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THE DILEMMA OF AFRICA'S UNDERDEVELOPMENT: A COMPARATIVE STUDY OF POLICY RESPONSE IN GHANA AND IN UGANDA.

BY

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A THESIS SUBMITTED TO THE INSTITUTE OF AFRICAN STUDIES, UNIVERSITY OF GHANA, IN FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF A DOCTOR OF PHILOSOPHY DEGREE IN AFRICAN STUDIES

October, 2013

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DECLARATIONS

I hereby declare that this thesis is a result of my own original research and that no part of it has been presented for another degree in any University or elsewhere. All sources used are duly acknowledged.

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ABSTRACT

This thesis uses Ghana and Uganda as case studies to undertake a comparative study of Africa's development challenge and its policy response. Recognizing the state in Africa as the prime mover in the formulation and implementation of policies, the study utilises the Neoclassical Counter-revolution theory that enabled analysis of the central position of the state in policy making within the context of the larger society and the external environment. Methodologically, the case study method is used to analyse policy dynamics, choices and outcomes, with information derived from secondary sources. Findings from the study are that at independence, both Ghana and Uganda pursued similar development strategies with a mix of socialist and capitalist policies with poor development outcomes. Africa's development failures in the 1970s and 1980s precipitated by persistent political instability and leadership inconsistency negatively affected the development of the two countries. With the introduction of structural adjustment policies along with political reforms under the auspices of the World Bank and the IMF, both Ghana and Uganda enjoyed stable political leadership and steady economic growth with key development indices showing positive results. This suggests a positive correlation between political stability and consistent positive development outcomes.

However, structural adjustment and stabilisation policies affected the initiative of the two countries to develop strong policy-making institutions and brought the issue of policy ownership to question. The study observed that policy processes were more consistent in Ghana than in Uganda, where long years of civil war brought several interruptions, with dire consequences on the population. Thus Ghana had a resultant better development outcome than Uganda in the two decades of comparative policy response and outcomes between 1983 and 2006, with higher score on GDP growth, better human development index and higher school enrolment for example.

The study offers two inter-related levels of recommendations. The first set are policy related and call for the development and ownership of an effective policy machinery with democratic participation within the context of the external and internal development challenges that countries face to cure the disconnect that exists between policy and ownership. The second set of recommendations aims to ensure political stability and accountable leadership to embed policy effectiveness as well as the peace and human security which are prerequisites for national development. Further research is also proposed on citizen involvement and responses in the policy process.

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DEDICATION

In class six in Wa Experimental Primary School, I took a unilateral decision to leave school. My father, Hassan Pelpuo, deplored my poor judgment when my class teacher followed me home and reported my persistent absence from class. This work is dedicated to those teachers who are so committed to their work that they can take personal interest in even the weak and unwilling student. I also dedicate it to my late dad, and the enterprising young people who never stop seeking knowledge and who keep reminding me that I am a role model in their lives.



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ACKNOWLEDGEMENT

I wish to acknowledge the invaluable support I enjoyed from some individuals who have tirelessly worked several ways to make this thesis a real possibility. First of all let me acknowledge the invaluable contribution of my supervisors, Professor Takyiwaa Manuh, Professor Kojo Amanor and Dr. Kojo Opoku Aidoo, who diversely worked tirelessly with me to finish this work. I am particularly indebted to Professor Takyiwaa Manuh who kept sending me articles and books to read, and whose criticisms were very thorough and sometimes intimidating, yet inspiring. I am thankful I worked under her supervision.

Am also highly indebted to my brother, Dr George Milliar for his invaluable commitment and support to me in reading through every single chapter I wrote. I know Allah will bless him.

Let me also acknowledge the support I enjoyed from the Institute of Economic Policy Research in Uganda and the National Development Planning Commissions, and the Offices of Parliament of Uganda and Ghana for their kind cooperation in letting me have access to all the information I needed, including granting me interviews about their countries' development policies in the two countries. I am equally grateful to the Ministries of Finance of the two countries for their support in getting me all the information I needed for this work.

Finally, but not the least, I wish to acknowledge the kind cooperation and committed support of my wife, Rahmata Issahaq-Pelpuo, who was a constant reminder to me that I have this project work to finish. To her and to all my five beautiful daughters: Maara, Hiera, Hina and Maale and Barika and son, Sung-Naa, I am grateful. In all this, to Allah be the glory!

