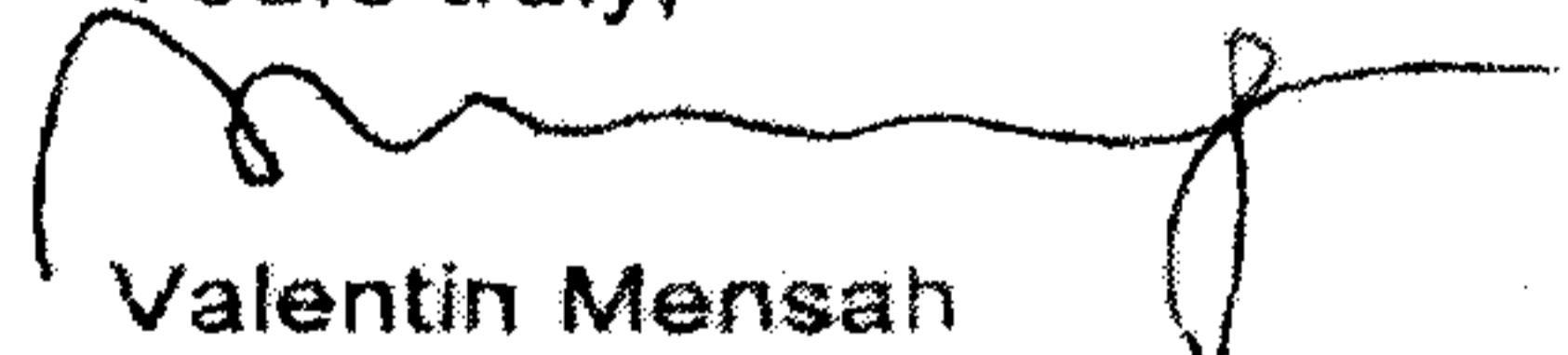
All the information you will provide to us will be used anonymously and kept strictly confidential. The completed questionnaire and any data generated by the study must be retained in accordance with the Oxford Brookes University's policy on Academic Integrity. Any publication or report involving the use of the research material will protect the names and the privacy of the individuals and organisations involved.

The investigator is conducting the research as a student of Oxford Brookes University Business School and it is a self-funding project.

The University Research Ethics Committee, Oxford Brookes University has reviewed the study. If you have any concerns about the way in which the study has been conducted, you should contact the Chair of the University Research Ethics Committee on [ethics@brookes.ac.uk](mailto:ethics@brookes.ac.uk).

Thank you for your cooperation in advance.

Yours truly,

  
Valentin Mensah

*Approved for  
questionnaire to be  
administered  
to plant  
HR*

## Appendix 4.2 Request Letter for Further Access for Survey and Interviews

OXFORD  
**BROOKES**  
UNIVERSITY

The Deputy Commissioner  
Customs, Excise and Preventive Services  
Accra  
Ghana

8 January 2007

Dear Mr Adubofour,

### **REQUEST FOR ACCESS PERMISSION TO COMPLETE INTERVIEWS**

Following your approval and assistance last April, we successfully administered a substantial number of questionnaires at most locations of your organisation. However, the substantial travel involved in the process and the lack of appropriate equipment prevented us from conducting the required number of interviews last year.

Our preliminary analysis of the few interviews conducted indicates a very rich source of information and has necessitated the conduct of a few more interviews, particularly with some senior officials in your organisation located in Accra who agreed in principle to participate in April. This exercise is intended not to exceed two working days and it will be covered by the University's ethics requirement to maintain confidentiality information and anonymity of participants.

We would be grateful if you could grant us the required access permission for this exercise.

Yours sincerely,

  
Valentin Mensah  
PhD Candidate

# Appendix 4.3 Participant Consent Form



## CONSENT FORM

### The Impact of Culture and Government Policies on Ghana's Economic Development

Valentin Mensah,  
Research Student/Lecturer  
Business School  
Oxford Brookes University  
Oxford

Email: [v.mensah@brookes.ac.uk](mailto:v.mensah@brookes.ac.uk)  
Telephone: +44 7886 604962  
+233 244 322065

Please Initial Box

- 1. I confirm that I have read and understand the information sheet for the above study and have had the opportunity to ask questions.
- 2. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving reason.
- 3. I agree to take part in the above study.
- 4. I agree to the interview / focus group / consultation being audio recorded
- 5. I agree to the use of anonymised quotes in publications

Name of Participant

Date

Signature

## Appendix 4.4: SURVEY QUESTIONNAIRE

### THE IMPACT OF CULTURE AND GOVERNMENT POLICIES ON GHANA'S ECONOMIC DEVELOPMENT

#### SURVEY QUESTIONNAIRE

Please think of an ideal job, disregarding your present job, if you have one. In choosing an ideal job, how important would it be to you to ... (please circle one answer in each line across):

1 = of utmost importance                      2 = very important  
3 = of moderate importance                4 = of little importance  
5 = of very little or no importance

1. have sufficient time for your personal or family life?                      1   2   3   4   5
2. have good physical working conditions (good ventilation and lighting, adequate workspace, temperature, etc.)?                      1   2   3   4   5
3. have a good working relationship with your direct superior?                      1   2   3   4   5
4. have security of employment (long term contract)?                      1   2   3   4   5
5. work with people who cooperate well with one another?                      1   2   3   4   5
6. be consulted by your direct superior in his/her decisions?                      1   2   3   4   5
7. have an opportunity for advancement to higher level jobs?                      1   2   3   4   5
8. have an element of variety and adventure in the job?                      1   2   3   4   5
9. work in prestigious, successful company or organisation?                      1   2   3   4   5
10. have an opportunity for high earnings (income)?                      1   2   3   4   5
11. live in an area desirable (eg. with good schools and hospitals) to you and your family?                      1   2   3   4   5
12. have an opportunity for helping other people?                      1   2   3   4   5
13. serve your country?                      1   2   3   4   5

In your private life, how important is each of the following to you?  
(please circle one answer in each line across):

14. Personal steadiness and stability                      1   2   3   4   5
15. Thrift (careful use of money)                      1   2   3   4   5
16. Persistence (perseverance)                      1   2   3   4   5
17. Respect for tradition (modes of thought and action of the ancestors, funerals, chieftaincy, etc.)                      1   2   3   4   5
18. How often do you feel nervous or tense at work?  
1. never                      2. seldom (almost never)                      3. sometimes  
4. usually                      5. always
19. How frequently, in your experience, are subordinates afraid to express disagreement with their superiors?

- |                        |                    |              |
|------------------------|--------------------|--------------|
| 1. very seldom (never) | 2. seldom          | 3. sometimes |
| 4. frequently          | 5. very frequently |              |

20. How often would you say your immediate manager insists that rules and procedures are followed?

- |           |            |              |
|-----------|------------|--------------|
| 1. always | 2. usually | 3. sometimes |
| 4. seldom | 5. never   |              |

21. Apart from weddings, funerals and christenings, about how often do you attend religious services these days?

- |                                      |                                 |
|--------------------------------------|---------------------------------|
| 1. More than once a week             | 2. Once a week                  |
| 3. Once a month                      | 4. Christmas/Easter day/Ramadan |
| 5. Other specific religious holidays | 6. Once a year                  |
| 7. less often                        | 8. Never, practically never     |

22. Apart from funerals of family members or colleagues, about how often do you attend funerals these days?

- |                                      |                             |
|--------------------------------------|-----------------------------|
| 1. Once a week                       | 2. More than once a week    |
| 3. Once a month                      | 4. Once every three months  |
| 6. Other specific religious holidays | 6. Once a year              |
| 7. less often                        | 8. Never, practically never |

**To what extent do you agree or disagree with each of the following statements? (please circle one answer in each line across):**

- |                       |              |
|-----------------------|--------------|
| 1 = strongly agree    | 2 = agree    |
| 3 = undecided         | 4 = disagree |
| 5 = strongly disagree |              |

- |                                                                                                                                |   |   |   |   |   |
|--------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|
| 23. Most people can be trusted (at work and in business).                                                                      | 1 | 2 | 3 | 4 | 5 |
| 24. One can be a good manager without having precise answers to most questions that subordinates raise about their work.       | 1 | 2 | 3 | 4 | 5 |
| 25. An organization structure in which certain subordinates have two bosses should be avoided at all costs.                    | 1 | 2 | 3 | 4 | 5 |
| 26. Competition between employees usually does more harm than good.                                                            | 1 | 2 | 3 | 4 | 5 |
| 27. An organization's rules should not be broken -not even when the employee thinks it is in the company's best interest.      | 1 | 2 | 3 | 4 | 5 |
| 28. When people have failed in life it is often their own fault.                                                               | 1 | 2 | 3 | 4 | 5 |
| 29. Business and industry should be mainly privately owned.                                                                    | 1 | 2 | 3 | 4 | 5 |
| 30. For getting ahead in industry, knowing influential people is usually more important than ability.                          | 1 | 2 | 3 | 4 | 5 |
| 31. A corporation should have a major responsibility for the health and welfare of its employees and their immediate families. | 1 | 2 | 3 | 4 | 5 |
| 32. Children should be encouraged to learn at home, the importance of tolerance and respect for other people.                  | 1 | 2 | 3 | 4 | 5 |
| 33. There should be unquestioned obedience to people of responsibility (eg. Pastors, Imams, Chiefs, and Bosses).               | 1 | 2 | 3 | 4 | 5 |
| 34. There is spiritual counterpart to everything, such as land, rivers, mountains, trees, forests and human beings.            | 1 | 2 | 3 | 4 | 5 |
| 35. The inheritance systems have worked against the                                                                            |   |   |   |   |   |





53. If you have or have had a paid job, what kind of job is it / was it?
1. No paid job (includes full-time students)
  2. Unskilled or semi-skilled manual worker
  3. Generally trained office worker or secretary
  4. Vocationally trained craftsperson, technician, nurse, artist or equivalent
  5. Academically trained professional or equivalent (but not a manager of people)
  6. Manager of one or more subordinates (non-managers)
  7. Manager of one or more managers
54. What is your religious affiliation?
- |                     |                            |
|---------------------|----------------------------|
| 1. Catholic         | 2. Pentecostal/Charismatic |
| 3. Other Christians | 4. Islam                   |
| 5. Traditional      | 6. No Religion             |
| 7. Other            |                            |
55. What is your highest level of schooling?
- |                                                                        |                   |
|------------------------------------------------------------------------|-------------------|
| 1. Pre-school                                                          | 2. Primary        |
| 3. Middle/JSS                                                          | 4. Secondary/SSS  |
| 5. Vocational/Technical/Commercial<br>(Agric/Nursing/Teacher training) | 6. Post Secondary |
|                                                                        | 7. Tertiary       |
56. In what region or country were you born?
- |                   |                |
|-------------------|----------------|
| 1. Western        | 2. Central     |
| 3. Greater Accra  | 4. Volta       |
| 5. Eastern        | 6. Ashanti     |
| 7. Brong Ahafo    | 8. Northern    |
| 9. Upper East     | 10. Upper West |
| 11. Outside Ghana |                |
57. How many days in total have you stayed in your village or place of birth or region in the past twelve months?
- |                       |                         |
|-----------------------|-------------------------|
| 1. None               | 2. up to 7 days         |
| 3. up to 30 days      | 4. Up to one month      |
| 5. Up to three months | 6. Six months           |
| 7. Nine months        | 8. Currently live there |
58. To which ethnic group do you belong?
- |          |               |
|----------|---------------|
| 1. Akan  | 2. Dagbani    |
| 3. Ewe   | 4. Ga-Adangme |
| 5. Nzema | 6. Other      |
59. What is your nationality?
60. What was your nationality at birth (if different)?

**Thank you very much for your cooperation**

Location:.....

Organisation:.....

## Appendix 5.1. Missing Values Analysis of 2006 Survey

### Univariate Statistics

	N	Mean	Std. Deviation	Missing		No. of Extremes <sup>a</sup>	
				Count	Percent	Low	High
time	618	1.78	.716	5	.8	0	12
physical	621	1.70	.777	2	.3	0	18
relation	616	1.61	.605	7	1.1	0	5
security	619	1.68	.833	4	.6	0	30
cooperate	620	1.77	.722	3	.5	0	9
consult	615	2.33	.910	8	1.3	0	0
advancement	618	1.66	.729	5	.8	0	15
variety	613	2.26	.943	10	1.6	0	3
prestigious	618	2.03	.973	5	.8	0	0
earnings	619	1.73	.877	4	.6	0	33
area	619	1.75	.892	4	.6	0	37
help	619	2.16	.926	4	.6	0	18
serve	615	1.68	.799	8	1.3	0	20
steady	611	1.63	.702	12	1.9	0	15
thrift	616	1.72	.700	7	1.1	0	10
persistence	605	1.82	.738	18	2.9	0	13
tradition	618	2.79	1.001	5	.8	0	0
nervous	606	2.76	.530	17	2.7	0	1
disagree	609	3.13	.978	14	2.2	25	0
rules	614	1.74	.959	9	1.4	0	31
reelservice	614	3.02	2.275	9	1.4	0	0
funerals	613	5.75	1.959	10	1.6	0	0
trust	614	3.26	1.133	9	1.4	0	0
manager	607	3.66	1.106	16	2.6	3	0
structure	614	2.22	1.116	9	1.4	0	0
competition	614	2.88	1.290	9	1.4	0	0
orgrule	609	2.76	1.276	14	2.2	0	0
failure	597	3.19	1.327	26	4.2	0	0
private	607	3.13	1.258	16	2.6	0	0
influential	608	3.60	1.218	15	2.4	46	0
welfare	615	1.52	.771	8	1.3	0	23
children	618	1.37	.624	5	.8	0	10
obedience	605	3.20	1.359	18	2.9	0	0
spiritual	603	2.59	1.183	20	3.2	0	53
inheritance	602	2.57	1.164	21	3.4	0	0
pressures	606	2.21	1.157	17	2.7	0	0
destiny	601	3.08	1.406	22	3.5	0	0
success	605	3.86	1.181	18	2.9	105	0

a. Number of cases outside the range (Q1 - 1.5\*IQR, Q3 + 1.5\*IQR).

## Appendix 5.2: Summary of Responses to 2006 and 2007 Surveys

	Public Sector		M'national		Informal		Total		mean		s.d		kurtosis		skewness	
	2007	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006
Sufficient time left for personal or family life	91.0	1.72	86.2	1.83	89.0	85.2	86.4	1.83	0.72	0.27	0.66	(at least very important)				
Good physical working conditions	91.9	1.59	87.9	1.69	89.6	75.3	86.8	1.76	0.78	0.79	1.01	(at least very important)				
Good working relationship with direct supervisor	98.0	1.56	96.7	1.59	93.7	95.1	93.3	1.64	0.61	1.74	0.80	(at least very important)				
Security of employment	92.7	1.47	89.4	1.63	75.6	75.6	86.4	1.73	0.83	1.05	1.22	(at least very important)				
Work with people who cooperate well with one another	92.2	1.73	85.9	1.82	87.4	88.9	86.5	1.81	0.72	0.84	0.76	(at least very important)				
Consulted by superior in decisions	58.9	2.35	56.3	2.46	64.0	78.0	60.6	2.37	0.91	-0.70	0.28	(at least very important)				
Opportunity for advancement to higher levels	94.1	1.57	91.9	1.64	84.0	91.1	89.5	1.69	0.73	1.33	1.07	(at least very important)				
Element of variety and adventure	67.9	2.20	65.8	2.24	66.2	57.3	65.1	2.30	0.94	-0.52	0.43	(at least very important)				
Prestigious, successful company or organisation	78.9	1.94	75.3	2.01	77.8	65.4	74.4	2.03	0.97	0.59	0.93	(at least very important)				
Opportunity for high earnings (income)	90.4	1.67	89.8	1.65	87.4	75.6	87.6	1.73	0.88	2.61	1.50	(at least very important)				
Live in a desirable area	89.3	1.67	89.8	1.71	85.4	82.7	87.7	1.75	0.89	2.78	1.55	(at least very important)				
Opportunity for helping other people	77.1	2.02	68.0	2.19	74.1	82.9	71.5	2.16	0.93	1.01	0.90	(at least very important)				
Serve country	92.0	1.58	93.4	1.57	79.6	91.4	89.9	1.69	0.80	3.46	1.54	(at least very important)				

	Public Sector		M'national		Informal		Total		mean		s.d		kurtosis		skewness	
	2007	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006
<b>Personal goals and perception</b>																
Personal steadiness and stability	95.7	1.45	93.3	1.61	90.1	92.5	91.9	1.66	0.70	1.97	1.18	(at least very important)				
Thrift	90.7	1.75	89.5	1.75	85.2	95.1	88.3	1.75	0.70	0.92	0.81	(at least very important)				
Persistence (perseverance)	89.1	1.75	85.2	1.82	82.1	88.6	84.2	1.85	0.74	0.48	0.70	(at least very important)				
Respect for tradition	54.4	2.48	37.7	2.82	35.2	51.9	39.3	2.82	1.00	-0.66	-0.04	(at least very important)				
Feeling nervous or tense at work	74.2	2.76	70.0	2.64	74.8	75.0	71.9	2.69	0.53	0.26	-0.17	(at least sometimes)				
Fear of expressing disagreement with superiors	74.8	3.17	79.2	3.19	71.9	76.5	77.1	3.10	0.98	-0.14	0.18	(at least sometimes)				
Following of rules and procedures	97.2	1.63	95.9	1.69	98.6	84.0	95.0	1.74	0.96	0.47	1.12	(at least sometimes)				
Attendance of religious services	74.4	3.09	57.5	3.39	76.1	81.0	73.8	3.00	2.27	-0.44	1.06	(at least once a week)				
Attendance of funerals	13.9	6.03	15.6	5.98	16.2	48.8	20.5	5.72	1.96	-0.64	-0.84	(at least once a month)				
Most people can be trusted	29.9	3.36	32.5	3.32	40.8	38.3	35.4	3.23	1.13	-1.18	-0.23	(at least agree)				
Manager without Precise answers to subordinates' most questions	26.1	3.63	23.1	3.68	26.6	27.8	24.4	3.62	1.11	-1.06	-0.47	(at least agree)				
One boss organisational structure	71.2	2.17	72.6	2.19	58.2	75.6	69.6	2.27	1.12	-1.07	0.54	(at least agree)				
Competition between employees does harm	36.3	3.20	44.1	3.01	52.1	63.4	48.5	2.88	1.29	-1.32	0.05	(at least agree)				
Organisation's rule should not be broken	39.7	3.10	50.1	2.80	49.3	61.0	51.5	2.76	1.28	-1.32	0.11	(at least agree)				

General values and beliefs	Public Sector	M'national	Informal	Total	mean	s.d	kurtosis	skewness			
28 People's own fault for failure in life (at least agree)	26.7	3.46	34.6	3.28	35.7	64.1	38.7	3.19	1.33	-1.27	-0.28
29 Private ownership of business and industry (at least agree)	38.1	3.18	41.3	3.06	29.0	39.0	38.6	3.12	1.26	-1.20	-0.31
30 Importance of influential people in industry (at least agree)	20.4	3.73	17.6	3.80	30.2	45.1	24.4	3.60	1.22	-0.52	-0.76
31 Corporate responsibility for health and welfare of staff (at least agree)	96.3	1.47	95.9	1.46	89.4	90.1	93.6	1.53	0.77	5.07	2.00
32 Children's Importance of tolerance and respect for other people (at least agree)	97.8	1.35	98.5	1.31	91.5	98.8	97.0	1.37	0.62	7.25	2.22
33 Unquestioned obedience to people of responsibility (at least agree)	36.0	3.20	35.0	3.25	36.5	42.7	36.4	3.20	1.36	-1.24	-0.36
34 Spiritual counterpart to everything (at least agree)	52.3	2.71	55.1	2.63	61.6	68.3	58.2	2.59	1.18	-0.61	0.58
35 Inheritance systems working against business and property (at least agree)	59.9	2.54	62.7	2.54	44.6	76.3	60.6	2.56	1.16	-0.92	0.45
36 Employment of family members promote inefficiency (at least agree)	75.8	2.20	77.7	2.15	63.3	75.3	74.0	2.22	1.16	-0.18	0.90
37 People are born with unchangeable destiny given by God (at least agree)	30.8	3.34	36.5	3.19	44.9	53.7	41.0	3.08	1.41	-1.38	-0.21
38 Hardwork does not generally bring success. (at least agree)	17.0	3.86	15.5	3.92	13.8	32.1	17.2	3.86	1.18	0.34	-1.12

### 39 Views on Important Causes of Poor Living Conditions

	Public Sector	M'national	Indigenou:	Total	mean	s.d	kurtosis	skewness			
First or First - Lack of government planning and foresight	45.4	3.41	40.91	3.57	37.4	23.75	37.8	3.46	1.83	1.33	1.26
Second of First - Corrupt local politicians	21.2		23.26		19.08	28.75	23.1				
Third of First - The people not trying hard enough	11.0		11.5		19.85	25	15.2				
First of Second - Corrupt local politicians	32.6	4.21	32.16	4.21	37.69	27.5	32.8	4.14	1.80	-0.66	0.85
Second of Second - Lack of government planning and foresight	28.9		27.84		26.92	28.75	27.8				
Third of Second-The people not trying hard enough	8.9		10.54		10.77	15	11.2				
First of Third-Lack of attention to rural agriculture	20.9	5.24	21.47	5.15	15.87	21.25	20.2	5.14	2.38	-1.37	-0.07
Second of Third- Unwillingness to adopt modern conditions	21.3		14.95		21.43	16.25	16.6				
Third of Third-Corrupt local politicians	13.4		14.67		12.7	17.5	14.6				

### Level of confidence in the various Ghanaian institutions

	Public Sector	Multinat'	Indigenou:	Total	mean	s.d	kurtosis	skewness			
40 Confidence in the churches (at least quite a lot)	57.8	2.27	58.9	2.25	77.0	65.0	63.0	2.14	0.86	-1.1	0.09
41 Confidence in the law courts (at least quite a lot)	28.0	2.63	32.4	2.74	41.7	45.3	34.5	2.74	0.78	-0.14	-0.48
42 Confidence in the labour unions (at least quite a lot)	38.9	2.63	34.5	2.73	41.5	41.1	35.3	2.71	0.76	-0.1	-0.52
43 Confidence in the parliament (at least quite a lot)	43.6	2.60	46.7	2.52	40.9	37.0	43.0	2.56	0.88	4.07	0.38
44 Confidence in the civil service/government agencies (at least quite a lot)	39.9	2.64	35.7	2.71	25.4	28.2	31.3	2.79	0.78	0.01	-0.51
45 Confidence in the police (at least quite a lot)	24.8	2.90	28.5	2.86	45.5	36.8	32.7	2.82	0.88	3.49	0.25
46 Confidence in the government (at least quite a lot)	51.4	2.47	48.9	2.47	49.2	60.8	48.9	2.47	0.87	-0.78	-0.15
47 Confidence in chieftancy/traditional rulers (at least quite a lot)	28.6	2.86	37.1	2.78	40.5	41.9	36.0	2.79	0.80	-0.3	-0.33
48 Confidence in big private companies (at least quite a lot)	53.2	2.46	56.7	2.51	61.7	72.2	56.2	2.42	0.83	-0.67	0.06
49 Confidence in big state enterprises (at least quite a lot)	23.8	2.92	31.6	2.89	36.1	43.8	32.6	2.82	0.80	-0.15	-0.44
50 Confidence in big foreign owned companies (at least quite a lot)	46.3	2.60	58.6	2.55	61.2	66.2	55.5	2.48	0.88	-0.14	0.16

### Appendix 5.3: Results of Analysis of Variance between the three organisations

VSM 94 Variable		Sum of Squares	df	Mean Square	F	Sig.
H_F1_q3_Good working relationship with direct supervisor	Between Groups	2.37	2	1.18	3.41	0.03
	Within Groups	212.78	613	0.35		
	Total	215.14	615			
H_F1_q6_Consulted by superior in decisions	Between Groups	15.36	2	7.68	10.06	0.00
	Within Groups	466.94	612	0.76		
	Total	482.29	614			
H_F1_q14_Fear of expressing disagreement with superiors	Between Groups	9.48	2	4.74	5.68	0.00
	Within Groups	505.53	606	0.83		
	Total	515.01	608			
H_F1_q17_One boss organisational structure	Between Groups	16.35	2	8.17	6.96	0.00
	Within Groups	716.98	611	1.17		
	Total	733.32	613			
H_F2_q2_Good physical working conditions	Between Groups	6.99	2	3.49	6.67	0.00
	Within Groups	323.65	618	0.52		
	Total	330.64	620			
H_F2_q4_Security of employment	Between Groups	12.03	2	6.01	10.35	0.00
	Within Groups	358.07	616	0.58		
	Total	370.10	618			
H_F3_q5_Work with people who cooperate well with one another	Between Groups	3.89	2	1.94	3.97	0.02
	Within Groups	301.73	617	0.49		
	Total	305.62	619			
H_F3_q7_Opportunity for advancement to higher levels	Between Groups	4.84	2	2.42	4.94	0.01
	Within Groups	301.37	615	0.49		
	Total	306.20	617			
H_F3_q15_Most people can be trusted	Between Groups	11.77	2	5.89	4.81	0.01
	Within Groups	748.10	611	1.22		
	Total	759.87	613			
H_F3_q20_People's own fault for failure in life	Between Groups	39.19	2	19.60	11.78	0.00
	Within Groups	988.09	594	1.66		
	Total	1027.28	596			
H_F4_q13_Feeling nervous or tense at work	Between Groups	1.48	2	0.74	2.92	0.05
	Within Groups	152.89	603	0.25		
	Total	154.37	605			
H_F4_q18_Competition between employees does harm	Between Groups	23.65	2	11.82	7.29	0.00
	Within Groups	990.67	611	1.62		
	Total	1014.32	613			
H_F5_q9_Personal steadiness and stability	Between Groups	2.75	2	1.38	2.94	0.05
	Within Groups	284.42	608	0.47		
	Total	287.17	610			
H_F5_q10_Thrift	Between Groups	7.17	2	3.59	7.87	0.00
	Within Groups	279.24	613	0.46		
	Total	286.41	615			
H_F5_q11_Persistence (perseverance)	Between Groups	5.07	2	2.54	5.03	0.01
	Within Groups	303.30	602	0.50		
	Total	308.37	604			
H_F5_q12_Respect for tradition	Between Groups	5.16	2	2.58	2.80	0.06
	Within Groups	567.36	615	0.92		
	Total	572.52	617			

## Appendix 5.4: Results of ANOVA based on Public Sector only using VSM 94

VSM 94 Variable		Sum of Squares	df	Mean Square	F	Sig.
<b>Respondents' gender</b>						
H_F1_q6_ Consulted by superior in decisions	Between Groups	3.03	1	3.03	4.21	0.04
	Within Groups	279.75	389	0.72		
	Total	282.78	390			
H_F2_q1_ Sufficient time for personal or family life	Between Groups	1.69	1	1.69	3.73	0.05
	Within Groups	175.49	387	0.45		
	Total	177.18	388			
H_F2_q8_ Element of variety and adventure	Between Groups	2.38	1	2.38	3.25	0.07
	Within Groups	281.01	384	0.73		
	Total	283.39	385			
H_F4_q18_ Competition between employees does harm	Between Groups	8.82	1	8.82	5.31	0.02
	Within Groups	639.14	385	1.66		
	Total	647.96	386			
<b>Respondents' marital status</b>						
H_F1_q6_ Consulted by superior in decisions	Between Groups	2.82	1	2.82	3.92	0.05
	Within Groups	279.95	389	0.72		
	Total	282.78	390			
H_F3_q5_ Work with people who cooperate well with one another	Between Groups	1.86	1	1.86	4.38	0.04
	Within Groups	166.43	391	0.43		
	Total	168.30	392			
H_F4_q19_ Organisation's rule should not be broken	Between Groups	5.04	1	5.04	3.11	0.08
	Within Groups	625.87	386	1.62		
	Total	630.91	387			
<b>Respondents' age</b>						
H_F1_q3_ Good working relationship with direct supervisor	Between Groups	3.01	5	0.60	1.98	0.08
	Within Groups	116.76	384	0.30		
	Total	119.77	389			
H_F1_q6_ Consulted by superior in decisions	Between Groups	6.98	5	1.40	1.94	0.09
	Within Groups	277.68	386	0.72		
	Total	284.65	391			
H_F1_q14_ Fear of expressing disagreement with superiors	Between Groups	15.82	5	3.16	3.87	0.00
	Within Groups	311.41	381	0.82		
	Total	327.23	386			
H_F2_q4_ Security of employment	Between Groups	5.09	5	1.02	2.31	0.04
	Within Groups	170.63	387	0.44		
	Total	175.72	392			
H_F3_q20_ People's own fault for failure in life	Between Groups	16.78	5	3.36	2.12	0.06
	Within Groups	588.74	371	1.59		
	Total	605.53	376			
H_F5_q12_ Respect for tradition	Between Groups	9.63	5	1.93	2.70	0.02
	Within Groups	276.08	387	0.71		
	Total	285.72	392			
<b>Respondents' job category</b>						
H_F1_q3_ Good working relationship with direct supervisor	Between Groups	3.29	5	0.66	2.17	0.06
	Within Groups	116.35	384	0.30		
	Total	119.63	389			
H_F1_q6_ Consulted by superior in decisions	Between Groups	9.94	5	1.99	2.83	0.02
	Within Groups	271.14	386	0.70		
	Total	281.08	391			

H_F2_q8_Element of variety and adventure	Between Groups	7.24	5	1.45	1.99	0.08
	Within Groups	277.65	381	0.73		
	Total	284.89	386			
H_F3_q20_People's own fault for failure in life	Between Groups	15.26	5	3.05	1.93	0.09
	Within Groups	587.05	371	1.58		
	Total	602.31	376			
H_F4_q19_Organisation's rule should not be broken	Between Groups	18.59	5	3.72	2.32	0.04
	Within Groups	613.77	383	1.60		
	Total	632.36	388			
H_F5_q11_Persistence (perseverance)	Between Groups	5.15	5	1.03	2.17	0.06
	Within Groups	179.59	378	0.48		
	Total	184.74	383			

#### Respondents' religious affiliations

H_F1_q6_Consulted by superior in decisions	Between Groups	8.20	6	1.37	1.90	0.08
	Within Groups	276.56	385	0.72		
	Total	284.77	391			
H_F3_q20_People's own fault for failure in life	Between Groups	17.67	6	2.95	1.85	0.09
	Within Groups	587.85	370	1.59		
	Total	605.53	376			
H_F5_q12_Respect for tradition	Between Groups	17.32	6	2.89	4.06	0.00
	Within Groups	274.59	386	0.71		
	Total	291.91	392			

#### Respondents' highest level of schooling

H_F2_q2_Good physical working conditions	Between Groups	6.22	5	1.24	2.65	0.02
	Within Groups	182.42	388	0.47		
	Total	188.64	393			
H_F2_q4_Security of employment	Between Groups	8.87	5	1.77	3.98	0.00
	Within Groups	172.60	387	0.45		
	Total	181.47	392			
H_F3_q7_Opportunity for advancement to higher levels	Between Groups	6.27	5	1.25	3.08	0.01
	Within Groups	157.60	387	0.41		
	Total	163.87	392			
H_F3_q15_Most people can be trusted	Between Groups	11.26	5	2.25	1.90	0.09
	Within Groups	453.19	383	1.18		
	Total	464.45	388			
H_F3_q20_People's own fault for failure in life	Between Groups	15.81	5	3.16	1.98	0.08
	Within Groups	591.32	371	1.59		
	Total	607.13	376			
H_F4_q19_Organisation's rule should not be broken	Between Groups	22.52	5	4.50	2.85	0.02
	Within Groups	605.62	383	1.58		
	Total	628.13	388			
H_F5_q9_Personal steadiness and stability	Between Groups	7.03	5	1.41	3.50	0.00
	Within Groups	153.31	381	0.40		
	Total	160.35	386			

#### Respondents' regions of birth

H_F1_q6_Consulted by superior in decisions	Between Groups	14.98	10	1.50	2.12	0.02
	Within Groups	270.30	383	0.71		
	Total	285.27	393			
H_F1_q14_Fear of expressing disagreement with superiors	Between Groups	27.75	10	2.78	3.49	0.00
	Within Groups	300.17	378	0.79		
	Total	327.92	388			
H_F2_q1_Sufficient time for personal or family life	Between Groups	8.48	10	0.85	1.89	0.04
	Within Groups	170.86	381	0.45		
	Total	179.34	391			

H_F3_q5_Work with people who cooperate well with one another	Between Groups	7.06	10	0.71	1.67	0.09
	Within Groups	163.03	385	0.42		
	Total	170.09	395			
H_F5_q9_Personal steadiness and stability	Between Groups	6.99	10	0.70	1.72	0.07
	Within Groups	153.87	378	0.41		
	Total	160.86	388			
<b>Respondents' ethnic group</b>						
H_F1_q14_Fear of expressing disagreement with superiors	Between Groups	11.44	4	2.86	3.48	0.01
	Within Groups	315.06	383	0.82		
	Total	326.50	387			
H_F2_q1_Sufficient time for personal or family life	Between Groups	4.22	4	1.06	2.34	0.05
	Within Groups	174.52	386	0.45		
	Total	178.74	390			
H_F3_q7_Opportunity for advancement to higher levels	Between Groups	4.81	4	1.20	2.94	0.02
	Within Groups	159.42	389	0.41		
	Total	164.23	393			



## Appendix 5.5: ANOVA of Public Sector Employees with Secondary School Education and above

		Sum of		Mean	F	Sig.
		Squares	df	Square		
<b>Gender</b>						
H_F1_q6_ Consulted by superior in decisions	Between Groups	2.78	1	2.78	3.91	0.05
	Within Groups	258.87	364	0.71		
	Total	261.65	365			
H_F2_q1_ Sufficient time for personal or family life	Between Groups	1.65	1	1.65	4.12	0.04
	Within Groups	144.54	361	0.40		
	Total	146.19	362			
H_F2_q8_ Element of variety and adventure	Between Groups	2.13	1	2.13	2.84	0.09
	Within Groups	269.63	360	0.75		
	Total	271.76	361			
H_F4_q18_ Competition between employees does harm	Between Groups	10.54	1	10.54	6.31	0.01
	Within Groups	599.84	359	1.67		
	Total	610.38	360			
<b>Marital status</b>						
H_F1_q6_ Consulted by superior in decisions	Between Groups	2.69	1	2.69	3.78	0.05
	Within Groups	258.96	364	0.71		
	Total	261.65	365			
H_F3_q5_ Work with people who cooperate well with one another	Between Groups	2.14	1	2.14	5.06	0.03
	Within Groups	154.42	365	0.42		
	Total	156.56	366			
H_F4_q19_ Organisation's rule should not be broken	Between Groups	5.45	1	5.45	3.41	0.07
	Within Groups	575.02	360	1.60		
	Total	580.46	361			
<b>Age of respondent</b>						
H_F1_q3_ Good working relationship with direct supervisor	Between Groups	3.52	5	0.70	2.37	0.04
	Within Groups	105.84	357	0.30		
	Total	109.36	362			
H_F1_q6_ Consulted by superior in decisions	Between Groups	7.68	5	1.54	2.18	0.06
	Within Groups	253.68	360	0.70		
	Total	261.36	365			
H_F1_q14_ Fear of expressing disagreement with superiors	Between Groups	12.59	5	2.52	3.32	0.01
	Within Groups	269.73	356	0.76		
	Total	282.32	361			
H_F2_q4_ Security of employment	Between Groups	4.81	5	0.96	2.50	0.03
	Within Groups	138.65	360	0.39		
	Total	143.46	365			
H_F3_q5_ Work with people who cooperate well with one another	Between Groups	4.18	5	0.84	2.00	0.08
	Within Groups	150.60	361	0.42		
	Total	154.77	366			
H_F5_q12_ Respect for tradition	Between Groups	8.97	5	1.79	2.69	0.02
	Within Groups	239.76	360	0.67		
	Total	248.72	365			
<b>Job category</b>						
H_F2_q8_ Element of variety and adventure	Between Groups	6.83	4	1.71	2.29	0.06
	Within Groups	266.41	358	0.74		
	Total	273.24	362			
H_F3_q7_ Opportunity for advancement to higher levels	Between Groups	2.86	4	0.72	1.98	0.10
	Within Groups	130.83	362	0.36		
	Total	133.69	366			
H_F4_q19_ Organisation's rule should not be broken	Between Groups	20.19	4	5.05	3.22	0.01
	Within Groups	561.70	358	1.57		
	Total	581.88	362			

H_F5_q11_Persistence (perseverance)	Between Groups	3.80	4	0.95	2.20	0.07
	Within Groups	153.13	354	0.43		
	Total	156.94	358			
<b>Religion</b>						
H_F1_q6_Consulted by superior in decisions	Between Groups	8.31	6	1.38	1.96	0.07
	Within Groups	253.20	359	0.71		
	Total	261.51	365			
H_F5_q12_Respect for tradition	Between Groups	15.43	6	2.57	3.93	0.00
	Within Groups	234.75	359	0.65		
	Total	250.18	365			
<b>Highest level of schooling</b>						
H_F2_q1_Sufficient time for personal or family life	Between Groups	2.95	3	0.98	2.44	0.06
	Within Groups	145.36	361	0.40		
	Total	148.31	364			
H_F2_q2_Good physical working conditions	Between Groups	4.64	3	1.55	3.64	0.01
	Within Groups	154.93	365	0.42		
	Total	159.56	368			
H_F2_q4_Security of employment	Between Groups	7.03	3	2.34	6.14	0.00
	Within Groups	138.90	364	0.38		
	Total	145.93	367			
H_F3_q7_Opportunity for advancement to higher levels	Between Groups	2.99	3	1.00	2.77	0.04
	Within Groups	131.03	364	0.36		
	Total	134.02	367			
H_F3_q15_Most people can be trusted	Between Groups	9.04	3	3.01	2.60	0.05
	Within Groups	417.36	360	1.16		
	Total	426.40	363			
H_F4_q19_Organisation's rule should not be broken	Between Groups	14.88	3	4.96	3.15	0.03
	Within Groups	567.66	360	1.58		
	Total	582.54	363			
H_F5_q12_Respect for tradition	Between Groups	4.65	3	1.55	2.29	0.08
	Within Groups	245.63	364	0.67		
	Total	250.28	367			
<b>Region of birth</b>						
H_F1_q6_Consulted by superior in decisions	Between Groups	13.81	10	1.38	1.99	0.03
	Within Groups	248.21	357	0.70		
	Total	262.02	367			
H_F1_q14_Fear of expressing disagreement with superiors	Between Groups	25.98	10	2.60	3.57	0.00
	Within Groups	257.00	353	0.73		
	Total	282.98	363			
H_F5_q9_Personal steadiness and stability	Between Groups	5.76	10	0.58	1.68	0.08
	Within Groups	120.20	351	0.34		
	Total	125.96	361			
<b>Ethnic group</b>						
H_F1_q14_Fear of expressing disagreement with superiors	Between Groups	9.25	4	2.31	3.04	0.02
	Within Groups	272.23	358	0.76		
	Total	281.48	362			
H_F3_q5_Work with people who cooperate well with one another	Between Groups	3.81	4	0.95	2.24	0.06
	Within Groups	153.92	363	0.42		
	Total	157.73	367			
H_F3_q7_Opportunity for advancement to higher levels	Between Groups	4.07	4	1.02	2.84	0.02
	Within Groups	129.77	362	0.36		
	Total	133.84	366			
H_F3_q15_Most people can be trusted	Between Groups	9.90	4	2.47	2.13	0.08
	Within Groups	416.10	358	1.16		
	Total	426.00	362			

**Appendix 5.6: ANOVA of Public Sector Workers aged 35 and above, married with Secondary School Education and above**

		Sum of Squares	df	Mean Square	F	Sig.
<b>Gender</b>						
H_F1_q17_One boss organisational structure	Between Groups	1.69	1	1.69	2.96	0.09
	Within Groups	171.55	301	0.57		
	Total	173.23	302			
H_F2_q8_Element of variety and adventure	Between Groups	2.41	1	2.41	3.30	0.07
	Within Groups	220.48	301	0.73		
	Total	222.89	302			
<b>Age of respondent</b>						
H_F1_q3_Good working relationship with direct supervisor	Between Groups	1.82	2	0.91	3.05	0.05
	Within Groups	89.54	301	0.30		
	Total	91.36	303			
H_F1_q14_Fear of expressing disagreement with superiors	Between Groups	4.20	2	2.10	2.62	0.07
	Within Groups	241.27	301	0.80		
	Total	245.47	303			
H_F2_q4_Security of employment	Between Groups	3.09	2	1.54	4.06	0.02
	Within Groups	115.66	304	0.38		
	Total	118.74	306			
H_F5_q10_Thrift	Between Groups	3.34	2	1.67	4.22	0.02
	Within Groups	118.61	300	0.40		
	Total	121.95	302			
H_F5_q12_Respect for tradition	Between Groups	5.81	2	2.90	4.37	0.01
	Within Groups	201.38	303	0.66		
	Total	207.19	305			
<b>Job category</b>						
H_F4_q19_Organisation's rule should not be broken	Between Groups	16.46	4	4.11	2.68	0.03
	Within Groups	456.23	297	1.54		
	Total	472.69	301			
<b>Religion</b>						
H_F5_q12_Respect for tradition	Between Groups	10.19	6	1.70	2.56	0.02
	Within Groups	196.91	297	0.66		
	Total	207.10	303			
<b>Education</b>						
H_F1_q6_Consulted by superior in decisions	Between Groups	4.93	3	1.64	2.35	0.07
	Within Groups	211.41	302	0.70		
	Total	216.34	305			
H_F2_q2_Good physical working conditions	Between Groups	4.15	3	1.38	3.23	0.02
	Within Groups	129.95	303	0.43		
	Total	134.10	306			
H_F2_q4_Security of employment	Between Groups	5.21	3	1.74	4.63	0.00
	Within Groups	113.54	303	0.37		
	Total	118.74	306			
H_F3_q7_Opportunity for advancement to higher levels	Between Groups	2.72	3	0.91	2.53	0.06
	Within Groups	108.66	303	0.36		
	Total	111.38	306			
H_F3_q15_Most people can be trusted	Between Groups	9.39	3	3.13	2.67	0.05
	Within Groups	350.27	299	1.17		
	Total	359.66	302			
H_F4_q19_Organisation's rule should not be broken	Between Groups	12.82	3	4.27	2.78	0.04
	Within Groups	460.46	299	1.54		