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LIST OF ABBREVIATIONS

CPP=Convention People's Party

NDC=National Democratic Congress

NPP=New Patriotic Party

PNDC=Provisional National Defence Council

PNP=People's National Party

PP=Progress Party

IFIs=International Finance Institutions

IMF= International Monetary Fund

UNDP= United Nations Development Programme

UN= United Nations

AU= African Union

OAU= Organisation of African Union

SSA= Sub-Saharan Africa

NEPAD= New Partnership for African Development

APRM= African Peer Review Mechanism

(ECA)= Economic Commission of Africa

(RECs)= Regional economic communities

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CHAPTER ONE

INTRODUCTION: THE AFRICAN DEVELOPMENT PARADOX

1.1 Background to the study

Africa has always been viewed as poor and underdeveloped. Numerous reasons have been assigned for this state of affairs. These include the continent's history in relation to the rest of the world and its inability to provide the right kind of leadership and governance that will address its development needs. All throughout the history of the continent, statistics are persistent in showing the continent as one of the most underdeveloped in the world (Meredith, 2006).

However, in recent times, The World Bank (2013) has been talking about an African renaissance, having observed a consistent growth over the last decade. This optimism can be traced back to when, at the dawn of the 21st century, the Bank expressed hope about Sub-Saharan Africa (SSA) experiencing some transformative developments. In page one of its report, *Can Africa Claim the 21st Century?* the Bank stated, among others, that "many countries have made major gains in macroeconomic stabilization, particularly since 1994", and that there had been an improvement because of "on-going structural adjustment throughout the region which has opened markets and has had a major impact on productivity, exports, and investment" (World Bank, 2000). Such optimism was expressed in the midst of complex economic, political and social challenges.

Just about a decade and half after the expression of such thoughts about Africa claiming the 21st Century, Mills (2010) comes with his most devastating revelation about the state of Africa. He characterises Africa as the worst economic performing continent, with the worst agriculture output, the worst purchasing power parity, the lowest life expectancy world-wide and

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the highest rate of infant mortality, thus cutting the continent out as the most underdeveloped. This situation cannot go without examination to establish what is wrong with Africa.

Admittedly, the development landscape in Africa has slightly improved. Many countries have made profound transitions, leaving the chaos and dictatorships of the past and achieving steady economic growth (Radelet, 2010). There is a shift in the political culture of governing; and rulers are becoming more accountable to their people, independent institutions are emerging, markets are active, growth rates are picking up (showing average annual growth rates of 5%), and citizens enjoy more positive rights than before (Lynch and Crawford, 2011; Radelet, 2010). Nevertheless, the overwhelming agreement among most scholars is that the post-colonial African state has failed to provide certain basic necessities such as water, electricity, roads, and food for the majority of its people (Animashaun, 2009; Aryeetey and Kanbur, 2008; Commission for Africa Report, 2005).

Hence, leadership failure, or poor governance, provides the immediate explanation for the deplorable state of Africa. Yet, the theoretical explanations for Africa's underdevelopment are varied. Some Africanists agree that the post-colonial African state possessed characteristics of the "developmental state." 'Developmental' in Mkandawire (2012, 2001) conceptualization means that the state facilitates and promotes economic growth and structural transformation. In contrast, Ake (1996) argues that the provision of material needs for citizens and the general socio-economic transformation of Africa were never on the agenda of the continent's leaders.

Consequently, the African state lost its developmental steam in the mid-1970s. Several countries came under the category of "Least Developed Countries" (LDC), "underdeveloped poor countries" and much later under the rubric of "Highly Indebted Poor Countries." Poverty deepened in country after country and most of the gains chalked in the early post-independence

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era were rolled back. Throughout the 1980s no meaningful transformative agenda was seriously pursued. The big development question regarding the way forward for the continent was sublet to the World Bank and its allies.

The period before re-democratization in the early 1990s saw the African state locked up in relation with donor institutions seeking to help Africa address its development challenges. According to several writers, most African states such as Ghana, Uganda, and Tanzania failed to serve the larger interests of society. The political economy was hijacked by the ruling elites and their cronies and African countries came to be described variously as the "prebendal state" (Joseph, 1987), the "lame Leviathan" (Bratton, 1989), the "vampire state" (Frimpong-Ansah, 1991), the "patrimonial state" (Reno, 1995), the "rentier state" (Yates, 1996), the "kleptocratic state" (Southall, 1999), the "criminal state" (Bayart, et al., 1999), or the "predatory state" (Diamond, 2008). All these "derogatory adjectives"[1] stressed the "anti-developmental" character of the state to the ordinary people, (Mkandawire (2001). The record of the past five decades has consistently highlighted policy failure to effectively address some of the major socio-economic challenges.