	Total	473.29	302			
H_F5_q12_Respect for tradition	Between Groups	6.50	3	2.17	3.26	0.02
	Within Groups	200.70	302	0.66		
	Total	207.19	305			
<b>Region of birth</b>						
H_F1_q6_Consulted by superior in decisions	Between Groups	14.40	10	1.44	2.10	0.02
	Within Groups	201.94	295	0.68		
	Total	216.34	305			
H_F1_q14_Fear of expressing disagreement with superiors	Between Groups	25.11	10	2.51	3.34	0.00
	Within Groups	220.36	293	0.75		
	Total	245.47	303			
<b>Ethnicity</b>						
H_F1_q14_Fear of expressing disagreement with superiors	Between Groups	8.28	4	2.07	2.62	0.04
	Within Groups	235.65	298	0.79		
	Total	243.93	302			
H_F2_q1_Sufficient time for personal or family life	Between Groups	4.05	4	1.01	2.62	0.04
	Within Groups	115.38	298	0.39		
	Total	119.43	302			
H_F3_q5_Work with people who cooperate well with one another	Between Groups	3.35	4	0.84	2.03	0.09
	Within Groups	124.08	301	0.41		
	Total	127.44	305			
H_F3_q7_Opportunity for advancement to higher levels	Between Groups	3.93	4	0.98	2.76	0.03
	Within Groups	107.26	301	0.36		
	Total	111.19	305			

## Appendix 5.7 KMO and Bartlett Test Based on Individual Analysis of 2006 Data

Ghana Values Survey 2006

Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett Sphericity Test based on Individual Analysis

	No.	PDI		IDV		MAS		UAI		LTO		All VSM 94						
		Alpha	KMO	% Var.	Alpha	KMO	% Var.	Alpha	KMO	% Var.	Alpha	KMO	% Var.	Alpha	KMO	% Var.		
<b>All cases</b>	599	0.125	0.50	0.593	0.68	45.00	0.161	0.51	58.93	0.185	0.52	54.94	0.509	0.65	70.5	0.647	0.83	50.88
Male	411	0.222	0.53	0.568	0.68	43.70	0.19	0.51	59.70	0.199	0.53	54.88	0.494	0.65	44.3	0.666	0.81	51.63
Female	174	-0.142	0.49	0.677	0.66	48.80	0.07	0.47	57.51	0.187	0.54	56.88	0.539	0.64	74.3	0.657	0.73	60.54
<b>Ethnic Groups</b>																		
Akan	246	-0.054	0.50	0.569	0.66	43.90	0.096	0.50	57.58	0.132	0.50	55.17	0.498	0.64		0.637	0.76	57.61
Ewe	123	0.377	0.51	0.617	0.69	46.80	0.205	0.47	60.20	0.23	0.50	56.7	0.485	0.62		0.701	0.69	59.05
Ga	109	0.009	0.43	0.463	0.56	39.60	-0.017	0.49	60.60	0.253	0.43	84.52	0.629	0.69		0.438	0.61	71.89
Other	76	0.14	0.54	0.662	0.64	50.94	0.196	0.43	58.89	0.223	0.51	59.19	0.377	0.61		0.625	0.53	71.80
<b>Organisations</b>																		
Public Sector	358	0.166	0.51	0.62	0.69	47.00	0.153	0.46	58.70	0.15	0.50	55.39	0.507	0.63	43.3	0.636	0.81	46.80
Male	267	0.255	0.54	0.596	0.68	45.57	0.236	0.49	59.90	0.172	0.51	54.74	0.499	0.63	42.9	0.657	0.80	52.38
Female	91	-0.296	0.53	0.681	0.68	51.46	-0.219	0.46	62.20	0.134	0.47	62.45	0.547	0.60		0.569	0.64	64.79
Multinational	131	0.165	0.42	0.681	0.72	51.50	0.233	0.50	61.78	0.331	0.51	59.4	0.586	0.65	44.3	0.726	0.75	66.09
Male	55	0.423	0.60	0.684	0.74		0.156	0.52	69.29	0.416	0.57	62.6	0.653	0.70	53.6	0.809	0.72	75.00
Female	73	-0.072	0.44	0.667	0.66		0.277	0.55	34.13	0.294	0.45	59.18	0.534	0.65	79.4	0.643	0.64	72.90
Indigenous	65	-0.35	0.50	0.351	0.48	58.00	-0.508	0.68	63.86	0.047	0.53	58.19	0.351			0.478	0.51	68.52
Male	54	-0.026	0.50	0.369	0.46		0.545	0.67	42.34	0.142	0.52	58.24	0.369	0.57	67.8	0.493	0.45	71.26
Female	8	0.462	0.45	*			*			*			0.202			0.49		

## Appendix 5.8 Factor Analysis Results of 2006 Survey – Individual Responses

Ghana Values Survey 2006

Factor Analysis of Individualism/Collectivism and Long/Short Term Orientation based on individuals

	Valid cases	Cronbach's Alpha	KMO	Bartlett X <sup>2</sup>	% Variance extracted	determinant of matrix
<b>All cases</b>	583	0.71	0.78	636.67	52.34	0.333
Male	401	0.70	0.77	409.87	0.77	0.356
Female	168	0.74	0.77	239.43	0.77	0.232
<b>Ethnic Groups</b>						
Akan	259	0.69	0.75	273.79	52.00	0.342
Ewe	114	0.77	0.79	184.73	57.52	0.187
Ga	109	0.65	0.67	103.94	50.10	0.371
Other	91	0.67	0.66	92.26	51.96	0.346
<b>Religions</b>						
Catholic	94	0.76	0.76	147.03	57.05	0.195
Pentecostal	233	0.69	0.71	260.95	51.94	0.320
Protestant	172	0.75	0.80	240.45	56.08	0.239
Islam	52	0.64	0.62	50.38	65.50	0.349
<b>Organisations</b>						
Public Sector	374	0.71	0.76	393.75	51.94	0.345
Multinational	132	0.80	0.81	263.17	0.81	0.128
Indigenous	77	0.52	0.65		0.65	

## Appendix. 6.1 Interview Schedule

### The Impact of Culture and Government Policies on Ghana's Economic Development

Demographic information about the respondent:

1. Please tell me about the most important things you would take into account, if you were looking for an ideal job?
2. What would you normally do to find work?
3. Can most people at work and in business be trusted?
4. Do you think it is right for subordinates to express their disagreements with their superiors?
5. What do you think about competition at work between employees?
6. When it is in the best interest of the organisation, can an employee break the company's rules?
7. Do you agree that seniority should be based on age, or traditional or spiritual office or lineage rather than upon technical skill, experience and seniority in employment?
8. What are the main causes of absenteeism and low productivity in Ghana?
9. Can one be a good manager without having precise answers to most questions that subordinates raise about their work?
10. What are in your views, the most important causes of poor living conditions in Ghana?
11. What are the important qualities children should learn at home?
12. How often do spend time with your parents?
13. Please tell me about the extended family system. How is your life affected by the extended family system? Any advantages, disadvantages?
14. How important is thrift, the careful use of money to you in your private life.
15. In your private life how often are your actions affected by the ways and actions of the ancestors?
16. Apart from weddings, funerals and christenings, about how often do you attend religious services these days?
17. Is it true that there is spiritual counterpart to everything, such as land, rivers, mountains, trees and human beings?
18. How effective are the inheritance systems in Ghana in promoting the development and continuous survival of business enterprises?
19. Is it true that human beings are born into the world with unalterable destiny?
20. What do you think about the following Ghanaian institutions?
  - Law Courts
  - Police
  - Chieftancy
  - Financial Institutions
  - Public/Civil Service
21. Is there anything you would like to add about the impact of Culture on Ghana's Economic Development? – Land management systems, agriculture.

**Appendix 6.2: A raw interview transcript of an Upper West (Sisala) female, moslem multinational manager, conducted on 23 January 2007**

*Can you trust most people at work in Ghana?*

Yes.

*What percentage will you give to the people you will trust?*

I think the population of Ghana is about 20 million and the people who are working will be like a third of general the population so I can say that if it comes to that, at work place you can trust about 70 per cent.

*Why do you trust 70 per cent?*

For me, where I am coming from, I think that you have to trust somebody until the person proves otherwise, that he is not trustworthy. So, if it stays like that most people will think that people are not trustworthy. I have not had any problem, I think when you do start by trusting people and being biased and having preconceived perception about somebody mars productivity at work. So you have to start by trusting the people until they prove otherwise.

*Can you tell us how you developed this approach to trust?*

I believe you just start of by trusting people, that is easier because if you do not trust somebody from the start, it means you are prejudiced against the person, so there could be instances where you think that the person is saying something and after telling you the facts, real facts of whatever is going on, but because you do not trust the person you would not accept it, and if that person realises that after one, two, three incidents you do not trust him he will behave in line with your perception about him and that really creates distrust at the office and the workplace. So for me I just believe that it is better to start with trusting people until they prove otherwise.

*Have some people proved you wrong so far?*

Yes, they have proved me wrong sometimes. Because you see a person and you think that this person will know very well that certain behaviours are not acceptable at work, so you can trust him, like I am saying until the person comes out with a certain behaviour. For example theft, pilferage, taking things from the office that they are not supposed to take. You expect them to know better and when they do that then in that case you begin not to trust the person.

*So what causes that?*

Well, it is the same, they are people who generally are greedy and they think about something that does not belong to them. Like this is a big company they do not own the company and so they think that if it belongs to somebody else and they take, it does not really matter. So they do not have that sort of attitude that you need to take care of somebody else's property like yours. Especially as they have begun to work there and they want to continue to work there. So they think that they can just take it.

*What about in business, would you trust most Ghanaians in business?*

People usually say that I don't trust this person, I don't trust that person but if it goes on that way the other person too will have every right not to trust and it affects Ghanaian business, the idea that cuts across all sections and it is not the right thing. Even in business, I would prefer to trust somebody until the person proves otherwise. And it is even easier in business because business assumes that the people would work in good faith and they put in the controls to ensure that. In that case you make sure that you put in the controls.

*If a Ghanaian wanted to enter into an IT business with you what would be your reaction?*

I have to know the person very well, I would check the person's background and it will depend on if have known the person for a long time or I have grown up with the person before I will start a business with the person. But I have heard most instances of people



saying that you cannot trust a lot of people in business. You start a business with him and you realise that he just pulls a fast one on you. Because of those things a lot of us are intimidated that is very common when you listen to people's trust in partnerships in business. It gets to a point and the other partner wants to have a larger share of whatever and they sometimes do not even go according to the agreement. So you realise that some people after one or two experiences of this type of situations they come to the conclusion that they will never start any business with anybody without signing a venture agreement, so the person does not try to go behind you and do something. So you agree that these are the ways we are selling the things these are the percentages we are sharing the profit. So they cannot go behind you and sell the things or just start up with somebody else behind you. Or he could even give so much information about your sources of information or the product that you are selling. They may leave you and then go and start up on their own and try to keep all the profit for themselves.

*So the people are not trustworthy then?*

Some people are not trustworthy, but not all of them.

*Is that why we have that low number of partnerships in Ghana?*

We have very low number of partnerships in Ghana. The trust is one of the major reasons. But I think another thing about most Ghanaians, it is my thought, is that if they want do business with somebody, like I am saying they have to know you for a very long time and then it gets to some point then greed comes in, greed is the main factor, I have known a lot of IT businesses that have failed, they start of very well but sometimes because of lack accountability of resources, monies that are coming in are not accounted for properly, they do not have the discipline of keeping accounts, keeping records of everything that is happening, monies that are being spent and they sort of think that this person is my brother so he will not do this or that. You expect the person to act in good faith, but with time you realise that that he is overspending and doing things in a way that you do not expect him to do that in a business way. So you see that the person is not doing things in the way I expect him to do, he is spending the money and they are not preparing any accounts. They just take it like I know this man, he is my brother, but business should be separated from family relationships. When in business, you follow the rules of business. But if you go into it like family business or family relationship then.... Culturally, we tend to think like we are brothers; he is part of me so even if he is doing something that is wrong in the business, because he is your brother you want to overlook it in most instances. So you must draw the lines between business and family relations. If he is your brother and you are doing business with him, he is supposed to account for everything that, he shouldn't feel intimidated when you ask him you spent this amount of money can you tell me what you used it for.

*So, most people enter into partnerships with their relations?*

Yes, with their brothers and sisters, they prefer to enter into business with their brothers and sisters. May be because they are brothers and sisters they trust them and they think that their brother is too keen to support them. So they do not expect their family relations to do things against them and you realise that in case there is not much objectivity. Because of that even if the brother is doing something that is very, very wrong they will still support the person just because the person is their brother.

*So apart from the family members most Ghanaians do not trust other people?*

It depends, when it is outside the family they will trust the person if they have known the person for a long time or if a friend or another family member says that this guy is a very trustworthy person.

*So a family member can recommend?*

Or somebody, a friend must tell you or you ask I want to start a business with Mr A do you know him? Then they will say he comes to me he sells things to me but I do not know so much about his background so I have somebody else. Do you know this guy? Then he will say I know him, I was in school with him, and it is very easy to get this kind of information.

*So imagine you attend a conference and meet someone for the first time and the person proposes a business venture to you, what will be your reaction?*

If I do not know him I will need time to find out more about the person and I will make sure that we have all the legal documents in place so that we do not go against each other in any way.

*Is it right for subordinates to express their disagreement to their superiors?*

Yes it is right, but the way of expression is also very important.

*And is it encouraged in Ghana?*

No. It is not the general practice.

*Why not?*

Because, some people say Ghanaians culturally like to respect age and save face. So, if a subordinate is working with somebody and especially with their boss, in some organisations they take it to be disrespect when you express a disagreement. Because the person is the boss, because he is doing something wrong they think that the child or subordinate should not tell him in the face, that they are wrong. But it depends on the organisation, some organisations encourage the subordinates to express their views and especially in (my organisation) it is encouraged. But the way you express it too is very important.

*Is it encouraged in the public sector?*

No.

*Why not?*

In the public sector you realise that promotions, performance appraisals and certain things sometimes depend on certain people, like the directors and their ways of managing these things are not very clear cut. In the public sector, this is what I think. So you will realise that promotions and other things depend so much on the director what he feels or think about you and he has so much power to decide whether you are able to do this or that. You will realise that people try to please their bosses. And in the public sector too, I realise as the power is very much centred around the bosses, etc. so if you go trying to tell your boss and your director in the face, you are wrong or that I am not happy the way you said it. He will be offended and you know when he is offended it will affect you so much.

*What about the private sector?*

It depends; in my organisation power is not centred so people are able to speak their mind.

*What should be the basis for seniority at work? Is it age, spiritual position, lineage?*

No, what do you mean by seniority?

*That may be now that you are Hajja, it should reflect in your seniority?*

No, it has nothing to do with performance in the office, it is very personal. Some people expect that they are within age 35-40 and they might have gained some experience and long service so they try to attach the age to the experience. But there are instances that you can get somebody who is within that same age group but he doesn't have that kind of experience and exposure that somebody else has had. So if you are employing the person who is thirty five, he is capable he has had the experience and can deliver whatever your objectives are. You would not say because somebody is forty and he is older than this person so would put the person above this person. So you will realise that in this organisation there are people who are far older, some of them could even be my parents. When I started working they were already here, a lot of them are on the shop floor. But, I have risen through the ranks, and where I am now they cannot be, they are still where they were. So it is not age, but productivity and competence.

*So, are you saying it is based on competence in this organisation?*  
Yes, it is based on competence.

*But you do not think it applies to the public sector as well?*

In the public sector, they look at age so much for certain positions unlike in the private sector. When for example, I am an IT manager but if somebody here is finance manager and the person is older than me, you will realise that whenever the IT manager has dealings or issues with the finance manager and who is about ten years older than him/her, he or she will feel intimidated seeing things the way they are. So he will look at the age so much and say he could be my father so he will not point things out to him.

*So is age very important in Ghana?*

It is very important in Ghana. We respect age so much because we think somebody who is older has had so much experience. But when you bring too much of age into an organisation it does not help. You have to take something and fine the person is older than you and he has done something that is wrong you will find a way to be able to tell him that what you did was wrong. So even in telling the person what he did was wrong, you should consider the fact that he is older than you, but you have to tell him so you should not allow the age to stop you from that and say if you tell him he will be offended, no.

*So in Ghana you will find age standing in the way?*

Yes, we have always been made to understand that older people have the experience and they have seen things that we have not seen. When they are talking we are given the impression that they sort of know something that we do not know. And that whenever they say something or they discuss a particular issue, there is so much confidence and they will say you do not know what I know, but they are not able to tell us exactly what they know.

*What are the main causes of absenteeism in Ghana?*

Over here in this office, because you do not get paid if you do not come to work for example, most of the times, the shop floor workers do not come to work.

*Is it done here?*

The shop floor, yes they are very strict about it. They give them warning letters and you will have the pay deducted. But the people in the office because they are salaried workers you realise that sometimes they are not very strict about absenteeism, so a lot of people take advantage of that.

*So the shop floor workers are paid by the hours worked?*

Yes, they are paid hourly workers.

*What about the low productivity?*

Aggrieved workers, they think that they are not being paid well because they see that the company is making so much money and some people are enjoying better than them.

*Why do they think that way?*

They only have the impression that those in the top management, the supervisors are Ok. They think some of them are just sitting in the office, they do not do anything and they receive so much but they are standing on the shop floor, they work so hard and earn very little wages. And there are instances when they are agitating for salary increases and certain kinds of benefits and they are not given.

*Is there a lot of difference or a big gap between the salaries of the managers, supervisors and the shop floor staff?*

The difference is quite large.

*Any other reason, especially cultural that would affect productivity?*

When it comes to religion, these days you realise that most of the churches open all the time, and there are instances when you are passing by the church during working hours and there are so many people over there. And when you look at the kind of people who are there, they do not look like unemployed people so may be they run their own businesses, but if they are working for other people then may be they can say that they went there at lunch time.

*So some churches are open for all hours?*

Yes, all hours and people just go in and pray, so religion is even becoming a problem.

*But somebody will also say that the Moslems too pray throughout the day?*

They pray for five minutes or maximum let us say ten minutes, five times a day and sometimes they post postpone the one o'clock one till about two thirty. It really changes you can pray that time but people tend to abuse even that one. Instead of working they say I am going to pray.

*What about on Fridays?*

On Fridays, around 1pm they leave and go to pray.

*So some people may not come back?*

I know that in the public sector a lot of people consider Fridays as half days but they are supposed to work to five pm, but a lot of people leave very early on Friday. I do not think that it is official but it has become more or less a norm. On Fridays when you go to most offices, you may not see most people after a certain period.

*So what do the Moslems in the public sector do?*

On Fridays they go to pray but I do not know whether they go back after they finish praying or leave the office.

*So religion in general in Ghana, what do you think?*

Religion in general in Ghana is very important for the Ghanaians. And you can see or tell from the number of churches and mosques littered around when you are driving.

*Is the proliferation of churches contributing to development?*

They are helping the church and mosque owners.

*But are churches and mosques supposed to help the owners?*

No, but you realise that over here in Ghana, it is becoming a business, the overseer of the church is normally there and a lot of people go there and they contribute and give the impression that when you have a problem, you come and donate, and they pray for you. Some of the people will believe in these things because they are human beings. It is becoming like a business, there was one church owner who was advertising his church as being 'the only church in which Jesus was still in the miracle business'. Fortunately, he has stopped using that phrase, so when you see the advert you ask yourself, is it a business? If you look at the way things are done, you will realise that it is becoming a business. I know some people that are young, they have so much skills and professional training in certain areas but they rather try to set up a church by themselves and make themselves senior pastors

*So some productive people are not using their skills appropriately?*

They have gone too much into the church business because if you can get people to come into your church, it means money. There is another case of a church that is owned by a Nigerian pastor in Ghana here. If it was not for business they would not have quarrelled over the proceeds of the church. Because they thought they were making so much money, thousands of dollars and then when they make that money from the contribution that money is taken to Nigeria. The Ghanaian pastor decided that it was too much to take that kind of money to Nigeria because the contributions were made in Ghana so they can leave the money in Ghana and use it for the Ghanaians.

*Why do they take the contributions to Nigeria?*

Because they claim, the overseer of the church claimed that it belonged to the main church; the mother church was in Nigeria. And you realise that in relation to mosques and Islam too people fight so much to become the Imam. A community or the people build their mosque and the Imam leads the prayers and when any resources come from somewhere, a lot of the time the Imam exercises control over that money. And, as to the way the Imams handle the money, I do not know.

*Do they have mosque elders who handle the money?*

They have mosque elders.

*So do some Imams share the resources?*

Even the resources should be used for the mosque and for the people who come and they need help, the orphans, but some of the Imams themselves, they are not working, so that is how they derive their income. With the Moslems, generally they are not very rich people that donate big money. The Imam will not make much money so with the Imams there is not much money anyway.

*Can one be a good manager without having precise answers to most questions that the subordinates ask about their work?*

Before you become a manager you have to acquire so much knowledge and at least know more than them. So you should be able to answer relatively a lot of their questions, because some people are saying that managers should know, but when you do not know, I think the internet is there for us, so you just go and find out and then tell them

*But what will be the normal Ghanaian perception if the manager does not have most precise answers?*

They will think that the manager does not know anything for him to be their manager, no. It is the Ghanaian perception that the boss should know everything. If they see that the boss does not know then they will say 'that he does not even know anything so how can he be our boss' and so if you do not take care in the way you ask people to do things for you like. The boss doesn't have to do everything. And when you do not know certain daily routine tasks and you come to them and you do not communicate in a way that is acceptable to them, it even worsens the situation. 'You don't know anything and then you are bluffing'.

*So does it make it difficult for first time managers to manage as one would not like to expose the ignorance?*

No, that is why I am saying that a good manager should be able to bring him or herself to the level of the people, I think some subordinates feel good when they think they are helping a certain manager know what they are doing. You would not go and tell them I do not know it, you should say I want to know what your work schedule is, so tell me what you do etc. you do not have to know everything. For instance, in your area, as an accountant if you are coming from a background where you were using SAGE and you come to this institution and we are using SUN Accounting. That subordinate only knows how to do certain task but he does not know the underlying implications of the task and you just want to know how that software works. So you have to communicate in such a way so they know you know, and when you are interacting with them they should know that you understand the bigger picture. That really matter because data entry or certain categories they are not your work and you just want to know the software, how it works, etc. So at the end of the day it depends on the manager, he should know how to talk to the people.

*What are in your views the most important causes of poor living conditions in Ghana?*

I don't want to say it is education, because there are some people who have not had any formal training or education but they excel in whatever business they are found in. So I would not want to say education, however, education gives a lot of people the opportunity to get out of the poverty.

*But you wouldn't say formal education but may be some informal?*

Informal education, like trading or they are being exposed to their parents trading.

*What about the people who have made it successfully but did not receive any informal education?*

Yes, they have made it because they had the discipline. When I said I would not say education may be I should say that I don't want to say formal education because in Ghana there are people who have had formal education but they cannot read ABC. I would not say that sort of education because there are people who have made it even though they have not been formally educated.

*Have you spent some time in the North?*

Yes, I schooled there.

*What are the main causes of poverty there?*

They do not have resources.

*What type of resources?*

When I say resources, like you know, how many factories do they have there? I don't know of any factory, you know, manufacturing industry that is in the North.

*Why are there no factories?*

Because there are no resources, and the lack of infrastructure does not allow people to carry raw materials from here [the south] to that place.

*What type of infrastructure?*

The road is really, really bad, very bad. The road to Upper West is very, very bad. And look at the electricity, until recently the national grid did not get to that level, then water too is another problem, you realise that most people have boreholes up there. So if a company is going to set up there and will need electricity, will need to transport the resources there, and they need water, the likes of (my organisation) cannot survive in the North.

*Will railway make a difference to the transport infrastructure?*

Railways will make a difference but even within Accra the railway system does not function. It could have made a lot of difference, if it was working because some factories could be sited and operated there. They could use the resources there too; they have shea nuts so there could be shea nut manufacturing company. They export a lot of shea butter and shea nut.

*What about the human resource? Some people are saying that people get educated in the south and they never go back to the north?*

Yes, they do not go back to the North because, like I am saying, they do not have certain things that attract people like we have in the South in the form of electricity and the other necessities, good drinking water, good schools for the children. They do not have some of those things there.

*So if you have benefited from a good school you would not like your children to suffer?*

If the schools are there and they are good enough and you have the basic things that you need like the road system, there is good drinking water, food is easy to come by and are not expensive, you can have your gas and things like that to cook your food and you don't have to rely on difficult ways of living there. Tamale as compared with Wa, will make a difference because Tamale is fast developing into a metropolitan.

*What about agriculture in the North? What do you think?*

They are mostly agricultural, there used to be best farmers for successive years but now they haven't had that best farmer coming from my village for a long time. They say they do not get enough diesel for the tractors. It is very difficult to transport diesel from Accra to the North.

*Why is that?*

May be they are always short of diesel and besides the diesel, to get the people to work, the labour.

*You don't have human resources there?*

They use people from other places or towns to come and work for them. They invite these people to come and work for them, they work and they give them some of the produce. May be that would not be for professional or commercial farmers. But for individual farmers they invite people from other homes like I am going to clear my farm on this day so the people like the one who is inviting the people prepares a lot of food. So the people come and then they farm, and eat so they are more or less helping you. But I do not know about the commercial ones.

*So is it how the chief farmers used to operate?*

I do not know, I don't think that is what they will do. I don't how they operate whether they pay how much they pay for them to do the work for him. But I think they should pay them.

*What about the water, is it possible to irrigate the lands?*

A very big problem that is savannah and they do not have irrigation and so when it does not rain they are always at the mercy of the rains. Sometimes the rains start in April. It does not rain there. The sand is very, very hot there and the crops die.

*But Burkina Faso is doing very well?*

They have improved on their irrigation, they use irrigation. And I think in Burkina Faso, they have also got a very good conservation policy, every where you go they plant a tree and they also block the water from the River that flows from Burkina Faso into Ghana. It reduces the amount of water flowing into Ghana. They have dammed the Volta River and it prevents most of the water from flowing into Ghana. So it boils down to government policy, government has to make sure that there water for the farmers to engage in agriculture.

*Concentrating on the North, are there any other causes of the poor living conditions?*

The North has been, when I say the North I will be referring to my area the Upper West. You know the North has been deprived of so many things, the colonial policy of not sending so much education there as they were using the North as the pool for labourers for the Gold mines. So the fact is that they deprived us of so many things that they provided to the South. So the North has not benefitted so much from formal education as the South did. It is also due to the fact that naturally they do not have certain resources as the South has, and when it comes to Agriculture, the rainfall in the north is not very encouraging for them to be able to farm and we do not have very good irrigation systems. So you realise that when you look at the numbers there are for education, most male people from the North will be educated even though the majority of Ghanaians are in ... But a lot of them will be from the northern side because of that kind of policy. I am saying that because some people think that even though in the Volta Region, they do not have good farmland, but look at the number of their people who are educated. Because they had schools the North were not given the same opportunity. Only a few secondary schools, Jirapa Secondary School have recently been added to the northern schools. Some time ago, in April last year we were going to the North, I was shocked to realise that the road was just like it was in 1989 when I finished sixth form, it had not improved a bit. From Bamboi through to Upper West, to Nandom, it has not improved a bit and that is a fact. We could not go there by the State Transport, we had to travel there by other means.

*Does it mean Upper West has been cut out?*

Somehow, I think that it has been cut out, or even if it has not been cut out, not much attention is being paid to Upper West.

*But before, Upper East and Upper West was one Region?*

They were one region and that region was too big administratively and you realise with the Upper Region at the time everything was also centred on the now Upper East, the Bolgatanga side. So, they wanted to develop the Upper West by getting certain infrastructure in place. So in order to give Upper West or that side of the Upper Region, the opportunity to also develop or to get certain infrastructure, they created another region.

*Are the people in the Upper East and Upper West from different ethnic groups?*

We are not totally different but the first difference is the language and the other is the religion. Most of the Walas are Moslems, most of the Dagartis are Christians, most of the Frafras are also Christians. And in the same Upper East region most of the people from Navrongo, the Kassena's are predominantly Catholics. In the same Upper East region when you go ahead most of the Mossis and the Gonja's are Moslems.

*So what can we say was the basis of the division of the region?*

The problem is that when you come to the Upper West, even though we may have certain things in common, the people from the different tribes are entirely different. The three main ethnic groups in the Upper West are the Sissala, Dagartis and the Walas. The division was based on the political interest of the then government.

*Has the division helped to develop the region?*

Relatively yes, because they have certain things like infrastructure, formerly, you had to take everything to Bolgatanga, but now we do everything in Wa. Certain administrative issues are settled in Wa here. And because the government has to have its machinery there, for example, even if the Internal Revenue Service is small, they will employ some people.

*Then we can create more regions to develop the country?*

I do not know, we do not have to create regions because it is very expensive to create the regions. If you create many regions, it will create more problems for the country as a whole, you should have very good reasons to create the regions. If the infrastructure and the mode of communications are good and it is easy to cut across from here to there, then they will not even feel the distance. It is just difficult to move from one place to the other to make a telephone call from Bolga to Wa, you had to go to the Ghana Telecom in Bolga and put in a call.

*What are the important qualities you would like to teach your daughter, or children?*

You have to be respectful to everybody, like people in general, your own colleagues, disregarding social differences like you do not say because you are better-off than this person, you have to respect people in the diversity that we have. Secondly, she has to be humble. And I think she has to have a good personal relationship with God. She has to learn hard.

*How is the extended family system practised in your area? Who do you see as your family?*

The people related to me in one way or the other. We do not say this is my cousin so I consider my cousins to be rather my brothers and sisters. We, the Sisalas, do not say our auntie or uncle but my junior or senior mother or father. They assume the responsibilities like your parents, so your sister's child is your child.

*What about the patrilineal and matrilineal, do they matter in your area?*

For instance, my uncle died and we had to go to the village for the funeral very important part of the whole process had to be done by my mum's dad. When it comes to traditional issues like marriage etc. the patrilineal people definitely will be the ones who will take the dowry etc. during the marriage ceremony the whole family will be there.

*How does it affect the Ghanaian in terms of advantages and disadvantages?*

The extended family system is good, very good. It has saved a lot of people from trouble at some point in their lives because you know, your parents would not have had the



resources to take care of you, but if you go to an uncle he may be able to sort of assist you. Somehow they helped you when you were in need and when you get to some point in life and whoever helped to take care of you when you were a child, now you have to try and help them when they are in need. Unfortunately some did not help, some are not helping and others too they helped. There are some people who benefited from the extended family but they really do not do anything for the extended family but somehow they benefit from it.

*So is the system fair?*

Sometimes you just think that some of the people are very ungrateful because you realise that at the difficult time they might have seen an uncle to come to their aid but at some point they just want to see you, they may not even want anything from them, but they think that when the uncles come to them they are coming for money, but that is not good. Some people even without them inviting you or asking you for anything, you should just see that you have to give to them so that they will realise that you remember what they did when you were a kid.

*Is the economic situation having any effect on the system?*

For some people the economic situation is hard but there are people who are economically sound, they are Ok, but they just refuse to help people from the extended family. Sometimes they think or they become more or less the nuclear family; like mother and father.

*Why is that? Is it because the person was born in Accra?*

That is why I am saying that some people were grateful like they came to show that this man was there for us when we needed him. Others did not do it. And there was one instance, my dad was not feeling well, he had to be operated on, and I had an uncle whom my dad had taken care of since he was a very young, even when he was going to Paris, my father sponsored the whole trip. And somebody reminded him that of all the people who have really enjoyed and benefited from the brotherly love that their brother showed them, it is you who enjoyed most. They don't have that sense of reciprocation. So those persons I consider ungrateful. And when it came to me, for instance when I was in the sixth form in Wala and my dad could not then afford, I went to my uncle who was a bank manager then, he was very happy about my grades and he bought all the books for me, I was very happy. I did well in the sixth form and went on to the university. Later in life, you would not believe that when this man lost his job with the commercial bank and had to stay in the house for a long time, I did not wait for him to ask me for money. And sometimes I just felt like he needed money I will go to his house and see him. There was one time he had to go to the village for a funeral, but he did not have money, I got to the house and realised that my uncle was so shy he could not ask me as he I thought I was a small girl and now he had to depend on me for money. But his wife confided in me that they had to go the village and he didn't have the money so I said mum I have money. So I went with one of my cousins from the house, I had \$100 so I gave it to her and at that time it was about 700,000 cedis. It was such a relief to my uncle, he was so grateful. So I think that the extended family, for me, is good for it has made me what I am.

*So if you had not gone to school in the North and since you were born in Accra, you would only know your mum and dad?*

No, I knew all my uncles in Accra here. They all stayed in the house, I remember those days when they were going to school my mum used to buy 'gari' at this place in Dzorwulu for them.

*How are savings important to you and Ghanaians in general?*

I think for a long time Ghanaians know that it is important to save. But as for the reasons why they do not save, I do not know. May be the money is not enough to save or they think that when you have to save, the money should be in big amounts. But you realise that long, long time ago our parents used to buy Holland cloth and gold jewellery, they saved their money in that form and when they needed money they sold the cloth so that was a form of savings.

*So are there any cultural reasons that stop Ghanaians from saving?*  
Culture, yes.

*Can we talk about dowries as practised in the North?*  
Dowry in the North, they pay cows and goats.

*How many?*  
They pay four or so.

*So how can someone who does not have the resources come up with four cows for marriage?*

Fortunately, nowadays they are able to marry on credit. When you are getting married you have to pay a token and they acknowledge that you have paid a dowry.

*Who pays?*

It is the man who pays it, his father or his extended family. This is one of the areas where the extended family comes to play so when the male child in the house is going to marry it is not the concern of his father and mother alone. Every member of the family plays a part.

*So do culture and religion have something to do with savings?*

Culture does, and religion does because there are some practices in Ghana now that prevent savings, I think some of the marriages are very elaborate. I remember some people who went to marry and had the reception at Novotel, it was so expensive and afterwards they went and lived in something like a ghetto in chamber and hall, there was no toilet and bathing facilities. At that time they could have used that three million cedis to get a more decent accommodation to live in because this happened around 1996.

And sometimes the funerals too are prohibitively expensive. Yes the person is dead, it is surprising to see that when someone is really, really sick and he needs help the little amount of money to get something to eat, no family member is willing to bring that money. But immediately the person dies you see the family members, everybody coming to claim over that corpse because the funeral is more or less a business. So many people are going to come and they are going to give so much in donations and they fight over this kind of thing. They fight over the corpse instead of trying to save the life before the person dies. There was an instance at a hospital in Ghana when someone was very sick, after the person had been taken care of they couldn't find the family members to pay the hospital charges. So the hospital officials devised a way, though it was not ethical, yes, but they needed to get their money so they created the impression the person was dead, the family now came and paid the hospital bill and brought their coffin and then wanted and to go and do their business and they later found out the person was alive.

*Are there any other instances?*

Sometimes they do it on credit, because some guys do not have money. You have to buy a certain number of cloth and you make donations, etc. They want to create the impression that they are OK, so they will go so much beyond their means, people will take about three years' savings and they just spend it one time on that kind of occasions, outdoorings too are getting expensive. Ghanaians, sometimes I think, some people like to show off. For instance, because of the culture of lets do it, even though some people know they are poor they want to create the impression that they are not really that bad.

*Why do they have to do that in Ghana?*

Just to justify your existence, to prevent people from insulting you. You know, sometimes they say these things like, when your family member died even the funeral how did you celebrate it? When you had to marry your wife, you did not even do this. When you weaned your baby, you could not even buy a sheep, you know in the case of the Moslems, they have to slaughter a sheep to wean their babies, you know that kind of thing. They just come and eat at your expense and go, fine, they should come and make merry. But, you should not do anything beyond your means. As for me I don't think that I

need to do that you know me already that I can afford to do it, but I can use my money for better things.

*In your private life, how are your actions influenced by the actions of your ancestors like your grandmother?*

I did not have the opportunity of meeting them.

*But when your mother was teaching you these qualities did she not refer to how your grandmother or great grandmother and how they led their lives? For instance, where you should marry from and where you should not marry from?*

Where I should marry and where I should not marry from, I think the family, and it is only in the North where many northerners for one reason or the other, did not want to marry the Fulanis, but that was those days. But these days with urbanisation so many people in Accra are mixed up that if you say they do not marry from this family or that family, it will not really work, but I think that it still rears its head sometimes. But that is from the family, but when you talk about religion it is still important, because you realise that some parents are Christians and they do not want their children to go and marry Moslems even though they may come from the same Upper West region. Some parents that are Moslems would also not want their children to marry Christians, but even that some people have decided to ignore.

*Wouldn't that create a problem, if you come from the same region but you cannot intermarry?*

Yes, it does create divisions. I think people really get angry about marriage and they fight sometimes. And Wa for instance, that is another problem. Besides the fact that there is religion...the Wala are Christians and Moslems they also have problems with these Ahmadis and orthodox Moslems. So when we went to school, I did not know about these Ahmadis in Wa. So you realise that Ahmadis Moslems do not want to marry orthodox Moslems, even though they may be one family, may be one big extended family but the section that is orthodox would not like to marry someone from the other section and most of the time they have clashes.

*Is it still there?*

Yes, it is still there.

*Is it true that there is spiritual counterpart to everything like land, rivers, trees, mountains and human beings?*

I am afraid to say, yes.

*What about human beings?*

With human beings, we all know some human beings are witches and wizards. Land, trees, rivers, etc it is not long time ago we heard so many stories, they told us stories about the trees that behaved like a human being and also when somebody cut a tree and then the person died or somebody went to the sea to do something and got drowned.

*What about the inheritance systems in Ghana, how does it affect the economy?*

In Sisala for instance, I know that they used not to share property, so the extended family, the head of the family is the one who will take care of the property that has been bequeathed to the family. He will lead and it is for the whole family when he dies, it does not mean that his family takes it because it was handed over to him by somebody. So when he dies the next head of the family will come to take care of that property.

*Is it patrilineal or matrilineal?*

That is patrilineal, we are patrilineal when it comes to inheritance.

*What about the children and the wives?*

They do not care but that is in the village. But now with education and people moving to the cities you do not expect me to work hard and acquire my resources and then I say my brother will come and take it, no.

*But this is part of the extended family system?*

That is there, but over here and especially one other thing you should realise is that over there in the regions, the tradition has always been that they do not share property but definitely, with the influence of education and people now living with their mums and dads, etc., you cannot come and say that you are going to...so you cannot take over a person's property. Moreover, this PNDC Law 111 does not allow people to do that anymore because so many people were being cheated of their bona fide property. So I think that over here in the urban areas it does not work but in the villages it still applies.

*What do you think about it?*

It is not fair. It is not fair at all because I, for one, when my grandfather died, my dad told us that he had left so much livestock and the one who took over from him, our grandfather's brother was greedy so he preferred to keep all that to himself, so that only his children will benefit so he decided to get all the property moved from my grandfather's house to his children's grandmother house.

*So the person did not believe in the family system?*

It is greed, he wants his immediate children to be the sole beneficiary of that property. And in the end, God being so wonderful, you know these days what goes around comes around, all the things have vanished, they have sold everything they haven't got anything to show for it. So for that one, especially me, I just don't like it and my dad was not happy about that and all the time he kept complaining. There was one day he told us that 'we are his property and we are worth more than those cattle. But it is not fair.

*So in Ghana, generally, the inheritance system is not fair?*

The inheritance system traditionally is not fair.

*If the inheritance system prevents the sharing of property, would it not help to promote the survival of business, as in the case of those with businesses and many children this system will prevent the sharing of the property amongst them?*

That is if the children do not get greedy and one does not try to outsmart the other, like this sad story I just told you. If that grandfather of ours was not so greedy to take everything away, with the livestock, there would have been continuity and then we could also come and benefit but when we went there I never saw one cow in that house. When you talk about most of our businesses, for example, I start a business and it is doing very well and then when I die my children inherit it, I would love that they allow the business stay and they continue with their work, so that all the children will benefit from it.

*What if you had ten children?*

Having ten children? That is chaos. When I die and leave ten houses they are not going to call anybody to come and share they will apply the Islamic law of inheritance.

*So you have the Islamic Inheritance law operating as well?*

It is very, very clear about how to share property.

*So does it mean that the other inheritance systems do not apply to the Moslems?*

They work hand in hand. But some women when they think that they have been cheated, some go and seek redress from the PNDC Law 111. I know of an instance when you come into the family and one is very alright and fortunately, she happens to have four boys and then one girl, so it means that if adults, it does not matter how old you are, you can be seventy years and if that step brother or little brother is two years. So the elder brothers realise that when they share the property the woman is going to get one, her daughter is getting one, the three boys are getting three. So, it means that everything will go to that woman, so they were delaying in implementing the whole thing, so she invoked the Law 111 and then they called them to make sure that they share the property. They had to go and call the Imam to come and sit and distribute the property.

*And how did they distribute it?*

By the Moslem way, they decided to distribute it 2:1.

*So which one is fairer the Islamic law or the PNDC law 111?*

Inheritance, even the family too has ... there is a whole verse in the Koran. For instance you get married and when you die without any children. Your husband does not have absolute control over your property. Your husband takes part and your family too takes part. If you leave a sister, there is a share that your sister gets, if you leave some children and you do not have a husband your children have to share, and then your family and the community too.

*So the community too benefits?*

For instance if you die, if somebody is very, very rich when he dies and he has no child, the community too benefits.

*Does it mean that the PNDC law 111 did not cover the Moslems?*

No, it does not capture the Moslem area. I realise that the PNDC law 111 protects the women, and especially the Ashantis. Because of the way they go about the sharing of their property. But the Moslems have never had any problem with the sharing of property. If a Moslem would want to give preference to one of his children then you must write a will and bequeath the property. You state that this thing I give to this child, before you die then nobody can challenge it, otherwise if you do not do it, they will share it that way.

*What do you think about the law courts in Ghana?*

They are doing well now. Anna Bossman is really doing a good job.

*Who is Anna Bossman?*

It is the Commissioner for Human Rights and Justice (CHRAJ)?

*We are talking rather about the law courts?*

So even at the law courts people are able to take issues to the courts to be addressed and every lawyer would like to win the case so they would do all sorts of things to win the case and you realise they try as much as possible to win. I hear stories of people saying they have to bribe judges to get the rulings on their sides or in a certain way. But I think at the end of the day if it was your lawyer and he understands the law he will know what they are about so it will be difficult for any judge, no matter how crooked he is. And you have the court of appeal and CHRAJ, they have proven somehow that somehow that they could be fair.

*What would you say if I told you that most Ghanaian ladies are saying that they hope that they would not go to court?*

You know, I would go to court if somebody dupes me. I only hope that I would not have to take the person on by myself before I even go to the court. Most of the Ghanaian women, who would not go to court, may be they do not know their rights well enough. Talking about women lawyers for example, FIDA the association of Ghanaian women lawyers, are making Ghanaian women assertive enough. So the Ghanaian women, who would not go to court, may be, because they really do not understand the issues or do not know how to go about it.

*What would you say if they expressed low confidence in the legal system, they say the cases take too long?*

Fine, in that case, they have a case. The cases take too long because first they do not exercise the due process of, you know, the law and sometimes they want to frustrate you so they think they can drag and so that you bribe the judge, so instead of solving the case, some times somebody has to be bribed so they just make the case like it is not really important that is frustrating, it can be very frustrating. But I don't think that people should be afraid to go to court.