A major challenge to African countries was their inability to meet the high expectations of the people. Various paradigms were tried until the need emerged to reform the economies of African countries through the World Bank and the IMF structural adjustment programs. This agenda was described as "a new task prescribed for the governments of developing countries which went beyond the normal task of economic management" Toye (1994: 18). This approach sought to bring about development changes not only in the short run but also in the long run. Toye (*ibid*) observed that until the 1980s, structural adjustment was a task for the developed economies to transform state enterprises into private ownership after they had failed to compete

[1]. See Mkandawire (2001).

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favourably with private enterprises. In Africa structural adjustment was expanded to tackle poverty, natural resource management, institution-building, governance and political pluralism Wapenhans (1994). These reforms obviously have not achieved their intended objectives and the continent continues to remain the poorest and most underdeveloped in the world despite its huge natural reserves.

The question then is asked: What is the reason for the underdeveloped state of affairs in Africa and why have reforms not done enough to dent the image of underdevelopment tagged with African countries several decades after they began to implement structural policies?

According to Dowden (2009: 276), the SAP which demanded of African countries who bought into it to "sell off state enterprises, float their currencies, cut expenditure (including health and education), and sack thousands of state employees… went further and faster than any reforms that any Western countries would have dared impose on their own people." However, so far the evidence of SAP has not been impressive given the studies about Africa's state of affairs in the development world, (see Mills 2010, Dowden, 2009). This is despite linking recovery efforts with political reforms in the SAP implementation process as has been demanded as a key component of SAP in the later years of its implementation to achieve good governance. What then are the policy trends and set of policies implemented and are these policies truly owned by the countries implementing them?

The continent's economic recovery effort in the latter part of the 1990s came with a new democratic dispensation which saw most African countries treading the path of political reforms. Many of the recently democratized states undertook series of important reforms. There is now prudent macro-economic management, markets have been opened up, and private sector participation is allowed (Mills and Herbst, 2012). In countries where these reforms have been

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sustainable, there has been an increase in growth and incomes, and poverty is reducing (e.g. Ghana and Uganda). Nevertheless, the expectations of Africans, following the post-1990s political liberalization have been replaced with rising frustration (Animashaun, 2009). Poverty is still a major concern as over 300 million Africans are said to be living on less than US$1 a day (NEPAD/ECA, 2012). Hunger annually afflicts some 30 million Africans, thereby requiring emergency food aid. Furthermore, the disease burden is alarming as malaria is still the leading killer on the continent (NEPAD/ECA, 2012). The democratic gains have not been sufficient to overcome decades of neglect, mismanagement and "maladjustment."

Some observers of the African development scene have noted that the continent has not benefitted from the many years of implementation of public policies (Calderisi, 2007; Ndulu, 2006; Erixon, 2005; van de Walle, 2001). According to Ndulu *et al*., (2007), the continent's slow and erratic economic performance, particularly when compared to Asia, has been identified as the single most important reason for its inability to achieve transformative development.

Alongside these observations come the diagnoses of the causes of underdevelopment in Africa (Mills and Herbst, 2012; Twineyo-Kamugisha, 2012). Several schools of thought have advanced plausible reasons to explain why Africa is lagging behind in economic, political and social transformation. To Marxists scholars, Africa's lack of economic progress was traceable to exogenous factors. They argued that western imperialism and economic exploitation was the cause of underdevelopment in Africa (Amin, 2011; Cooper, 2002; Rodney, 1972). Branwen (2005) emphasizes this point when he concluded that contemporary social conditions of poverty in Africa can only be understood as a global phenomenon. He asserted that the conditions of local poverty are the outcome of historical processes of social change rooted in world history, and reproduced today through social relations which are globally structured.

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In contrast, the neo-liberal perspective argues that "institutional weakness" and "bad governance" are the bane of Africa's challenges (Commission for Africa Report, 2005; World Bank, 2000, 1994, 1989). Neo-liberals have linked endogenous factors such as inappropriate policy choices, lack of technology and political instability to Africa's lack of progress (Kihika, 2009; Aryeetey and Kanbur, 2008). Calderisi (2007) notes that Africa must take responsibility for its failure to develop and not blame its past. This assertion ignores history and further downplays other external factors. Nonetheless, this viewpoint requires that close attention is given to policy options. Thus, the failure of policy intervention to respond to Africa's development needs has become a serious political issue in much of Africa.

The resultant response has come from both the donor community and African leaders through some continental initiatives and policy guidelines. Through its continental initiatives especially, the New Partnership for African Development (NEPAD), Africa now seeks to own the path of its development in a more meaningful relation with its long standing donor partners; especially the IMF and World Bank. A response from the World Bank (Wolfensohn, 2002) indicates that the rich countries must assist developing countries in Africa to build their own capacities in government, business, trade and agriculture and increased aid.