*If it is frustrating then why should they go to be frustrated?*

I think there are other ways to seek redress; they have the fast track courts they should take their cases there.

*But the cases can also take a long time at the fast track courts?*

I think there are other ways; you can make noise about it, you need to get the case in the limelight, the media house is there. The media stations or the newspapers, you should go to the media houses and tell them about it, there are some fair journalists like Komla Dumor, he was involved in case of the SSNIT issue. I think may be, he felt that he had to talk about that issue, he did not stop. It was like the big SSNIT against Komla Dumor, but he knew what he was talking was true and in the end he was vindicated. Anna Bossman handled the case with the Minister for Roads and Transport, she was not intimidated by that as she thought what she was saying was right, she was not have to be intimidated by anybody.

*What about chieftancy?*

I think it frustrates the development of the country and the government's operations.

*Why?*

Because there are some people who would comply with what a chief says rather than what is required by law, meanwhile we are a secular/political country so we should go by our laws, etc. But there are people even when their chiefs give the directives that they should do things that go against the laws, they would do it.

*What you are saying is in favour of the colonial indirect rule system?*

They made the chiefs more powerful to frustrate the then government.

*But they were the government then?*

And they introduced democracy to us. And you know they only have one Queen Elizabeth but we have so many chiefs. We have to get all these chiefs to conform and at the same time we have to cope with the chieftancy disputes, etc. all over the place. They are frustrating the government; they are actually the promoters of the disputes.

*If we practised the indirect rule system, the paramount chiefs would be working with the government?*

In most places, on my joyonline (a website of a private FM radio station), I was just reading an article about chieftancy problems in Wa, they are quarrelling all over who should be the next chief. It is a problem that is going to come up soon. They think that somebody should be the chief and another person has been enthroned or going to be enthroned as the chief. We were talking about development, if the chiefs were really important for development, how many years is it now? Look at the situation in Upper West, if they were taking the levy from the people from Upper Region to develop Upper West, we could have gone a bit further than we have now.

*But the powers are with the government?*

They are somewhere there and that is why in Wala we say ... when that machinery had been created even as it is the government has to try to work with them. The government still tries but most of the time you realise that they become partisan so the chiefs are not helping their people because they want to be with the government and then it goes to the disadvantage of everybody. The chieftancy is not helping us in anyway. In the Upper West we should not be that poor. I think the Upper West is one of the poorest regions in the country, we should not be that poor. And we have so many chiefs, the Sissala people have their chiefs, every area has a chief.

*So is the problem due the fact that there are so many chiefs?*

There are so many chiefs in the 'paramountcies', village chief and the paramount chief. So in Wa we have so many chiefs, sub chiefs and the villages chiefs, so now they are worrying themselves over who is supposed to be the next chief.

*How come now there are so many disputes?*

Where, in Wa?

*All over Ghana.*

I can understand why the chiefs, for instance, in the southern part would want to fight over that kind of position.

*Why?*

Because of the resources, the chiefs would have to be seen for so many things in a particular area. So if they are going to control all the resources then it is an attractive position to be in. But for some areas, I really do not know what benefits the chiefs derive.

*But the chiefs in Wala also have lands?*

The land in Wa is already divided everybody has his or her land. All the areas have their residential and farmlands. And the chief does not have right over lands whatsoever in my village, for example.

*For example, I understand in the Dagbon area if you slaughter a cow some parts would have to be given to the chief?*

In our area that is done during funerals, I think only funerals. Of late, some people from other places will come and pay may be, but those cases are very minimal.

*So why would they fight over chieftancy if there are no resources? Is it for prestige?*

For prestige, may be, yes.

*What about prestige?*

And when the government and its officials are coming to the area, they say because the government is used to working through chiefs, then it is like if you are a chief you become important because the government officials would come through you, it is self esteem.

*Now what about the labour unions?*

The unions are not as powerful as they used to be because of the new Labour Law.

*What about the new Labour Law that makes the union less powerful?*

Because the new Labour Law seeks to project, like a fair working environment. So it empowers the employer and the employee as well, so each and every stakeholder knows what they have to do.

*Was it not like that before?*

Before, it was not so clear cut and the employers did not have that much power. I did not know whether the new labour code have something like the old labour code but I think the labour union had too much power to strike. But the current labour law makes it difficult for labour just to start uprising, go on strike, etc. Before certain things can happen you must have gone through a long channel, it gives the employers too some kind of power.

*But some people say they have low confidence in the Ghanaian labour unions?*

Which labour union?

*All the Ghanaian labour unions*

I think because, of late they think that labour unions a lot of the time, you know, depending on the transparency in the particular country that you are talking about.

*We are talking about Ghana?*

We are talking about Ghana but I am trying to compare it to, for instance the UK. There is so much transparency in what people do so to some extent the leader will enforce some of these things so they will be careful about, like, taking bribes to go against the people they represent. But over here, sometimes you do not even hear about it so people would think that the union leaders are bought. They buy them so when they come whatever the employers say they just go with it. That is what the people think; is their perception. That the employers buy the union leaders, so if they are supposed to come and talk for them,

and the union leaders come and they seem to understand the employer's language better than the workers. Why do you think they will have very good faith in the union, you will know money has been changing hands so they will not trust the unions anymore.

*Any other reasons why there is low confidence in the unions?*

And secondly, you realise that there are times that the union even though are truthful to the workers, certain union leaders tend to be bi-partisan, so with their uprising people try to realise that it is not in the favour of the ruling government. The government will just give the person a call and ask why are you not letting them do this or do that, so that even if the union leaders are supposed go to, like, instigate and make sure that people go on strike, etc., they just sit down and then it doesn't happen that way. So if the people, the labour think that the leaders are not talking the way they expect them to, they do not have faith in the labour union anymore.

*How about the management of land resources in Ghana?*

Land management is very poor, very poor. I think it is very, very poor.

*Why do you think it is very poor?*

You know, we all complain about, like lack of accommodation, but you realise that because of these chieftancy problems, that rear their ugly heads in the land management people who own lands are not able to sell the lands because there are land and chieftancy related disputes. You want to develop certain areas, you want to do something and chief A of section A think they have the right to sell the land after the sale, if section B thinks that they have the right to sell if section A, they also sell the land to a developer and he starts to develop then the A side will come and stop the developer from developing, so it can be very distracting. So before you buy the land you have to do so a lot of investigations to find out what is going on. And when you buy the land too there are instances when you have to be paying some monies or royalties but sometimes some people come in and they think they should not enjoy parts of the sale of the land so they also have to come in and demand money and they do not care that you have paid any money to anybody they come and they sell the land to somebody else and then litigation starts. It is all waste of time having to go to court to prove that the land belongs to you and you pay again.

*What about the state of agriculture in the country?*

In agriculture too, land is a problem because there are people who want to farm, the same problems that relate to estate developers relate to agriculture too and land is relatively expensive in some areas.

*Do you have any other information for economic development?*

The political system in Ghana, the democratic system in Ghana, we are doing very well, we have taken off very well and the democratic institutions are improving. But I think people still, as far as politics is concerned, some people look at age, they look at certain factors that are not really important, things that will not lead to the development of the country. Like they look at ethnicity very much, which is a big thing. And when it comes to development, there are instances where we just need to put away politics and then solve whatever problem is at stake.

*So you consider politics as a major problem?*

Politics is a major problem. Look at the history of Ghana from the beginning to now we have tackled these heads of states, some are not democratically elected and it is all because of this kind of things because everybody wants to be the leader of Ghana but they do not have anything to offer Ghana. And religion too is a big problem.

*Why is religion too a problem?*

Some people's views are very subjective they are just blinded by religion, religion. They are just blinded by religious factors. There are times people should look at issues objectively. May be God is doing this but there may be very good ways to address those problems but because, culturally, you realise that Ghanaians are religious and would want



to add a religious interpretation to so many things, they just bring the religion thing into it and it just stops the whole process of finding out ways of making sure that the problem does not happen again.

*Are you saying religion is affecting productivity in Ghana?*

Yes, sometimes.

*What about spirituality?*

In the North, they all believe in spirituality, but they see the spirituality as sometimes negative. So it is people who think that they have been unfairly treated somehow, when you go to the spiritualist, they do it every matter they involve themselves with religious explanations whatever the problem is. But if you go to spiritualist, etc., they claim they pray and give the victims justice and they are able to take their revenge, etc. That is all.

**Thank you very much, you have been wonderful.**

**Appendix 6.3: A raw interview transcript of Fante (Central Region) male, Protestant priest, lawyer and public sector manager, conducted on 24 January 2007**

*Can we trust most Ghanaian workers?*

Some can be trusted, some can't be trusted.

*Those who cannot be trusted what are the reasons why you cannot trust them?*

You can't trust them because, uh, may be some believe that they must supplement their income from their employment.

*If they are working why do they have to supplement their incomes?*

Because most workers believe that their income is not enough for them.

*They believe?*

Yes, because the pay checks that they receive, you know, is so that, once there was a quiz in Nigeria and the question was asked: in which country are the workers able to survive before the end of the month even though their salaries are such they it can only take them only a few days to live on? And they said Ghana.

*And the person got it right?*

Because in Ghana here, you realise that incomes are low and therefore, people just live by miracle to the end of the next month. And when incomes are low people are tempted to do all kinds of things. In fact when I got to the US, I realised that there if you are working, you know, your employer expects that, he will make sure that he gives you every tool to work, he will make sure that he treats you well.

And the system is also such that whatever you need you can get that but when you you come to here the same thing does not apply.

And so I always say that if here in this country if all these things are there for workers to take, then they will be less corrupt.

*They would not have any reason?*

No, they would not have any reason.

*But then how did we come to this?*

Sometimes, I think, one, like I said formerly, our wages are very low and you take it that somebody is paid \$1 or 10,000 cedis a day. Meanwhile, in a day the food that the person eats is about, is about may be, 30,000 cedis a day. Meanwhile you pay the person 10,000 cedis a day so how does he make up the difference. You know, this person may have a wife and children. So you will realise that the men become very, very irresponsible.

*What about businessmen?*

Those in businesses, you know, I think that sometimes they believe that they must make, uh, super-profit and so when they are doing business they try not to play it fair. Some of them may play it fair but I think a better number of them may not play it fair.

*Is it because there are not many business people and they can get away from the competition?*

Yes, may be yes, because there are not many people available and also because supplies are very limited. It is only the few who can, who have the money that get it so I think that also may explain why business men behave that way. Because, when this thing is sold for may be 10,000 he will tell you that I can get it for you. But when he comes he will go and get it from a shop somewhere and then come and resell it to you with 10,000 more. So he will make double the price. Because, he thinks that it is the only way he will survive.

*So everything is based on survival?*

*It is survival, I think so.*

*So survival has made the people distrustful?*

May be, It is survival and I will say lack of, inadequate supply of everything.

*What about entering into partnership with a Ghanaian? Lawyer, Doctor?*

I know that people here, most people do not want to enter into partnerships with other Ghanaian because they believe they will be cheated. You know, in the US, when you look, most of these clinics in the US, I presume they are doctors coming together to form clinics. So you have a chain, uh, like 'health party'. The whole city, they have locations all over the city and they are doctors or may be individuals who have come together to form health partnerships to help people. You come to our country here, you find that doctor A, small clinic, doctor B, small clinic doctor c small clinic. And so they are not able to offer effective service. Because when you go to a clinic in the US, it might have an X-ray, a laboratory might have anything that the hospitals here may offer except may be surgery. And so you get there and you get whatever you want. But you come here, because they are small, small, small clinics the much that they can offer is consultation. That is the end.

*It hasn't helped the patients?*

No, it hasn't helped the patient and I always asked myself why is it so? So when I came I was asking people. In effect, here people do not trust each other because they believe that if I form partnership with you, at the end of the day, it may not work so why don't I go alone?

*So they will be producing below their optimum scale?*

So it is a problem.

*What about seniority at work, should it be based on length of service or technical skills or education?*

I think that every job must aim at competence, efficiency and so we must hire a competent people to work for you. So if you come to a job based on your qualification because when you start working in any establishment through that you gain experience and with the number of years you can offer better service to your company because of experience you have gained. So, for me, seniority, it could be both, that is based on your qualification and the number of years you have served. The two together will give you seniority.

*So in Ghana, generally in the public and private sectors, what is practised?*

In the public sector, it is, earlier on most of the workers were low educated people middle school leavers and they had been in the system for a very long time so they are occupying key positions and some are aspiring to occupy key positions.

Based on my own experience, when we came out of the law school and then we had to go to a place like prisons to go and work to do our national service. There was no legal department so we were employed to establish the legal department in ....and when we got there the people there saw us as people who had come to take their jobs their positions

so we became a threat to them and they were very hostile. They thought that we came from school and we were given ASP then after serving national service DSP. They had been in the system for twenty years and may be, they were seargents, so they saw that we had come to take their positions. So for them seniority ought to be based on experience and not necessarily on qualifications.

*That explains the situation in the civil service?*

I think now things are changing because of more people coming out of school. In the nursing profession once they have established in certain schools and University of Ghana. People will go and do nursing and come back to the system and they will face opposition from the older generation who have gone through the system. That problem is there.

*What about the absenteeism in Ghana, what are the main causes?*

I think that some people believe that their jobs do not give them sufficient income so they do not get job satisfaction. And secondly, some of them think that the job is not for your father or your mother so if you are a manager and you try to check somebody who absents himself or herself from the job, then it appears that you are trying to be so strict or trying to say that the job belongs to your father or your mother. But I think that if you clock when you go to work, and that the clocking determines how long you have worked and also how much pay you receive, there will be controls in the system, people are taking advantage.

*So the managers are not managing?*

Even the managers themselves have a problem. I know of a manager who absents himself from job three days in a week. Five days in a week he comes to job for three days or two days and because of that the subordinates have also taken his footsteps, they are also doing the same thing.

*What about the low productivity? When they come to work are they able to produce?*

They do not look at it from that point, they think that they must be paid well and then they will produce. That is how they look at it. But if you do not come to work how can productivity be increased? So for them low productivity has been the order of the day because incomes are low. Because there are no incentives and actually it is true. In the system there is no incentive. Look at...if you are worker, uh, there is nothing there to motivate you to work, even you are manager. I worked in the US, my manager, my supervisor when he comes even if he wants me to do a work that I have been paid to do will tell me ...will you do me a favour? And I will say what, Go and do this for me. Is this my manager? What Ghanaian manager can come and tell you, will you do me a favour, my own job. Then, once in a while he will gather all of us take us to one of these spots, where we will go and have our meeting, every week we will have our meeting. So we will go there either buy ice cream or burger for everybody we sit down and have our meeting. And we will discuss problems and we begin to enjoy. But here nothing of that nature happens; it is assumed that because you are supposed to work you should only work there is nothing that is done to motivate you. One day I was there when my manager called me to his office, early in the morning about 10 am. I asked why are you calling me and he said to a meeting and I said we do not have meetings in the mornings. When I got there I was met with balloons, balloons and a crowd ...and I was just amazed. They led me to a place and there was a big forum and the managers, everybody was there. They had nominated me as the best worker for September 2001. They had put my pictures all around and had given me a special parking space. These do not happen here, It is only Databank when I got the other day I realized that they had adopted that system. I saw the best worker for the quarter they had put her ...and I don't know what other incentives there are. Over there they will give you a special parking space, they will take you to dinner they will do all kinds of things, you know. So when you are working you, own the job.

*Is our lack of management training part of the problem?*

I think so, our money must be topped a little more so that workers will own the job. Because if your manager does not motivate so that you also can give your best you kind words just simple kind words will do a lot of tricks.

*What are in your views the most important causes of poverty in Ghana?*

There is poverty because we cannot produce much and everything is imported. Everybody is selling small, small items. If you look at a Ghanaian from top to bottom everything is imported. Because you see what I realise is that the white men sit down and look at the system if it is just kicking, what they can do to improve the...in the kitchen. If it is knife, what can I do to make the knife more efficient? So they are always creating, they are always innovating and that innovation means productivity when innovation comes it means wealth. It is wealth not only for the person who brought about the innovation. But over here, it is only one way of doing things, the same way that applied so many years back, because we do not apply science to anything here in the country. Look at our living situation. Even the food that we eat we do not apply science to it.

*You are a Reverend Minister and you are raising the issue of science. What about the debate on faith and reason, the level of religiosity and science?*

Look at that! You are in an environment, if you plant trees they will modify the climate and they will have good effect on the environment. That is science, if you do not know that you will cut all the trees. You will say that there are witches in the tree and cut them down and so you realise that we destroy the environment and we suffer as a result. Faith does not mean that you must not necessarily apply science to your daily living. What faith says is that if you go to God you must believe that he is God. That he is able to do what he says. We are not saying that ...science is God's creation, God has put all this things in place so that it will help us to live better in this world, we must not detach God from it.

*There are people who are endowed with intellect and they think that everything is God given and so they are more or less resigned to their fate?*

Yes poverty, It is poverty, when you are poor you are compelled to accept anything. And it is also because of the fact that we are not innovative. We do not apply our creative minds. When I read the Bible, I always say that the Westerners have applied the Bible more. Because if you go to the Book of Genesis, God says that we must dominate the World. We must conquer it. Everything in it is for us. We must explore it and get the benefit out of it. God has given us the authority to do it. But we are saying...we in this culture, we just sit down and get controlled by nature. Like when you have diabetes, you must control the diabetes you must not allow the diabetes to control you. If you do that you will die. But if you control the diabetes, there will come a time when you do not even need to take any tablets to survive you will live normally. And this is our situation we have allowed nature to control us.

*You have referred to the Western world but they did not have everything on a silver platter, they went through enlightenment with the violent resistance from the religious authorities?*

I do not think that the science discoveries were against the doctrines of the church. I was appalled to learn that Galileo was murdered. Why, because he sat down and looked into space and saw that the earth was rotating on its axis. The time he made the statement the Bible made statements that were metaphorical like the four corners of the World which does not mean that the earth has four corners. But the theologians in those days came out with a canon law prohibiting statements which are contrary to the fact that the World has four corners had violated the law. So this man appealed to the authorities. He appealed to the Kings, the Pope....What Galileo was saying was true but he was killed. I believe that if it was today that Galileo made the discovery he would have been rather hailed. It does not mean that they go against the Bible. We must read the Bible in context and not just assume. There are metaphorical expressions in the Bible...The Bible will say that a man will be blessed like a tree standing by the bank of a river. It does not mean that you are a tree. It means if you live by the ideals of the word of God. God will bless you. Whatever you do God will make sure that you succeed. What is happening in the present day Ghana-the people are not exerting themselves-but they seek explanations in

their faith? It is the lack of knowledge. The Bible says due to lack of knowledge they must people perish. Most of our people are uneducated. If you go to these churches it is these people who flock in here and there. Most of the people who fail to sit down and read the Bible. For me, I think we should go among the believers and to them to understand what the Bible is actually saying. Because the Bible is power; if you can understand the Bible you are most powerful than any 'jujuman' that has ever lived on this world. But because our people do not know, they run to these false prophets who give them visions. Some of them will give you wild visions and then you begin to shiver and so...they intimidate you. And most of the people who call themselves Christians are lazy, they don't want to study the word of God. They just want some people to read it and interpret it to them. But I think that if everybody will have the opportunity to sit back and study this word of God. When I went to the US, before I went, I did not know how the Americans do ...their commitment to God. My first attempt at a prayer meeting I was highly disappointed. Is this a prayer meeting? And when I came back after living there for a while and I came back here and looked at our people. Christians are dishonest. Look, integrity is nil. Even the pastors themselves they do not tell the truth. Look, when the whiteman tells you that it is black, it is black. There are certain truths that they will not compromise on, they will not bend the law. If you have a case in court right now, you can go and see a chief, a politician and they will go to the police and the laws will be bent and you will be freed. Over there when the law catches you, you are caught even the president. When I was coming a senator had jumped traffic lights and killed somebody. That was the end of his political career. If it was in this country he would have gone scot free.

*So what explains this?*

It is the culture, our culture itself is corrupt.

*So the culture forces people to bend the law?*

I have a friend who is a businessman and is working with some people who stole some of his money, hundreds of millions, so he put them in jail. It is criminal case they did it in conjunction with bank officials. One of the guys was recommended by his grandfather, but he came and committed this fraud, however, the grandfather called my friend and started insulting him. Why have you put my grandchild in the police cell? If this boy was your grandchild would you have locked him up in a police cell? Knowing what the grandchild had done. He has just forgotten that the crime that the child has committed. Our culture is such that when somebody does wrong and you try to expose the wrongdoer, you the one exposing the criminal will rather be the criminal.

*Is this only with blood relationships or does it affect friends as well?*

Even with friendship it is...because if you are my friend and I know that you are in trouble and I have big people in positions somewhere you can see them and they can... So I believe that unless our culture receives some kind of healing some purging, you know, we will not get anywhere. If you are a woman entering a marriage you will be told that when you incur debt give it to your husband and when you find wealth bring it into the family. What does that mean? Be unfaithful to your husband.

*What are the advantages and disadvantages of the extended family system?*

To me the advantages are that when you are in distress they will come around and help...but even that they only come around you only expecting something from you. Supposing your father dies and the extended family members come around, you have to feed them. You the one in trouble would have to feed them, you have to give them money before they can do whatever they have to do for you. In the long run, it runs you down. In other cultures there are extended families, when there is death, all the members will come round. Everybody is covered by insurance. During the funeral they will come and show their love but not burden you. They will check into hotels, buy their own food. Their funerals are not that grand style that we have here such that it leads to ... It compels people to go and ....You are going to organise your father's funeral and you are working in a place where you can make money from people.....so it comes back to the culture.

*How did the funerals get out of control?*

It has become a competition now they are party grounds. We think that we are modernising but what we see about the Ghanaians is that we look at the white culture and they copy it wrongly and so it becomes a burden to us. Now funerals are to show that people are wealthy. It's got out of hand and somebody must do something about it.

*Who can do something about it?*

May be, the traditional rulers can do something about it. They are the custodians of the culture, but they derive the benefits, so how will they change the system?

*So there is a leadership problem?*

I don't think this one it is the political leaders who must sanction it. It is cultural. So the traditional rulers are with the people and they see how the people are suffering. In some communities they will say that we have stopped this type of ...It is the people, for instance when your father dies, your wife will have to perform some very exorbitant type of show. In some communities they have banned that. They will tell you that we do not do this here. You can do it in the house but do not bring it here so that it becomes something like a competition. If one society has done that I think that the traditional rulers will become bold and put their ears to the ground and see the sufferings of the people they can change things.

*So is it a problem of communication?*

May be, here in this country we do not do much research. If we did research we would have found how funerals these days have become exorbitant and let us see how we can control it and make it affordable for everyone.

*But when it comes to weddings I can see some changes? Mass weddings?*

Some churches are trying that because most of the men are not marrying. So they say that let us find ways and means to make it less costly. So if other people in positions can also sit down and look at the system and say that this system needs healing. Let us do something about it. Look at the filth in this country. Sometime last year, the AMA was trying to abolish the drinking of sachet water in the streets and the radio stations were ridiculing the whole idea. Now they say we should not be drinking water. I thought that they should have used their stations to educate the people that if you drink water and throw the sachet in the streets it will cause harm to the environment. Instead they ridiculed the whole concept so the AMA finally gave up.

*Should the AMA rather have thought of an appropriate method of disposal as the weather is so hot and people will need to drink water?*

I agree, but what I am also saying is that if the people cared about their environment, they would not throw litter anywhere. In the west when someone takes a dog for a walk and there are droppings, the person collects and puts it in a bin.

*Is it not because of the working of the bye laws?*

There are a lot of bye laws in the country but they are not working, nobody is enforcing them.

*Could it be the law courts?*

This is not a court issue because the courts cannot come out and arrest people and prosecute them. Somebody must arrest them and bring them to the court and invoke the laws. Based on the evidence you convict but nobody has made the arrest and brought the matter before the judge. How can the judge go and arrest the people and bring them to the court. The enforcing agencies and the political will are not there.

*Is it because of the same intervention from the powerful relatives?*

The same cultural problem, if somebody should break the law right now. Look at our settlements, the person knows that there is a road but he will go and build there. You go and report and they will come and write stop work before jack the person has built because he has gone to pay money or because he has gone to see a chief to intervene. When this happened in our place, and we enquired we were told that the chief came and

said that the man can build so the council allowed this person to build in the road and it has distorted the whole community. It is only one person and nobody has dealt with it. Nobody has the enforcing will to enforce these laws so that they benefit society.

*Is there a question of ownership of the laws?*

May be, and also because people are ignorant of laws or they know that the law is there but because it does not work they can always break it. So it is simple as that, you go to the communities where the leadership have foresight ... they make sure that the community is planned properly. Even here in Accra when fly you will see how Accra looks like.

*So it boils down to planning?*

We have the City Planning Agencies it is just on paper, they do not enforce it. In Cote d'Ivoire you cannot just go and build anyhow. I went there about ten years ago to visit a friend. He said where he was building it was a minister of state that issued the land and gave the indenture. They have all the services, electricity, water, etc...

*But their lands are quite expensive?*

At least they build properly, they do not build anyhow. And so Abidjan looks beautiful. When you come down from Abidjan to Accra you see that Accra is a village.

*But some people are rather arguing that Ghanaians are more politically and socially developed?*

Look, ten years ago when I went to Cote d'Ivoire when I crossed the border from Ghana to Cote d'Ivoire I saw plantations of banana, cocoa, pineapple, etc. The whole land was under cultivation, but on the Ghanaian side, from Elubo to Takoradi, it was just a few rubber plantations that you would see. And we go there and buy plantations and tomatoes to come and sell in Ghana.

*But you are the same people living in the same weather conditions?*

I think it is all leadership. I just saw that Houphouet Boigny's vision was Ivory Coast whereas Kwame Nkrumah's vision was Africa.

*So he neglected the basics in Ghana?*

He did a few things but he could have done more with our money. Look at the funding of liberation movement all over Africa, going to the aid of Mali and Guinea. These were all serious expenditure. The money could have been used to improve things in Ghana. Because his vision was Africa and not Ghana, that caused it. He thought he was doing a good thing because he wanted the whole of Africa to be liberated but at the same time there was a neglect going on in his own compound.

*But the people wanted his leadership and they voted for him?*

The people wanted liberation...for themselves. It was Kwame Nkrumah's vision that was why the people did not understand him and they had to kick him out, he was far ahead of everybody in Africa. Before we had independence we had West African Currency Board, West African Airline, West African Court of Appeal, and other regional organisations. Immediately after independence we broke away from all these. You wanted African Unity and these were the bases for integration but you dismantle all of them and then you begin talking about African unity. Nobody would take you seriously, so that was why some of the leaders like Tafa Balewa did not take him seriously. It was his ambition to become the leader of Africa but not to bring the people together. The French speaking West Africa maintained their regional organisations and it has helped their development.

*How about savings in Ghana?*

I do not think it is the lifestyle of the people. One, incomes are low and so it is difficult for people to save. Majority of the people are labourers and low income people, look at somebody being paid 600,000 cedis a month, this person cannot even survive on this, so how can he save? And those who earn a little bit more are incapacitated by the extended family system to put money aside for a rainy day. So the causes are the extended family

system, low wages, the funerals and the culture. Most of our women have to buy new cloth for every funeral, they move heaven and earth to buy the cloth because if they don't they will become outcast. It is the demand of the culture, why is it that if I am going for a funeral I cannot put on anything? Over there when there is a funeral people wear anything and it goes it does not stop the dead man from going. But here the family will insist that their members should change in about three clothes. It is the demand of the extended family.

*But when it comes to tithes people still give the 10% of their incomes to the churches?*  
Not everybody pays tithes, only about 20% of the church members pay tithes the majority do not pay. Some of them may have the means to pay but they will not pay because they do not understand it. When you pay the tithes the advantages come to you indirectly, one American millionaire got his money by faithfully paying tithes and his business prospered. I do not think that it is tithe that is stopping people from saving.

*If somebody intends to accumulate savings for capital in business, wouldn't that 10% tithe stand in the way?*  
Tithe is paid everywhere, even in the Western World they also pay tithe so I don't think savings are low because of tithes.

*But in the Western world the level of religiosity is not as you find here.*  
How many of them are committed? You may have 60% of Ghanaians saying they are Christians but how many are committed? You will only have about 10%. Majority of the people go to church because of the benefits. When they die they will be buried, when they have a funeral their church will accompany them. Somebody will tell you he is going to church because when he dies the church will bury him. It has become the order of the day, everybody wants a church burial.

*Is the church therefore an extension of the extended family system or has it taken the place of the extended family system in the cities?*  
They provide the same social functions as the extended family system.

*Is it because most people who have migrated from the other parts of the country do not have their extended families in the cities?*  
I will agree to that.

*So has the church taken over the extended family system in the cities?*  
I will not say it has taken the place of the extended family system but rather an additional provider of social services.

*What about the belief that there is spiritual counterpart to everything? Like rivers, mountains?*  
Yes, that it is because of animism. The Western world has travelled a long journey, we are about three hundred years behind, so we see spirit in everything. Where we need not find spirits we find spirits. In the state of Minnesota in the US where I lived, they have ten thousand lakes; I have always said that if it were in Ghana every lake would have had a fetish priest. And the society is functioning but here they will tell you that the god says this and that and so use it as a rule or something to control the society. So it is because of our lack of civilisation. The people in the West have travelled a long way and it came to a point that they realised that their salvation lies in their own hands, it does not lie in any spirit so they would not accept any interpretation of any phenomenon that should be interpreted in spiritual terms. And so they said that they need to develop themselves as God had given them the authority to do it. They did not have to ask the gods whether they should do this or that and that has helped them because many of our people are uneducated because the more educated you are the more enlightened you become and the less attraction to the spirits or traditional beliefs. I think that when we reach that stage when people become more educated not just senior secondary school. Many more people... when there is a renaissance in this country when people begin to acquire



knowledge and begin to believe that knowledge is power and we can begin to develop through that.

*But most people who acquire the knowledge have to leave the country as there are no opportunities for them so they are not being retained to impart their knowledge?*

It is not their fault. It is not only Ghana it is all over the third world. If you go to Mexico you see the Mexicans are rushing to the US because that is where they will find a living. When you go to Western Europe you see the Eastern Europeans coming because they do not have jobs there. So if you do not have jobs in your country how will the people survive?

*So is it a survival problem? But some people are saying that you can make your own country a promise land?*

A patriotic person will say that. When I went to the US, people were asking, why do you have to come back but I felt that I must come back. One, I told the embassy that I would come back to Ghana because people sponsored me to go and study and I believed that I should apply my knowledge to my country. There were all kinds of attraction but I said no. People asked whether I was in my right mind to come back, and I said yes. So it all depends upon what you want in life. Now we have many young people who must survive and the means of survival is not available. They do not have enough food to eat they cannot have where to live and so what must they do they must look elsewhere. So it is not only in Ghana it is all over the world.

*When you refer to the statistics on migration, Ghana stands amongst the highest?*

It is because the Ghanaians who go come back and give the impression that life is easier there. That is why when you are there, they will call you and tell you to bring only £100. They think that £100 can be picked from the streets.

*So what about this proliferation of churches? Is it a means of survival too?*

For me as a Christian, I think it is a response to God's command that we should go to church. The Bible says that unless we go and preach the gospel everywhere the low will not come back. So I don't have a problem if churches are springing up all over the place. But each one of us will be responsible, we are going to stand before the judgement day and give account. The Bible says that on that day you will come and tell me that I am the one who prophesied that this will happen and I will tell you that I do not know you. So if you are doing that for profit or using other means to just get people it is your problem, you will come before the judgement day and give an account.

*So, do we need to wait for that judgement day?*

Yes, because if you stop the people from coming together you are infringing the people's rights. The fact is that when people get more educated and get more jobs to do, they will stop following these prophets.

*Somebody said when his graduate wife developed cancer her church told her not to take the prescribed medicine and she followed that advice?*

What I am saying is that some of the people lack knowledge, knowledge of the Bible. For me if you tell me that I will not agree with you I will say that I will pray but I will also take my tablets. When Jeremiah was building the walls of Jerusalem he realised that the enemies were ready to attack them so as they were building they also had their guns to defend themselves. So if your level of knowledge of the scripture is low you can be an educated person but if you do not read the Bible you can get people to mislead you.

*So is it possible to regulate who can be a pastor?*

But it is also for the people to use their judgement as the government cannot legislate on that. We have a registry where religious organisations are registered so those who are registering must make sure that the people they are registering as pastors should be of sound mind.

*So they do not have any means of assessing the character before registering them?*

How can you do that? Even in the US or elsewhere, do they check characters? The Bible says that we shall know them by their fruits. If you are a woman and your pastor asks you to lie with him and you also agree and and you continue to go to that church then there is something also wrong with you.

*May be the mother-in-law is keeping pressure on her to come up with a baby boy or girl?*  
If you are educated and you know how children are made you will not allow your in-law to intimidate you. I do not think anybody in the Western world will put pressure on the in-law for her to make children for him or her because they know what it takes to make a child.

*What about the law courts? The people are complaining, are they doing their work?*  
They are doing their work, the people are complaining because there is a general saying that there is corruption. In Ghana, many people think that they must get something from their employment so they assume that wherever or whatever place people come to work, it is because they want to make money. For example, when people see you as a customs officer they conclude that you have money. Why should they come to that conclusion? Because, they think that you can use your position to make money so you have made money, so it is the thinking of the people. I know that in every community you would not get everybody to be 100% pure, you may get some people to be corrupt but it does not mean that the system is totally bad. Sometimes I think it is the perception, because of their own way of living their own lifestyles. For example somebody I know wanted to come and work here so I got him to come and write the entry examination so that when he passes the examination he will be employed. When he did not pass the examination, he went round telling people that I am a very wicked person because I could have used my influence to get him into the system and I did not do it. My sister had a boy, this boy wrote the ordinary levels but his maths was weak so he couldn't get into the sixth form my and sister wanted me to go and pay money to get the boy into sixth form but because I could not do that she has become my number one enemy to date.

*So you are going against the demands of the extended family system?*  
So what is the perception of the people, you must be corrupt. The culture itself is corrupt. The culture believes that if you want to get to this place and you cannot get there, you just give money. Pay money and then it will be done for you. So if you do not have money then you are at a disadvantage.

*So everybody has to chase money?*  
I have a friend who is a judge, the court clerks take money in her name and once in a while it comes to her attention. I was on a case once, the court clerk followed me somewhere and asked me to bring money, so that he will go and give it to the judge but I refused and I won the case. The parties to the case see the clerks around the judge and they try to give them money to hide their opponents' files but all these are blamed on the judge who could be innocent. And it is all because of our cultural set up, we think that we must always influence people with money before we get results. My sister wanted me to use money wrongly to get results for the child. So for me, I do not think that the system has broken down, the courts have their own problems, more judges will have to be appointed. And because it is a civil service position, the judges are not well paid and so nobody would like to go into a system where you will be not be well paid, because if you are a lawyer and practising, you can make more money than being a judge.

*But what would happen to the practice if there are no judges?*  
That is neither here nor there.

*So the clients are the ones suffering?*  
The system must make sure that the judges are well paid. The government was trying to improve the situation for the doctors but look at what the teachers came round to say. You have done it for this person so do it also for me and so it continues, so what must the government do? The doctors are going away, the health professionals are going away.

*But if the government selects, then we are trying to say that somebody's job is more important than the other?*

See, when the government read the budget most of the revenues are collected by customs, 60% of government revenues comes from customs so if we are not able to meet our target it means that the government's budget cannot be achieved. So where will the government make the money? Meanwhile everybody in Ghana is selling, there is no production, it is not the government that creates employment. George Bush says I do not create jobs I create the environment for jobs to be created. We must appreciate that the government also need help. Because if we do not produce enough the government will not make enough money to go round.

*But the government began by telling everybody that it will provide free education, health, etc.? By trying to do everything?*

That is how we started from the beginning so we have got the impression that everything must be done by government. So, that concept needs to be taken away from our minds. Because when Kwame Nkrumah started he established workers' brigade and the people went there and got paid but they did not work. This was his socialism, even in churches everything is free. When I went to the US, I realised that when people had to pay for performances of the gospel but here when you charge money nobody will come. So everything is free and that concept of free free has gone deep into us so it will take time for that concept to come out of our minds to make us more responsible. Here, if you take somebody to lunch the intention is that you are going to pay, over there it is just a matter of fraternising, conversation, relationship so everybody will sit down, you call your folks, everybody will pay and it is less burdensome for everybody. But here two people will follow you and expect you to go and pay, so how I would have money to go and save? Sometimes they will come and ask you, would you take us to lunch. If you do not pay you are a wicked person. The hospitals must be free so when you go to the hospital the government must pay for you. Government needs money and where must the money come from? The money must come from the people meanwhile this same people do not want to pay taxes.

*How can they pay if they are not gainfully employed?*

So what must the government do? The government is also handicapped to be able to do the things that he can do. The people must sympathise with the government but they consider the government to be distant. You see it all comes from colonialism, the Government is a white man. If you look at the word *buronya* (the Akan word for Christmas), when I went to the US, they asked me what name do we call Christmas. I said *buronya*, meaning the whiteman has got or made it. The white people came to the castle, the people saw them celebrating, rejoicing and enjoying themselves, meaning that the white people have money and they are well to do. So *buronya* meaning that the whiteman has got it so we do not actually have the name for the Christmas that we celebrate.

*So it is the demonstration effect at work?*

It is a received culture, in that same way we look at government as a received institution. It is not part of me right now, so I must milk it. Our nature is such that when you meet a stranger you must squeeze the stranger and get something out of him. It is all education and I think that our educational system must be geared towards getting the people to see themselves as being part of the government. I think that these white people from the nursery schools, they do lot of things that make them more responsible. Here it is only maths and arithmetic. I do not know what they teach under social studies now but there must be enough material to teach our people to know what goes in the society like the environment, but I do not know what is happening.

**Thank you very much.**

**Appendix 6.4: A raw interview transcript of a Dagomba (Northern Region) male, public sector, lawyer, conducted on 9 January 2007.**

*Can most people at work be trusted in Ghana?*

I would say yes and no because it depends on what you mean by trust.

*By trust we mean also whether you can trust them when it comes to entrusting official and your personal resources with them?*

Yes, I would say yes, I work in an environment where a lot of them can be trusted.

*And generally in Ghana?*

Generally in Ghana I was saying no because there are situations where people cannot be trusted that is when ... you can walk into some people and they can pretend and you leave certain things and it eventually turns out that they are not very responsible. But as far as the job is concerned most of them can be trusted.

*Some people are saying previously a lot of Ghanaians could be trusted but because of the current economic conditions it has become difficult to trust most people?*

It takes two to tango. Sometimes it depends on the way you ... I have always been hammering that training has been relegated ... You give some responsibilities to somebody and he has not been adequately trained to handle those responsibilities. You still can think that you do not trust that person. You cannot blame him for the training that he needed to do that job when you did not give him that training and we have this in customs now. Let me just give you an example before in customs there was a course at the polytechnic, one year customs course before you could work for some time and they take you for some academic training two, three or four weeks. How do you expect ... that anybody can perform that function without training? If you give him a task and he fails then you think that either he is corrupt or something just because the person does not know to what to do. For instance last two years, there was a vehicle we arrested in town which was in transit to Mali ...

*But he was sitting in the vehicle?*

He [the transit officer] came to Accra with the car, they had a fault with the car and they wanted to repair it so he went back to work but the car had been repaired and they were driving it in town and a different group of officers arrested it and realised that this car was supposed to be in transit to Mali. And I asked him whether he knows why he is supposed to escort the vehicle, he did not know.

*How do you know that what he said was the truth?*

Just because I asked him how long he had worked in the service and whether he had gone for training, why we escort goods in general and he did not know. It was because duties on those goods are not paid because they are not consumed in Ghana that we want to make sure they are actually leaving Ghana. And for that matter we even risk the officers' lives as travelling from here to the northern borders involves a lot of risk.

*Did you ask the owner of the vehicle as well about what actually happened?*

The owner said the driver who was supposed to send him to the place where the car was being repaired had left for Ouagadougou and said when the vehicle was repaired they should call him. At the time he was doing his rounds in town.

*Is he a Burkinabe or Ghanaian?*

He was a Ghanaian claiming to be resident in Burkina Faso.

*Then may be that could question the official's innocence?*

The official's innocence comes in because certainly... if the car is broken down he will make reference. If any vehicle is coming from West Africa for repairs in Ghana we escort it to the Head Office here and get the mechanic who is to work on it to sign a bond to bring it back here to the Head Office because of the revenue involved an officer who is well trained will know that this is the reason why customs has interest in the vehicle leaving the

shores of Ghana and he would not have abandoned it there and gone back to his job in Tema.

*If your training is directly related to the revenue generation, why is it not provided?*

Simply because ... government have been imposing commissioners who are not customs officers on the service. And they think that anybody can be appointed as commissioner to go and collect revenue. They think that revenue is just someone bringing something and you ask how much it is. They do not know that it involves all these regimes that we are talking about. And this has an impact in the way they view the service and the way they appoint people to the service. So they employ without planning for their training.

*This official escorting the vehicle would he have been the best person to meet the owner of the vehicle?*

What happens is that the vehicle is processed at the port ... the vehicle was brought by a ship ... So the vehicle arrives at the port and they nominate an officer to sit in the vehicle and escort it with the documents. It will come out finally because the documents will be given to the last checkpoint and it will be reported back that the vehicle has left. But since he has not yet handed over the documents it means that the vehicle has not left eventually it will be seen as outstanding. But then you have to start the home work and inform your colleagues to start looking for a car.

*So if he had done his job it would not have resulted in the waste of your time?*

Yes, he would not have wasted our time. So these are some of the things I am talking about in fact most of the problems we are having here are training related ... So most often people are reliable but they are not adequately prepared for the job that they are doing.

*Is it the general position in the Ghanaian public sector?*

Yes it is general because I have my colleagues in the other departments and when I ask them they have similar problems. We have recommended to management to check those things. You see, it looks as if ... these are the expenditures that they think they can easily cut and there would not be much noise. You cannot cut somebody's salaries or allowance but when you cut the training budget people do not care.

*What about the businessmen you deal with, would you trust a Ghanaian businessman?*

Generally we by our training we do not have to trust the business people. Because ... tax by its nature since the time of Christ nobody happily pays tax ... So people come in and they try to avoid paying tax or the correct tax so they come with all sorts of ... so we have witnessed a lot of distrust among the businessmen.

*Compared to the other countries would you say it is on the higher level?*

Compared to other countries we are better off. We deal with Ivorian Customs, Burkina Customs and we also have a relationship with Nigerian Customs. Because our regimes are more rigid so it is not very easy to avoid tax in Ghana.

*Perhaps the tariffs could be lower?*

Our tariffs are not necessarily lower but may be we depend much on import revenue than the other countries. For instance, in Nigeria ... because of their oil revenue they do not depend so much on import revenue ... Internal Revenue Service should have been the largest organisation when it comes to revenue but because we depend so much on import revenue customs bring in more revenue than the IRS. You realise that a country's advancement can be measured by the reliance on imports. When you rely on income tax more then you are more developed than when you rely on imports.