The whole idea of Africa seeking new relations with the developed world poses more questions than answers. It creates enough doubts that after nearly three decades of structural adjustment, the continent is still groping in the dark and not realising its development goals. Malima's (1994) posed a question as to whether structural adjustment was what happened in the case of the Asian development break? This question is significant in the overall policy-making and implementation in Africa in relation to its donor partners. As Africa progresses in its effort to address its development challenges, the responsibility should lie on Africa itself to define its

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development agenda through a defined policy pursuit. This is an area of interest to several studies such as Lancaster (1991), Killick *et al.*, (1991, 2006), Herbst, (1993), Mkandawire and Soludo (1999), to find out what the policy response has been in the midst of dire development challenges facing the continent. Policy response presupposes developing policy-making machinery. The process of policy-making, policy implementation and evaluation are areas of interest in determining Africa's own response to its underdevelopment and efforts to break out of dependency.

1.2 Statement of the research problem

Long before political independence in the 1950s and 1960s, African countries were introduced to the international political economy as chief suppliers of raw commodities and recipients of finished products from the advanced countries. This arrangement entrenched the unequal global division of labour well beyond the colonial era. Yet, African countries enjoyed modest growth after independence. However, by the last quarter of the 20th century, all major human development indicators showed negative results. Decline in all its forms were observed in most states. The biggest manifestation of the economic decay was seen in the continent's political instability and this was characterized by frequent unconstitutional changes of government. For example, between 1966 and 1981, Ghana experienced three military coups and in the case of Uganda; two civilian governments were toppled in 1971 and 1984 (Meredith, 2005; Nugent, 1996; Tripp, 2010; Carbone, 2008).

This is despite the fact that independence brought in a lot of hope that development would occur as a matter of course. Sandbrook (1993) wrote that democracy, prosperity and self-rule was the vision of African independence. Yet, today few Africans express satisfaction with

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the 'fruits of Uhuru.'[2] Freedom from colonial rule has not produced the right kind of development expectations which originally were strong motivation in the fight for self-government. The question Sandbrook (1993) asked is simple: 'what went wrong?' This is a worthy question. Independence was to bring in development and peace, but to the contrary most African countries are not at peace with themselves and underdevelopment has become a common feature in Africa.

Within the last twenty-five years the dominant interpretation of why African countries including Ghana and Uganda failed to achieve appreciable economic growth and structural transformation has been linked to the inclination of various states to pursue 'bad' policies and 'bad' governance (Commission for Africa Report, 2005; Arrighi, 2002). More broadly, interpretations as to the reasons for the lack of transformative development on the continent are contained in a number of influential publications (Commission for Africa Report, 2005; OAU, 1981; World Bank, 1981).

In Ghana and Uganda, which are the focus of this study, the ruling elites were mostly cited for causing the economic decline that the two states experienced from the mid-1970s onwards (Herbst, 1993; Nugent, 1996; Mills 2010). The 1980s have historical significance for Africa's development challenges and the policy responses of that decade still vibrate in contemporary times. Arguably, the year 1981 constituted a major turning point in Africa's quest for sustainable development. Attempts were made to unearth the causes of underdevelopment and solutions were also proffered. More than a century of lack of progress in the economic, social and political fronts, were diagnosed in the "Berg Report" (1981) and the "Lagos Plan of Action" (LPA) (1981). The mechanisms to accelerate development in Africa were the focus of

[2]. Swahili word for freedom.

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two different organizations. The Organization of African Unity (OAU) and the World Bank approached their investigation of underdevelopment in Africa from two different angles. The "Berg Report", supervised by the development economist, Elliot Berg, and published by the Bank in 1981 was titled *Accelerated Development in Sub-Saharan Africa: An Agenda for Action*. The 154 page document has been the subject of many scholarly analyses (Duesenberry, *et al*., 2000; Loxley, 1983).

The "Berg Report's" assessment of the obstacles to economic growth in Africa was traced to endogenous factors. The report was critical of state policies for undermining the process of development by dis-incentivizing raw commodity producers to increase output and exports (World Bank, 1981: 45-80). The other 'bad' policies the report highlighted were overvalued national currencies, disinterest in peasant agriculture, protectionism with regards to manufacturing and over centralization of state power (pp. 17-44). The effective policies that were recommended to accelerate development in Africa were massive currency devaluations, improved prices for agricultural production and exports, and encouraging the growth of private enterprise (World Bank, 1981).