*And when you rely more on import tax you will never develop?*

Yes, because you are relying on leakages to develop your country. It is like using a sieve to carry water which will flow away and leave you with nothing, when you were thinking of full sieve but when you fetch it it sieves away. This is our problem.

*What do you think about competition at work between employees?*

Yes, competition at work among employees these days is not so much encouraged because hard work is not recognised so much. I am talking specifically of customs and for that matter the public sector. When in the advanced countries your work is measured. Majority of our work cannot easily be measured. For instance, if you say somebody is an operations officer and he sits down and reacts to information. You should measure him based on his reaction to information. But when he does not take initiative but you sit down and at the end of a period may be three years when you are going to interview him and then you call a panel and they come and answer the same questions for accountant and operations officer, how can you tell me that you are measuring the performance of that person?

*Who measures the performance?*

May be there is an appraisal form that your immediate boss fills about you as a component of the interview, but then your immediate boss does not do this thing regularly. It is not time sheets that he notes down he is just jogging one day's memory from his previous dealings with you, a lot of factors that influence such decision and they do not encourage competition. If your immediate boss could recommend that by virtue of your attitude to work, you should be promoted I think that could have gone a long way in encouraging competition.

*So is competition desirable?*

It is desirable in every organisation.

*Is it why it is crucial to have a good relationship with the superior?*

Yes, that is why I was telling you that if the man uses one day to fill a form other factors will influence whatever he talks about the employee...

*So what created that situation?*

I think it is just because there is generally lack of work schedule ... I have always been saying that you must have a job schedule, everybody must have a schedule stating what is expected of you if you do not have a schedule how do you measure the person's performance. In the public sector people are not paid according to their past work they are paid by virtue of their appointment. But if you do not have a schedule you could not have easily measured a person's performance against what you are expecting. It is not my fault that there is no work to be done in this office but it becomes my fault when I am given work and I do not do it. The moment you give schedules to every person ... he will definitely be forced to work. If there is nothing you can't get any work done.

*So why are the schedules not given?*

We are given group schedule instead of individual schedule and that does not encourage competition. In the private sector that is the order of the day but when it comes to the public sector it is not.

*What is the basis of seniority in the public sector?*

It is based on qualification and length of time.

*So what are the main causes of absenteeism and low productivity in Ghana?*

It is related to what we have just talked about.

*Can we add some more of that?*

Apart from what we talked about already, like we said nobody is measuring your work daily even when you are not there it is the same as when you are there, that is a major factor. It is simply because our salaries are generally low. So people tend to depend on other sources to supplement their salaries and it starts from even the top to the bottom. So while the top man is not there on Monday and may be Wednesday, he cannot also hold his subordinates accountable for not being there on Friday because you were not also there on Monday. And about culture ... for instance, I can tell you I need a week to go for a funeral.

*Why?*

Because in Ghana everybody knows that if your father dies you must attend the funeral so your boss cannot refuse you the permission to attend the funeral even though that was not part of the contract.

*And is it just your father?*

Your colleague says he is bereaved ... even if he says that was my best friend we grew up together you are duty bound to allow him to go.

*What about the job schedule?*

Usually if somebody cannot take over, the job stops. These are some of the causes, the low salary and our traditional attitudes towards work.

*But can't the attitude contribute to low salaries?*

Everybody knows it but they look at it ... immediately you start saying that no this is not allowed people will see you as ... our cultural practices weigh us so much down.

*Any other causes of low productivity with focus on the agricultural sector?*

The agricultural sector ... is normally dominated by private people, small farmers. Low productivity there is from the ...farmers themselves ...his intention is just to farm and feed himself, he is not farming for commercial reasons.

*Is it because there is no market?*

It is not necessarily because of the market even though it is a factor because those who attempt to farm ... immediately after production they are faced with low prices and it does not encourage them, but some just feel that they should farm and just keep their families.

*So is subsistence predominant?*

Yes subsistence is still predominant, and apart from that attitude the people rely so much on the weather. I have always said that any government who wants to seriously attack agriculture or poverty must be done through the provision of water or irrigation. In the North for instance, they should provide ... hand pumps and not even large scale irrigation, just hand pumps or boreholes. If you are able to strategically locate them you could decrease poverty by half.

*We hear there are a lot of projects in the North and these are being done and that there are a lot of NGOs operating in the North?*

You see, what is happening in Agriculture, for instance in the North, they only have rains for three to four months in the year and more than 80 per cent of the inhabitants there are farmers, in fact almost getting to 90 per cent. And they depend on the farmers and the cattle and they can only do the farming for only three months. The rest of the time they are sitting down.

*Are you sure they are sitting down?*

Yes they actually sit down and that is why you go and you see people drinking pito, playing oware and the rest, there is nothing to do.

*So anybody can easily entice them?*

And that is why in Dagbon where I come from that ... people are always causing problems there because most of the youth are doing nothing. They are not trouble makers but they have nothing to do. Anybody can just go there and entice them. And I have always said that it is not a matter of going in for a big project like Tono Irrigation, very capital intensive and very costly to manage because given our poor maintenance culture in Ghana you would expect that within some two years it will collapse. I would rather advocate for small scale irrigation that can trickle down to the districts so that people can at least farm twice in the year. I am telling you if they take this serious it will go a long way in the reduction of poverty in the North and in the rural areas. Otherwise whatever we do like the poverty reduction strategies they are just temporary.

*But Sir Guggisberg conceived all these ideas as 'baskets of goods' in his development plan somewhere in 1919, how come they have not been implemented as planned?*  
You see, it is very easy to attract a World Bank loan to construct a big irrigation project but not the small scale.

*Why is that?*

It looks like the financial people are not interested in that because they also want something to show what they have done this in Ghana. Large scale commercial farmers can do the irrigation if somebody can farm hundred acres he will definitely be in the position not only to maintain production but also to maintain the equipment that ... like irrigation equipment.

*But then if the international donors are not interested, when Kwame Nkrumah came why didn't he focus on that problem and what prevented him?*

By the time Nkrumah ... moved a lot of farmers from areas that are not fertile from the Upper East region. If you go to Bolgatanga side and in the Northern region if you go to Gonja region we have a lot of land, very fertile land you move a lot of them to come and settle there. Population is higher in the northern region so you start to move them to where there is land.

*Is it because of the pre-independence Gonja project?*

The population density in the Upper East is higher than in the Northern region so you try to move them to where there is land so that they can farm. They settled a lot of them around Damongo. So he was concentrating on that aspect. And do not forget that at that time we did not have this large scale population that we are having ... and the rainfall pattern had not gone that bad like we have now.

*Why?*

Because of sociological factors, deforestation, the weather ... and all those factors.

*So what contributed to that?*

It is our ways or methods of farming. A peasant farmer with his lack of resources slashes and burns a number of trees he burns everything then grows maize the first two years because of the burning he gets a lot of crop ...

*Does he come back to the first place?*

They were not coming back when the population was not so much but now they keep on farming around one place they get exhausted and he comes back to that place and that accounts for what I am talking about so even the three months rainfall that I was talking about is not enough it doesn't ... anything because other factors.

*And they cannot afford fertilisers too?*

These days they are not there.

*How come there are so many people there and it seems not much attention being paid to the production capacity of the area?*

I believe what is causing these things are that policy makers sit down in Accra here and then decide on policies that are supposed to work for all the regions. But every region has its peculiar priority and thus their development strategies. And even as a nation we do not even have a policy direction. In Nkrumah's time the policy direction was industrialization. So we seem to verbally claim that we are still pursuing that policy.

*Can you industrialise a country without first developing the agricultural sector.*

His strategy was to modernise agriculture at that time ... but from the very onset we were not taking measures to modernise our agriculture.

*So Nkrumah moved the people but he did not think about the fact that moving the people will create the population in the area and there was a need for agricultural modernisation.*



With mechanization, go around Bawku and even Nyankpala in the Northern Region where he sort of and there were supposed to be farming. Yes that one was done in the very first place because ... encourage large scale farming. Everything was still left with the private and private farmers they were farming at that time there were subsidies on other agricultural inputs like fertilizer and the rests. But like I said ... they had to cut down all the trees to make sure that the tractor could plough, the fertilizer also has its effects on the soil so were not adopting farming practices that could restore the fertility of the soil after the fertilizer had also added its ...into the soil. And we could not even maintain the tractors that we got ... Go to places like Nyankpala and you see them plenty lying down all collapsed.

*Are you talking about the projects implemented after independence?*

In the period before independence I think there were some attempts at mechanization in the Bawku areas and others. But I do not know how ....

*So are you arguing that the mechanization was inappropriate?*

Yes it was inappropriate from the very onset. Because I believe that area could have benefited more from this bullock farming, encouraging bullock farming which has an added advantage of enriching the soil by the manure and not destroying trees.

*So these factors were not considered in the mechanization?*

They were not considered when they were introducing agricultural mechanization. Mechanization per se is not bad but if it is being introduced to peasant farmers who do not have the knowledge of regenerating the soil fertility and can maintain the ... Because he will do that and move from this place and go to another place because he cannot maintain the soil so they keep on cutting down a lot of trees after farming just for two years they will abandon it and just go and cut some more trees on another plot so ...

*So is land a problem in the North?*

Yes, land is a problem now.

*After cutting down the trees, can they grow something later on the abandoned lands?*

When the rains from there is nothing to prevent the water from running so erosion sets and the soil nutrients will be carried away by the rain water so whatever they plant there again would not have nutrients. So the lack of tree cover also affects the rainfall ... the farmer that is the only work he can do.

*So what happens to those doing nothing and have the means but they cannot do anything?*

In the form of what?

*May be somebody can remit some money.*

Remittance of money from we those who are in the South here working we remit money to our families at home in the north and they buy food with it. May be there is a lot of ... like I said people keep on moving. There are still some areas where they can get some small ... it is an interesting thing. Western Dagbon that is around Tamale side there are ... locally no lands to farm again most of the lands are exhausted.

*Did you say around Dagbon?*

Tamale side, the people have moved south to around Yendi to farm.

*To Yendi, how come Yendi did not suffer from the land fertility as well?*

Because the population there has developed so much as Tamale side. With all the surrounding areas there they are ahead ... All the surrounding areas they cannot depend on their land economy because land ... So this is the problem.

*So most of the youth who are not in education what will they do?*

That is what we fear even those who have registered for education and those who are not ...all drain down south. And instead of ... it is more urban areas ...

*So when you go to the North, do you find some of your class mates?*

No, most of them are here in the South. That is why you see a lot of 'Kayayie' (girl porters). It is because of those problems the boys are ...

*And once they get to the South they do they go back to the North?*

They come here and they are used to what we call city life and even the most interesting thing is the freedom.

*Why freedom?*

I am using the word loosely, you know our culture.

*I would like you to give me more details about what you mean by freedom?*

Parental controls are very high you get ... you do not do this ... another elder who is not necessarily his child ... if you are not his father nobody with can shout .... It is that I call freedom. He can do whatever he wants without ...from anybody. As a child he will think that why should I go through the slavery of being controlled by my parents and the elders or ... when I can be on my own here apart from the attractions of the cities. Those are the factors so when he goes home may be with very nice clothes, shoes and the radio that he is carrying and even the fact that he will be looking very nice that alone attracts those remaining to follow him to the South.

*Especially if they are not doing anything?*

Especially when they have nothing to do. And most of them have nothing to do because the only thing they can do is farming and farming can only be done in three months or four months in a year.

*Does transport the infrastructure affect the production capacity in the North, how does the lack of railways, for example impact on the situation?*

Yes, to a very large extent ... you know there have been a lot of ... most farming areas during the time of serious farming the rivers cut off a lot of farming community. I know of an area which is called 'overseas' in the Northern Region you cross the White Volta ...

*Is it around Bawku?*

No it is around Tamale, just about ... miles from Tamale you would have to cross the White Volta. It is that area that links the rest of Northern Region up to the Upper West and it is a rich farming area. But some of the ... season you cannot go there.

*That is why in April 2006 against going to the Upper West from the Upper East due to the nature of the roads?*

Because at that time the rivers will overflow their banks ... and that is the same time that they are producing so when there is .... You see the middle men go and buy ... because they do not have storage facilities even dried well ... if you put it home it will get rotten if some body comes and says that I will give you twenty thousand cedis for a bag you have to give it to him.

*So because you do not have storage facilities you now have to sell what you grew to feed the family?*

They have to come back to the commercial centres where this people bought it at very low price have money to transport it and they have ... it all goes in their to come back and buy their own food at may be the price that they sold it.

*Is this public knowledge?*

The farmer ... two other jobs at the end of the farming season then back to ... within four or five months the food is finished. He comes back to the market to buy back from the same people that the sold their produce to at that low price only the new prices have risen to about five to six times depending on the availability of food at the time.

And...sometimes they even bargain with the traders that they should give them just one bag so that when they harvest they will give them three bags.

*This dimension is a real problem, I am really surprised to hear this?*

Most of the people in the cities do not know, but we those who come from the area know about it. But sometimes some of us ... in such a way that when it is getting to the North they are able to buy from and put it down ... in five months time your parents will be asking you that they need some money ...

*So what about those who do not have relatives in the South?*

Those of the people who come from the North they will tell you. These are the challenges that we are facing.

*So could the location of the Ministry of Agriculture around Tamale help to solve the problem?*

No, that is not what is needed. That is not what is needed. What is actually needed ... the problem we are facing is simply the fact ... The Ministry of Agriculture what do they do know?

*Are they constrained?*

They are constrained by the same budget and we see ... like I was saying what does the Ministry of Agriculture do? At best they can just buy a landcruiser and once in a while drive around. We used to have extension officers who used to go round educating farmers.

*But is it not likely that the farmers will know more about the situation in the areas than the extension officers?*

And the person goes and studies agricultural policies and practices which are not even ... carry out research implementation. And like I said the first attempt should have been to provide water. The water level is low so they say when they go and drill the boreholes they do not get enough water. But some of the NGOs I remember the Catholic Relief Services. It will help a lot because there are animals ... I have always said that what if we can introduce some small ... even when the dam is drying up and you have boreholes you ... income in the dry season.

*I remember when I used to audit a Danish government NGO project in Burkina Faso near the desert which used to construct the dams and bridges for the areas.*

It would surprise you that we are importing a lot of water melon that you see in town from Burkina Faso.

*In addition to tomatoes?*

Yes, I am telling you simply because they have adopted ... farming strategies.

*Was it through the NGOs?*

The government gave the NGOs the necessary support and that is what is working for them. In Ouagadougou now you cannot cut trees by heart. It is now controlled because they realised that the Sahara was taking over the country.

*Once, in the year 2002 when I was driving from Niger through Burkina Faso to Ghana, I realised that given its position above Northern Ghana, Burkina Faso had more of its forest preserved compared to the Northern Ghana?*

Yes more than in Ghana. They use mangoes trees for instance they use mangoes for jam and export the dry mangoes... Why don't we do it? And the mango trees stops the encroachment of the desert in addition to providing them with ... It is now that we are even thinking of it.

*So can we say that the migration of the people from the North to the South and the fact that it is easier for the people, once in the South, to find something to do may have contributed to the neglect of the North?*

Yes, the lack of resources or opportunities led to migration and the migration in turn...

*Because from the beginning the colonisers?*

There had been a policy in fact that policy ... was started by our colonial masters they encouraged mining and they were bringing down the people to come and help operate the mines ... they were bringing down the youth to farm in the cocoa areas. In actual facts it was the policy of the British they were only recruiting the sons of chiefs so that the chiefs will be and in our current before independence .... And those students who were coming to Achimota were controlled not to be ... going to Accra town by heart and go and associate with the people so that when they go home to the North they will go and tell their people that this is ... During independence ...were also thinking that. So this is the problem so over the period economic activities have always been more vibrant in the South than in the North. And we have not made any effort to increase the economic activity in the North. That is the main factor.

*So this is a big problem?*

It is not a problem but may be our approach is the problem.

*I think that amounts to the poverty?*

Yes, that leads to the poverty in most rural areas not only in the North. It is acute in the North because in the South by its nature ...I was always arguing with my friends from the South when I was in the University that they just needed to go and clear a place with a cutlass and cocoyam will just come up you do not even need to plant it. So food is not a problem in the rural South but it is the number one problem in the rural North.

*What are in your view the most important causes of poor living conditions?*

It includes most of the things we have talked about. Our attitudes towards work generally we are not the serious type. The Ghanaian just ... he is hardworking when he is outside Ghana but when he is here ... that blames the extended family system because when you work hard other people come to depend on you so you feel that OK I do not need to work that hard so that I can also depend on somebody, so why should you work hard? That does not mean that I do not support the extended family system it has its good sides. But it also has that bad aspect of it.

*Before we come back to the extended family system do you have any other causes of poor living conditions?*

Our attitude to work is number one and then secondly the old ... from independence has not been to encourage private participation in production. I was just telling you that people think that government's job is nobody's job and that is what is dominating in the employment industry. Government employs more than half of those who make goods, why? ...the attitude of the people towards government work.

*In the survey it came out that people do not have confidence in the public sector meanwhile they do not want the private sector to dominate, why?*

And if the private sector does not dominate that wouldn't change our attitude.

*But they have much confidence in the private sector but they do not want the private sector to dominate the industry, why?*

Because they are afraid of ... People are just unnecessarily afraid that if the private sector dominates there will be exploitation some have that colonial mentality that anybody who employs you sort of enslaves you.

*But they even have higher confidence in the foreign companies?*

Yes, you see the Ghanaian is not necessarily lacking ideas. I have always believed in all ... even government, if you start a business and a problem comes we will give him more concession ... even inside here he will get more connection than you. Not necessarily because of corruption ... you may even refer more than him because of bribe. Now the fact is that we have it in our minds ... that if a Ghanaian is coming and he meets a white man even if there is nothing to laugh about he will just start laughing. Because of all these genuine efforts by the private businesses do not go far. Foreigners who come to the same business however go far. But I have also mentioned our attitude because sometime

... they do not even tend to differentiate between your income and your capital. I have always said that culture when you are developing and you do not do something about your culture you do not develop around your culture you do not try to ... and quantify and identify the negative side you would have big problems. You see our people let ... and following the colonial expatriates so even generally ... we appreciate and we get overwhelmed by a very small success. So if somebody buys a bus that is plying Kumasi and Accra, he is happy and when the business starts doing well he is not thinking of buying another bus he is rather thinking of going to become a chief in his village.

*But what will he get from the chieftancy?*

In fact the name, they will call him Nana and so on.

*What about the lands?*

No in actual fact, he is not looking at the land. He just wants to be called Nana. Very few people go into it because of the resources that they can control and not many of them actually control that resources and utilise it for the benefit of even himself, let alone others. He will go and sell the land and buy a big car, he will go and sell the land and go and marry another wife. You see that our culture is driving us into a small corner. Apart from that general attitude that the more you are related to a white man the more ... so they follow ....

*So you think most of our problems are cultural?*

Most of our problems are cultural. Opulent lifestyles we are not thinking of expanding our horizons in terms of business, in terms of achievement, we are interested in showing of. Let us just look at something, when people go for higher education in Ghana not for the benefit of the job they are doing but just to be called doctor.

*And what do they get from being called doctor?*

Because they think when you are called Dr this and Dr that ... he is not even trying to look at quite recent developments because these days you can get doctorate and they will still be useless. The present generation will not go in for a course trying to look at the prospect of the course but will just do anything because when it comes to ... he goes to read because when he come and enters the system as a graduate ... So that attitude of self aggrandisement is in every aspect of our life.

*Do we look at our future our grandchildren?*

There is a changing trend, a changing trend where now people begin to take interest, I mean the future interest of their children into account. But before it wasn't. Some people felt that own their own or by fortunes of God so the children should also be left out to fend for themselves and the trend is now changing in the modern days.

*So we have not reached the stage of thinking about our grandchildren yet?*

No, because we do not establish things that we have in mind that the things will live longer than you. So we have not yet reached that stage where you are expecting that this business should grow to outlive you so we have not yet reached that stage.

*So do you think our orientation is rather in the past and present generally in Ghana?*

Yes generally in Ghana. There will be traces of new developments but generally our orientation is in the past and present.

*So it is culture?*

I have always said that our culture rules us so much. There are good things in it but there are equally very, very retarding aspects of our culture. Because we are not ... if you criticise, for instance right now If you are taking your child you would like to direct him looking at where his abilities and where you would be looking forward to some place but what we saw when we were going to school. Your parents were not so much into what you intended doing. Let alone those who have money they would not establish something that can become a family business. Most of this big multinationals started as family businesses before they become incorporated and the shares became ...because if you

are a good builder and you are building houses and form a company to ... your son may not be a builder but you may like to leave shares and let the company become a big company so that even when your son is working somewhere he will still have shares in it.

*So do our inheritance systems promote the maintenance and survival of businesses?*

The inheritance systems have got a very big part to play in the survival of businesses. That is the reason why we are not thinking beyond our own lives because the majority of Ghanaians, all those from the Akan section inherit matrilineally so your father's business does not necessarily mean your business because at the end of the day you will not inherit him.

*But there has been a recent intestate succession law?*

The intestate is only working in some selected societies. It has not gone down deep into the rural areas. Let alone the Moslem society.

*But the majority of the Moslems are patrilineal?*

They are patrilineal so the intestate succession law was not actually aimed so much at them. But they also still ... made some aspects of it because Islam unlike Christianity has its own way of distributing certain estate and the religion has set up a standard for that.