The central thesis of the "Berg Report" was blunt: the state should take a back seat and not interfere in productive activities in the political economy, especially market prizing. This recommendation ignored the developmental role the post-colonial African state played prior to the mid-1970s. As Mkandawire (2001: 291) notes, the performance of many African states in the immediate post-independence era "qualified them as developmental states." Similarly, Cooper (2002) argues that the word "development" best captured the hopes and ambitions of Africa's leaders and citizens immediately after independence. This period, described as Africa's "Golden Decade" was characterized by moderate economic growth, the enjoyment of positive rights

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including political freedoms and better standards of living (NEPAD/ECA, 2012). However, "the hard times of the 1980s" rendered many African states "anti-developmental." And the prevailing neo-liberal orthodoxy emphasized the disadvantages of state intervention and elevated the advantages of market led development (Mkandawire, 2001). In the opinion of the World Bank, the solution to the myriad of problems facing the continent' was to convince African states "that the switch from bad to good policies was in their own and their constituencies' interests" through Structural Adjustment Programmes and other initiatives (Arrighi, 2002). The (SAP) became a condition for accessing funds from the Bank and the IMF. Ghana and Uganda embraced SAP policies in the 1980s. The "conditionalities" attached to SAPs included sale of public properties, economic deregulation and trade liberalization. These and others measures constituted the focal policy conduits through which macro-economic reforms were followed in Ghana and Uganda. Indeed, as Mkandawire (2012: 3) rightly notes, what followed SAPs was not an "accelerated development" but maladjustment and two "Lost Decades."

The Bank's anti-statist agenda has been criticized for bringing untold hardship on Africans and instead of the "accelerated development" that it promised, its policies set back Africa's progress. Indeed, the overall effect of SAPs on some of Africa' fragile economies was devastating (Abrahamsen, 2000; Mosley, 1994; Herbst, 1993). To be fair, the World Bank's own assessment of SAPs showed improvement in economic performance in terms of growth in per capita GDP, industrial output, and export earnings (World Bank, 1994). Six countries including Ghana, Tanzania, the Gambia, Burkina Faso, Nigeria, and Zimbabwe were proclaimed to have performed well. In this context, the World Bank claimed that "spectacular increases in growth are indeed possible - if the right policies are in place." However, the Bank also noted that Africa's best performers "still lack policies that are sound by international standards" (World

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Bank, 1994).

Troubled by widespread economic decay and political instability in the mid-1970s, African leaders tasked the Economic Commission for Africa (ECA) and OAU to investigate the causes of the continent's rapid decline. The result of the ECA/OAU study was the "Lagos Plan of Action for the Economic Development of Africa 1980–2000", published the same year as the "Berg Report", but adopted much earlier in April 1980 by the OAU. The LPA faulted external forces and traced the African crisis to external shocks which included deteriorating terms of trade for agricultural products, protectionism of industrialized countries, high interest rates and debt burden (OAU, 1981). The LPA was envisaged as a home-grown solution for Africa. This novel approach was more progressive in its recommendations. It recommended self-reliance, greater economic integration and cooperation among African states (OAU, 1981). Dead at birth, the LPA was denied the oxygen of publicity that the "Berg Report" enjoyed. The document became an archival piece and none of its recommendations saw the light of day.

Towards the end of the 1990s, the World Bank and its allies came to the realization that their "conditionalities" implemented with brute force by military strong men in Ghana and Uganda, for example, were counterproductive. The disastrous results after nearly two decades of adjustment, forced the World Bank and its allies to shift positions (Mkandawire, 2012). While acknowledging that their orthodox adjustment policies were effective in addressing conditions of poverty, some form of state intervention was necessary for development. The World Bank and its allies, nonetheless, placed the failure of the adjustment to lift African states out of poverty on the door steps of the African ruling elites and governments arguing that the poor performance of African economies was due to their failure to strictly follow the agreed-upon adjustment policies (World Bank, 2000). The argument in the early 2000s was that a well-designed and intended

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policy was bound to produce disastrous results where institutions and "good governance" were lacking (World Bank, 2000, 1995). In other words, SAP failed to achieve its policy objectives because Ghana and Uganda lacked independent institutions and the leaders also governed badly. Indeed, governance in the two countries from early1970s right through to the early 1990s was turbulent and uninspiring. The one-party or military regimes periods in office were characterized by oppressive governance, limited rights, ineffective policies, corruption, mismanagement, and the accumulation of massive foreign debt. In short, authoritarian rule in Ghana and Uganda in the 1970s and 1980s did not produce enough capacity to sufficiently increase economic growth as was expected.

Increasingly, development has become interdependent with certain aspects of "good governance" (Abrahamsen, 2000; Weiss, 2000; Leftwich, 1993). As Leftwich (1993: 605) notes "'good governance' and democracy are not simply desirable but essential conditions for development in all societies." It was within this prevailing neoliberal obsession with independent institutions and "good governance" that the British government assembled a team of 17 technocrats including two African leaders – Meles Zenawi of Ethiopia and Benjamin Mkapa of Tanzania to "generate new ideas and action for a strong and prosperous Africa" (Commission for Africa Report, 2005). The report, titled "Our Common Interest" and published in 2005, argued that Africans are responsible for addressing the problem of poverty on the continent. While acknowledging the historical injustices committed against Africans, the report also claimed at "too much of the history of the industrialized world's involvement in Africa is a miserable history of broken promises" (p. 22). It recommended among others "governance", "investing in people", "peace and security", "promoting inclusive growth" and "trade" as the solution for rapid economic growth of Africa (Commission for Africa Report, 2005: 67-79).

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According to Mills (2010), underdevelopment has characterized Africa's development effort with the problem of leadership taking a centre stage in the blame. Efforts at addressing these challenges include policy influence by the World Bank and IMF. Ghana and Uganda, like several other SSA countries, were subjected to the World Bank's orthodox adjustment policies in the 1980s.

Broadly speaking, the development challenges Africa faces which invariably are also challenges faced by Ghana and Uganda can be narrowed down to three broad interconnected areas, namely *sustainable growth and poverty reduction; human development;* and *good governance*. The focus on these areas have become even more pronounced as a result of the new partnership arrangement found in the NEPAD document endorsed by the African Union (AU) as its key development agenda into the 21st Century. But beyond this is the UN declared Millennium Development Goals (MDGs), which according to Mills (2010: 338) "specify what development is, how it comes about, and who is responsible for paying for it". The MDGs also see these three broad areas as key in ensuring the development of Africa.

In relation to sustainable growth and poverty reduction, the Ghana and Uganda were categorized as underdeveloped states in the 1980s, as measured by the UNDP's Human Development Index (ACBF, 2002). In both countries, GDP growth has struggled to match the high rate of population growth. Consequently, achieving and maintaining growth rates has remained a major challenge. *Human development* remains a challenge in Ghana and Uganda. Indeed, the human welfare indices affirm the prevalence of conditions of destitution for a growing proportion of their populations as evidenced by poor nutrition, low school enrolment, lack of access to health care services and drastic reduction in life expectancy (ACBF, 2002: 4-5).

Good governance is said to be a key ingredient for development. However, much of what

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passes as governance is said to be "bad governance" as it promotes corruption and ineffective policies, and breeds excessive bureaucratic systems. As the Commission for Africa Report (2005: 67) notes, at the heart of the "governance problem in many parts of Africa is the sheer lack of capacity of national and local government ministries." But if development has not occurred as Ghana and Uganda would wish it, could it be as a result of the absence of "good governance" or a combination of other factors? In the circumstance of development failures, it would be important to have a relative comprehensive overview of the development scene in the two case study countries. In doing so several other questions will be addressed to enable a conclusion that can have general implications for sub-Saharan Africa as a whole.

The questions to be addressed are as follows: i), what accounts for the continuing underdevelopment of Ghana and Uganda? ii), what policy initiatives have been implemented so far, and what is similar or different about these policies? And iii), what alternative policy initiatives may be efficacious in addressing the development needs of the two countries? In all this there is an assumption that there is *something definitely wrong* with Africa's development efforts and that political instability is one such thing which has contributed significantly for much of Africa's development failures.

1.3 Objectives of the Study

The broad goal of the thesis is to investigate the dynamics of public policy and policy making in Ghana and Uganda as a response to the myriad of development challenges and failures the continent has experienced. The study seeks to understand the intriguing dilemma in which, both capitalist and socialist policies failed to lift African countries out of underdevelopment. In specific terms the study's objectives include the following: (i) It analyzes policy-making in

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Africa and policy implementation processes and outcomes, with specific reference to Ghana and Uganda; ii) It tries to answer the question as to whether government policies meet their intended objectives of bringing about the expected development in the two countries and, (iii) it identifies and suggests feasible mechanisms that could impact positively on policy-making and development outcomes in Africa, based on the cases of Ghana and Uganda.