*Do the Islamic Inheritance standards promote the promotion and survival of businesses?*

To some extent it does because it retains much of the Intestate Succession Law 111 it tries to ... most of the differences are with the nuclear family. But you realise that this is a society that is not developed where already you will have so much. They share so they must kill the cow or sell it. So our intestate law takes care of the situation where a man dies intestate and all the estate is taken away by the extended family, it does not totally eliminate our traditional system, some portion will still be left for your nephew to inherit to come and inherit but they will give something to your immediate nuclear family.

*Does it cater for the survival of the business?*

The survival of businesses is not catered for because the law only says that if you are leaving behind the household furniture the children have a share in it but it does not talk about business. If you have business then you must share it according to what the law says. And like I said even that one those women who are enlightened or those children who are grown who can take advantage of that law. In the villages they are still going by the traditional system the intestate succession law does not work there.

*So the intestate succession law does not work in the villages?*

So the traditional inheritance systems persist and that do not allow for...

*So the chiefs do not enforce the intestate laws?*

The chiefs are representing the culture of the people and the culture includes the inheritance system. That is the failure of central government. If we developed our systems from democracy, a system developed of our culture we don't need to take our culture away.

*But the educated people think that they know everything and they want to be powerful?*

That is my point. They want to be powerful and eliminate the roles of the chiefs and elders and if they had given them some initial role to play and then rather force these laws down the courts of the chiefs, they would have achieved better results than we are doing. You realise that even in democracy we are suffering in our democratic development culture we have not been involving our culture into the democracy and every democracy in the world have their own democracy based on their culture, the Americans, the British and even the South Koreans have the cultural aspect of it but we have just taken ...it is because of the way we developed our democracy.

I have seen a lot of surveys and questionnaires but I have never seen some of these questions linking culture to our development and linking culture to our attitudes it has not been done. You will not see any empirical research in Ghana that has these dimensions

taken into account, no. What you are doing now will help draw people's attention to these areas and will become a reference point.

Yes, I have always been saying that ... he said he went to the North and he realised that there are lots of things that we have not written and I said it is because of the sponsorship, we do not get sponsorship we do not look at when you are going into research to come out with results ...

*I learnt that in the North only the first son inherits the father especially in Upper East Region?*

It is general in the North, it is not that the first son inherits he inherits everything from the father, he inherits the riches and the responsibilities of the father so in effect it is just like transferring the role of the father to the first son.

*But that is how it is supposed to be?*

The first son inherits the properties and the responsibilities, he is responsible for bringing up the other children and fulfilling the role that the father ....

*What if he subsequently marries?*

In actual fact the system is made that if the first son is not of age yet and cannot take responsibilities then the uncles will take the responsibilities of taking care of them and the property.

*His father's brothers?*

Yes, so what when we are talking of first son, we are talking of the son who is mature enough and responsible enough not necessarily married but in a position that he can take care of them ...

*What if he marries and the wife ...?*

That is the reason why in the North you can even be a son and your uncles will inherit your father because you are part of inheritance ... When a man dies the uncles take the younger ones and it is when the ... when you inherit the father and you want to leave it for your children and that is why some people do not want the inheritance. There are some people from the North who stand the chance of inheriting the father they will let the next child take over because whatever you have cannot be separated from what you inherited.

*So can that be a weakness of the patrilineal system, so all the systems have their problems?*

They all have problems so we must give and go to the ... system where we have a family you have the responsibilities to help the family with and your immediate responsibilities of your nuclear family and they are ...

*So is there something being done to improve on the intestate succession law?*

Its implementation is part of the ... of Ghana, like I said it is just like most of our laws which do not go down to all the corners of the country it is not only that one.

*So there is no reform at all of the intestate law?*

To date there have not been any reform. It was promulgated around the 1990s so in actual fact if we are to make any reforms it will be now that we should be thinking about it. The law itself is such that it does not need the reform now.

*But we have just highlighted some aspects, for example to promote the continuous survival of businesses.*

What we did was that the intestate succession law does not ... you are encouraged to make a will. If you make a will that law does not apply the will will be binding. If you die intestate that the law comes into play. What we need is to rather encourage people to make wills.

*But the Ghanaian culture we do not give much attention to the fact that we are going to die and what should happen to your estate after you are gone?*

And that is why I am telling you that right now the elite for instance are gradually shifting towards that kind of ... And then they have ... that are doing the will. The village man believes that if you make the will you will just die the next day because you have done a will. And that was what the intestate was meant to correct but unfortunately ... somebody will be suffering under the traditional system of inheritance. And even when you tell him to come and take advantage of it he says he does not want trouble. So that is why I have said that they are afraid that they will not even go to court and then obtain judgement. The court gives him the living gods will not leave him.

*What about savings what explains our low level of savings?*

Several reasons are obvious given the income is not already if you cannot even live on your income how do you save. There are some people grown up people who do not earn who do not earn more than 200,000 thousand cedis a year in the North. He has nothing to call real income so where can he get the savings from. Because there are no incomes and when there are incomes they are very low and because it is low income there will be no savings. It is no so much about whether our culture play ... some people have money and they actually save.

*So culture does not play a big role here?*

There is no cultural ... to savings.

*But if we focus on our past and present it will affect our savings habit?*

You can realise that we are only encouraging people to save in the past as for savings it is part of human instinct ... definitely forced us into savings.

*If one has to sell his harvest and buy back after five months.*

He sells because there are other things he must do now he needs the money even though he knows in few months time he will buy it back but he even thought that he needs it ...so how does he save? That is the problem. There is nobody in Ghana here who does not know the value of education now. Even in the remotest village they know. My brothers always say that I was the ninth in my family and I was the first to go to school. All my junior brothers and senior brothers have all their children going to school and they are saying that if they look at me nobody can tell them why they should not send their children to school. And we have several examples ...The only problem is that they do not have enough money even to feed themselves that is why there is child labour and all those things because ... who will pay and how does he pay?

*We have touched on various aspects of the extended family system, what do you think about it now the advantages and disadvantages?*

It is breaking down now even in the villages. That one is a reality. In fact we only see it when it comes to funerals, it is breaking down. I always say it was a very ... factor and you are compelled but these days it is only funeral.

*So it is only when it comes to disasters or hardships the extended family system is felt?*

It is only when it comes to disasters and other things it is those ones who help. Before they could come and impose a fine on you but these days no. Everywhere in Ghana it is breaking down. Even though it is still more holding in the rural areas than in the towns but it is generally breaking down. And like I said it has its advantages and disadvantages so many disadvantages but we take the disadvantages because with all due respect to the extended family system.

*Can we weigh the advantages and disadvantages?*

Because you cannot benefit from a system and say you do not want to contribute to that system.

*So that is the tension?*

There is a tension between the present, the future and the past, between the cities and the villages.



*Because the cities have always benefited from the villages.*

Because if the whole family have to sell cocoa and they send you to school and you finish and you are a medical doctor at Korle Bu and you say you are not going to take care of somebody because you only know your nuclear family.

*Then there is a serious tension?*

There is a serious tension because they would not understand why the family suffered to send you to school.

*So do you think the extended family system will survive?*

It cannot go on, it is a dying institution that is how I see it.

*What about those who have been short changed, those left behind in the villages?*

Yes, most people are short changed now even in the rural areas like I said it is a dying institution. Economic tensions are making it to die. Because come to think of it you only think about the nuclear family and the extended family when your nuclear family and you have not been able to overcome some of the immediate problems of your wife and children can you buy a bag of rice and send to your parents or uncle, so it is dying a slow death. And I have always said that we should not be talking about it we should only be talking about it academically.

*But if it continues with the slow death it will inhibit the economic growth?*

It is inhibiting our growth and at the same time it is ... our society.

*Is there spiritual counterpart to everything such as mountains, rivers, trees, land and human beings?*

That is why I said it reminds of ... uh, even though my religion does not allow me to believe that apart from human beings ...

*Apart from human beings?*

We human beings they say we have a spirit. Apart from that traditional religion also says that that everything has spiritual aspects.

*But then religion associated it with human beings?*

So religion has associated spirits with human beings....working relationships.

*Even after studying science*

So religion has ... so that as far as we are concerned it is only the human being who has spirits.

*So when you are dealing with the human being you will think that he may have some spirits? So if you know that somebody has a powerful spirit and you are dealing with him how will it affect your interaction with him?*

Generally in my official dealing with people I do not think of the fact that they have spirits.

*How about other Ghanaians?*

Others it comes up sometimes they say there is a guy here he has got powerful spirits, oh. You hear workers sometimes saying eh this guy ... in official circles we do not consider those things.

*But most people do?*

Yes, most people do.

*And how about our destiny can we change it?*

Destiny, coming from my Islamic point of view, they claim religion claims that and Islam ... says we don't have ... determining but Islam says we have. Islams says that ... but if they explain it is just like in Christianity. They are saying that no God didn't say you are going to be ... successful but God is all knowing from the very first day he knew that this is what you are going to be, because he has given it to you.

*So it is not destiny?*

So it does not mean that, it is not destiny. Because he knows from the day he was creating you he knew how you will be but not that he says you should and that is what I believe.

*So can you influence your destiny?*

Our destiny can be influenced by ourselves and then circumstances also. I have always said because there was some day we went to some village in the North on our ... and then Mr Yeboah, he is one of my bosses. We were looking at ... so our eyes met and he stopped then later on when we were going he said you were looking at the boy and then he said unless God intervenes he will never see the sea. That reminds me of this question you are asking me. That is why I said that circumstances can change our destinies.

*So do circumstances impose destiny on most people in Ghana?*

Yes, that one personally I believe that circumstances sometimes impose destiny on some people. Some were born in a family of ... my father had a total of more than twenty children and I was sent to school. After me only one more of his children went to school.

*Were you the first?*

Yes, I was the first, I was not the first child but I was the first to go to school. And later on somebody too was sent. And that alone has determined our destiny. And he himself even said to me sometime ago that he had already determined what I am going to be.

*By sending you to school?*

Yes.

*So what happened to the rest he did not send to school?*

The rest have been limited to farming in the village.

*Does it mean that you have to look after them?*

To help them, yes but you realise that their children ... they weren't sent ...

*Could he have sent all of them to school?*

He could have, he could have but he did not send them just because he did not see the need.

*Are you sure he could have educated more than twenty children?*

He could have because at that time ... at least things were ... my father was not a pauper as such and then you could go to school to some extent quite freely in the North. But this time their idea of life was in the village I mean you grow up ...

*So how many years are we talking about now?*

We are talking about the early 1970s. I started going to school in 1968 and the school I went at that time all my brothers and sisters could have gone. My father was a trader so he was not so much relying on his farm. He was going to Kumasi ... like it was circumstances.

*So is it right that most people I think do not believe in destiny but destiny has been imposed on them?*

Destiny has been imposed on them by the circumstances. The fact that you are not going to school in this modern Ghana will even limit you to what you can do and what you cannot do.

*Even if you have gone to school and you do not have connections?*

To some extent yes but I do not believe so much in it. Connections in the sense that if you do not know somebody to send you somewhere. I will not say it is not true because we all rely on people when we looking for jobs.

*We all rely?*

We all rely on people, I for instance I did ...like I said I am very truthful to you because you are doing research. They are giving answers that are something about themselves but they are not the reality, we want to find the reality and see what we can do about it. Most people I know even today who joined customs they normally come through somebody. There are some people who come on their own, those days before... some time ago it stopped we all applied.

*So when people say I apply, I apply, what do they mean, are they telling me what I want to know?*

There is no problem my boss like this, he applied at the time and he did not know anybody he was taken. I applied myself when I left sixth form and we were ... customs officers and I applied they ... but I had qualified and some of them advised me that I should go to the university, I did not know anybody. I couldn't then while one person can get in luckily. So as for that one anybody who says that I didn't would just be answering it.

*Let us talk about our law courts, let us talk about the limitations why are the law courts not delivering justice as expected to the extent that some people are saying that they pray that they will never go there?*

Yes, they say so, first, based on ignorance and secondly, based on the reality. Ignorance in the sense that a lot of people when they were doing at the time where you see the law is not necessarily moral. Morality and the law can merge they can find themselves in the same car but they are not necessarily on the same ... Because what is the law may not necessarily be what is morally correct and no ... that law must go with morality and I am not necessarily even though law tries to be as moral as possible. So sometimes when somebody ... if I leave you in this room and I say take care of this room for me and before I come back you decide to use this cup I cannot say you have stolen it in law but morally.

*But even morally you cannot say with certainty, what if I was dying of thirst?*

Whether you should go ahead ... these are some of the problems you see most people go to the law courts and when judgement is given they say no, no, the judge has collected money. The legal system are based on ... even the normal procedures ... in court justice demands that they must a minimum delay.

*What do you mean by there must be a minimum delay?*

I will explain. If you go to complain to a judge through any means through a lawyer, through a police officer that somebody has stolen your thing the law says that you must serve the person a summons that you have come to the court and that you have come to the court to tell him that he has done and does he agree and the procedure says he must be given this number of days. When he replies he is also given some number of days to ... this process goes on for some time before you gather what he has denied and what he has accepted before the court actually sits. That alone delays...

*Is it the same in other modern countries?*

It is everywhere because our legal system is based on the British common law, the American system is based on the British common law it is the same period that they are given. So that is why I am saying that the legal system by itself will mean a minimum number of delays. Because you cannot just say ... you know that in law you must listen to both parties you must give time for the person to be served you must give time for him when you take the letter for him to reply. There are legal period given for that. Somebody would think that if you just come to ...that is not what the law says.

Apart from these procedural delays there are also logistical delays which result in adjournment of cases and all those things and that is where peoples' concerns are. Some cases stay in the courts for not less than two to three years and these are the earliest that they can be. In fact that is the average... simply because we do not have enough courts in the system to go round and we do not have enough courts, the courts are overwhelmed with cases. We do not have enough resources at the courts to speed up the cases and

we do not have even enough resources at the police station to investigate those cases before it goes to the courts these are the two main problems.

*We do not have enough courts or enough judges?*

It is both, the courts cannot sit without the judge. If we were to have a court in every area in Accra, Osu Court, Labadi Court, Teshie Court, Nungua all the courts would be manned by judges.

*But we have many lawyers but not many judges?*

There are a lot of lawyers but few judges because of the thing we discussed earlier on salaries are low in the public service, and the Attorney General's department is a public service institution so a lawyer can go and take one case and what he is getting is more than your three months salary, a judge's three months salary. The lawyers in the Attorney General's department people do not want to go there because the salaries are low. So people are not interested in going to those jobs. Apart from those human logistical problems we still have our judges writing in long hands in most places we are now introducing this fast track system. What happens is that what you are saying the judge must write it down, he must write it down so how. He writes it down because at the end of the day he does not want you to say you did not say so sometimes he says wait.

*So what proves that he is writing what you said?*

That is one of the things but then normally the judge will not write down what you are not saying because the judicial system is such that a judge's judgement is reviewed by a superior judge.

*On what basis are they reviewed.*

You see at the time you are saying it he cannot tell what use he will use that for so he cannot ... He will ask you what is your name and just write it down he then asks you on this day where were you he also has to write it down.

*So he cannot rewrite at anytime?*

No. No he cannot rewrite in the journal he is writing it into. So that one is not a problem. The problem with the people is that they believe and this is one of the beliefs that writing down everything whereas in the US and other advanced countries they are recording.

*So in the other courts they are not recording?*

No, it is just the fast track courts that are trying to do the recordings. They are now introducing those gadgets so that they will record so that instead of the judge writing down it will be recorded and that has additional advantage of ... made out of it. So that nobody will say that I did not say this. But then he also makes sure that while he is recording he is not stopping to write. The judge can hear a lot of cases in one day so that is what has been happening in the law courts and that is why the people do not have trust. Now the quality of judgement there are political cases where there are political people but generally in normal everyday life situation land issues at least the judgements nobody quarrels about the judgement they only quarrel about the delay. Because sometimes you lose the interest in what you were looking for. When judgement is delayed too much it is like justice denied. I was interested in this cup to fetch water and drink and while I am thirsty we have been talking about it for hours. But the time that we are arguing I would have to look for another cup to drink the water while you are still talking about this cup. So when you finally say that we are ready take the cup it will be of no use to me. This system has created problems for Ghanaians.

*So what is the most important problem there?*

The most important problem there I would say ... if there were higher salaries in the attorney general's office a lot of lawyers would have gone into it because we have a lot of lawyers who are not prepared to go into those areas. So the salaries are low and discouraging people from coming in.

*That has created a distortion then because the private sector has got a lot of lawyers?*

You have to go to court the judge says today I am listening to about thirty cases because of some so when this case something some technical has been he says come in three weeks time because the other days have also been filled. He takes the next case which he could have said tomorrow but because there are two judges if there were plenty courts and plenty judges they would share the cases among the judges it would have eased there are few judges because the salaries are low and other conditions. If you want to increase the judges, you see the chief justice has introduced the career magistrate court it is in its fourth year now. So they are now opening more courts. That is one of the solutions and they are training as magistrates they cannot go and practise as a lawyer.

*Can most cases be heard by the magistrates?*

Most cases go to the magistrates' courts. If he was a lawyer and trained ...he could have run away to Nigeria and practised. But he cannot go anywhere outside of Ghana because he is trained only to work in Ghana. So these are the measures they have taken but in the long run the salaries and other conditions... The salaries can be ... and then automation of the courts can also speed up the work there. The major concern there is... people do not even go to the court. If I have a case and I know if I go I have three to four years to finish I would not go.

*That goes to confirm the people's observation that there is a high rate of default in Ghana and few people seek legal means to recover their debts?*

That is why I am saying even when they give judgement sometimes ... the judgement becomes a problem. There is this judgement and you have to rely on the police to effect the judgement that will be ... I think that majority of people ... it is not so much about recovery it is before you arrive at the judgement. That is the complaint that we hear of. There are private debt recovery companies and people go there. Instead of going to court they will just say but because the judgements take long. As for implementing the judgement it is not so much of a problem.

*If I told you that development of the market or economy of the country depends on the legal system?*

Yes, in actual fact the economic advancement of every country depends on the effectiveness of the law courts. Because when you know that if I invest my investment will be protected, if somebody defrauds me I can easily obtain judgement. That is why I am saying that the delay is the major problem. As for the quality of judgement I think on the balance of it everybody appreciates that.

*We have identified some core issues here the law courts, agriculture and so on, do you have any other on the law courts?*

Yes, the other thing is that the majority of our laws do not work, they are on paper only. They do not work because we do not implement them. There is a law against bushfire and even those who are burning the bush in the village they do not know that there is a law like that. That is why I am saying that even if you know who is to arrest the one who is setting the bush on fire.

*Because the chiefs in the villages are not involved?*

That is why I said that we have left out a very important ingredient in the Ghanaian society, the chiefs and elders. They are everywhere, wherever there is a settlement in Ghana there is a chief. Even if he ... he owes some allegiance to some chief somewhere and yet we do not involve them.

*So that is a community failure and leading to lack of law enforcements?*

Yes.

*Let us finish on chieftancy then?*

People say it is becoming ... but I think it is alive, if traditional roles are being eroded.

*Traditional roles but what about the modern roles?*

Yes, that is why I am saying that my problem is that traditionally the chief was a political leader, the chief justice every authority rested on him.

*He had his elders?*

He had his elders who were responsible for the various functions and for that matter he also effectively utilised the traditional religious aspects so that people were even afraid when they are alone to go against some of the norms of the ... Even though the chief and his elders are not around there or nobody is even there to report them those functions have been taken over by some of the people from the central government. In most cases if the chief calls you to adjudicate on a case and are you are reported to a high court you can refuse to go the chief's palace and the chief cannot do anything but as for the high court if you refuse they can arrest you.

*So there is a problem there?*

There is a problem so it has eroded the effectiveness of the chiefs in handling cases as in courts. The chief could ...Fridays nobody in the village should go to farm. Nowadays somebody will tell you that as for me I am a Christian I will go. And the chief cannot do anything to him but in those days he could have summoned him. It has eroded the powers of the chief. The chief could enforce marriages and others. So you see the government has taken over most of the roles of the chiefs but there is one thing that central government has not been able to do. The chief has his elders in the system, the chief could enforce moral values the central government has not been able to open police stations in all the towns let alone the villages. So the government hasn't got its workers in all places meanwhile it has displaced the chiefs and their elders from all their functions. They have not delegated some functions to the chiefs.

*But these were provided for by the colonial authorities?*

Because of the way we fought for independence the colonisers involved the chiefs in their administration so we saw both the chiefs and the colonisers as a team. So after independence we decided to take everything away from the chiefs. So while the chiefs still remain crucial in our society current social functions like marriage, deaths, birth and the preaching of our culture they do not have anymore power to enforce some of these issues.

*But they still have the lands?*

The land administration has been reduced to customarily ... so the chiefs still have control over the land even that one is not absolute but they have control over the land. And land goes with economic empowerment, land goes with everything and yet even when there is an issue about that land the issue cannot be resolved in his house. It has to go to court. So he has a role to play in the modern economy by virtue of the fact that he is the one having the title and in most cases ... so when the title is in dispute because his ruling is not final the court's ruling will supersede and that takes a long time while his ruling could have taken one or two days. We have not been able to even empower the chiefs to issue titles to the land so that it will be easier for the courts. So these are the problems, we have taken our political and economic development out of our culture and yet our culture still cast a shadow on our lives, it is the very fibre of our developmental process.

*So how is the land management then?*

In the North, title is still vested in the chief even though government can acquire it ...in the North the pressure on land is not so much like in the South because even with farming lands we do not operate the 'abusa' (the land tenure system in the South) you just collect we did not have it but we still have the chiefs and family owning lands because society is made up of families before the chiefs will be there. So it is almost like what operates in the South but with less pressure on the land.

**We have had a very fruitful discussion and I am very grateful, thank you very, very much.**