1.4 Definitions of key concepts

There is the need to define the key concepts used in this thesis because some of them have been defined in ways that are sometimes conflicting and contradictory. The key concepts employed are *policy, policy-making, underdevelopment and development.*

Policy is used to describe a thought out plan or framework to guide decisions and achieve set targets. This agrees with, Anderson's of policy as: "A purposive course of action followed by an actor or set of actors"(Anderson, 1975:3). Thus, a policy also encompasses decisions, set of processes, activities or actions (Neilson, 2001). The 'purposive' in Anderson conceptualization implies that a policy is goal-directed, which embraces targeted solutions to tangible problems as well as the mechanisms for evacuation. The relationship between *policy* and *politics* has been highlighted by some scholars. For instance, the French philosopher, Michel Foucault (1991), emphasizes that policy is intrinsically political- This emphasizes the central role of political decisions in policy-making and implementation. For any policy position to receive the needed support to get implemented it would most likely have to receive support from the political leadership. The Spanish language uses the same word for 'policy' as for 'politics' (Jones, 2009) which emphasizes the influence of politics on policy. As Jones (2009) observes the policy process is seen as the site of politics. My focus in this study is public policy, and borrowing from

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Court, Hovland and Young (2005), public policy "is policy that is adopted and implemented by government, that affects or is visible to the public." In specific terms, the study focused on the policies of states, bilateral and multilateral agencies, as well as international organizations such as the World Bank, IMF and WTO.

Policy-making on the other hand is based on the definition by Michael Haines (1981), who captures both the economic and non-economic perspective of policy. To him economics alone cannot provide reliable policy criteria and will demand the inclusion of socio-political processes which actually generate policy. Policy-making therefore has to do with the process by which policy actors/governments define and capture their vision in the form of programmes and actions to affect a desired result. In this study, the definition includes non-intervention; regulation, or the encouragement of voluntary change motivated by grants and aid; and direct public service provision.

Gross Domestic Product (GDP): is the sum of all goods and services produced in an economy in addition to any taxes and minus subsidies not included in the value of products. This does not include deductions involving depreciation of fabricated assets for depletion as well as degradation of natural resources.

The concept of *underdevelopment* has been subject to various interpretations by different ideological persuasions. But even within the two dominant schools of thought there are several interpretations. Marxists generally view underdevelopment in economic terms. To most Marxists, underdevelopment in Africa is connected to western exploitation and marginalization of the continent (Amin, 2011; Rodney, 1972). On the contrary, neoliberals attribute the cause of Africa's underdevelopment to domestic factors such as lack of industrialization, economic mismanagement and political instability (Bates, 1981). Most definitions of underdevelopment

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will often refer mainly to the level of economic progress and indicators which include lack of access to job opportunities, health care, water, food, education, and housing. In recent times definitions of the concept of underdevelopment have moved beyond economic indicators to include social justice and human satisfaction (Sen, 1999). Even though economic growth remains part of current indicators, the UN Human Development Index (HDI) has become part of the global standard for assessing a country's state of development and underdevelopment. While Africa remains the second-largest continent, it is internationally considered the most underdeveloped region of the world. Since the inception of the HDI in the early 1990s, the majority of states with the lowest ranking on the index have come from Africa.

On the other hand, by *development* the study refers not only to economic development but also to social justice and human satisfaction (Sen, 1999). Development will also represent a country's ability to respond successfully to the needs of its own people in the provision of all or most of the basic needs mentioned above. This thesis largely adopts the concept of development as postulated by Sen (1999), that development will not necessarily result from growth, but must be brought about in ways which actively promote the self-reliant capabilities of developing countries. Thus, in this thesis reference to development and underdevelopment is based on the HDI as espoused by the UN.

1.5 Significance of the study

There are so many studies on Africa and its efforts at addressing its underdevelopment but not much work is devoted on policy responses at a theoretical level in a comparative study. Yet, the question of policy-making and policy response in Africa are crucial to the broad understanding of how policies are made and implemented and what the overall outcomes are. It

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will be important to find out the kind of development imperatives that resulted in Africa's development crisis and necessitated policy interventions supported by the Bretton Woods institutions. The thesis will also find out and compare key development indicators of the two countries, and relate the indicators to policies implemented by various political administrations of the two countries. In specific terms, the study seeks to address the problem of non-enabling policy environments characterized by inconsistent policy direction and lack of policy ownership within the continent. Overall, the thesis is intended to make a significant contribution to our understanding and the literature on policy and underdevelopment in Africa.

1.6 Research Design and Methods

1.6.1 The Case Study Approach

The case study approach is arguably one of the key mechanisms by which research is conducted in the social sciences (Thomas, 2011; Flyvbjerg, 2006; Gomm *et al*., 2000). A review of the academic literature confirms the wide application of this methodological approach in many areas of inquiry and in different disciplines. The approach has been applied to research in economics and political science (see, e.g., Acemoglu, *et al*., 2003; Rodrik, 2003; Bates, *et al*., 1998), and in the fields of sociology (see, e.g., Grassel and Schirmer, 2006), law (Lovell, 2006) and medicine (Taylor and Berridge, 2006). More importantly, Bennett *et al*., (2003) examination of 14 academic journals focusing on two areas of inquiry in the social sciences in the period between 1975 and 2000, revealed that the number of papers which used the case study approach remained stable at about 20 per cent. As a result Gerring (2004: 341) has concluded that the application of the case study approach is "solidly ensconced and, perhaps, even thriving."

The popularity of the case study approach among researchers, according to Flyvbjerg

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(2011: 223) can be pinned down to two broad reasons. First, the case study approach is "important for the development of a nuanced view of reality." Second, Flyvbjerg argues that "social science has not succeeded in producing general, context-independent theory and, thus, has in the final instance nothing else to offer than concrete, context-dependent knowledge. And the case study is especially well suited to produce this knowledge."

Notwithstanding the popularity of the case study approach, its critics have identified a number of problems. Generally, in methodological discussions of case study research, attention has tended to be concentrated on its epistemological status which is essentially its generalizing power (Thomas, 2011). However, an authority in case study research dismissed much of the conventional wisdom about case study research. Flyvbjerg (2011) calls the problems associated with the case study approach as "misunderstandings about case study research." The author lists the five broad charges levelled against case study research as: (i) that theoretical knowledge is valuable than practical knowledge; (ii) it is not possible to generalize from a single case study; (iii) the case study approach is useful for generating hypotheses; (iv) the case study approach is biased towards verification; and (v) that it is difficult to summarize specific case studies. In spite of these shortcomings, the case study method is also relevant for empirical research (Gomm *et al*., 2000). It has contributed to scientific development at various levels of research in economics and physical sciences. The current study addresses the single-case charge by selecting two cases for examination.

1.6.2 Defining the Case Study

The application of the case study approach to disciplines in both the social and physical sciences opens the approach to varied definitions. However, the definitions outlined below are

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the definitions of social scientists. To start with, Ragin (1992: 5) asks the logical question: "What is a case?" He provides examples of a case to include boundaries around places and time periods. More importantly Ragin (1992) sees case study as a method distinguished from the other approaches when he emphasized "cases" and not variables at the centre stage or primary unit of analysis.

Yin (1984: 23) defines the case study research method as a method of "empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used." In her discussion of the approach, Simons (2009) says that case study should not be seen as a method in and of itself. Instead, a case study is a research design frame that may incorporate other methods. Accordingly, Simons (2009: 21) defines the approach as: "… an in-depth exploration from multiple perspectives of the complexity and uniqueness of a particular project, policy, institution, programme or system in a "real life" context."

Similarly, Stake (2005: 443) puts it this way: "Case study is not a methodological choice but a choice of what is to be studied…by whatever methods we choose to study the case. We could study it analytically or holistically, entirely by repeated measures or hermeneutically, organically or culturally, and by mixed methods - but we concentrate, at least for the time being, on the case." Taken together, these definitions tell us a number of things. First, case study is a qualitative research method. Second, the approach can accommodate other methodological approaches. Third, the approach allows for in-depth or detailed examination of a single (or multiple) example of a class of phenomena.

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1.6.3 Selection of Cases: Ghana and Uganda compared

In studying policy response in Africa it is necessary to do so deductively using cases from different countries. Ghana and Uganda were purposely selected on account of some similarities in their historical and development trajectories. Starting from pre-colonial history both countries each had a dominant kingdom; the Ashanti Kingdom in Ghana and the Buganda Kingdom in Uganda. In both countries, after independence was gained, the first Presidents subsequently overturned the existing constitutions and assumed absolute control of the state: Ghana under Nkrumah and Uganda under Obote. In subsequent years the two countries suffered numerous political instabilities. Ghana produced Jerry Rawlings while Uganda produced Yoweri Museveni who both came to power through military take-overs. After their initial subversive schemes, the two leaders restored stability to their respective countries as they implemented structural adjustment and reform policies. In the structural adjustment years the two countries were largely seen as star policy reformers and were held out by the World Bank and the IMF as success stories in Africa's quest to develop (World Bank, 1999; Erixon, 2005).

Again, in conducting a study like this it becomes necessary to view development approaches in more than one African country in order to give context to the conclusions and recommendations. Indeed the peculiar historical and development trajectories of the two countries are attractive enough to begin to look at other possible similarities and or differences of the two countries in their policy responses to development. Such comparisons will enable us to generate evidence from which to generalize about Africa.

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1.6.4 Data Collection

In order to establish the course of reality of Africa's performance in its development effort in relation to its policy process, it was important that relevant, qualitative and quantitative data related to policy response were collected from secondary sources and analysed.

In this work attention has been paid to the chronology and the structure of events as they unfolded in both Uganda and Ghana. A significant proportion of the data comprised of development reports from the two countries. Data was obtained from the Ministries of Finance and Economic Planning, the Ministries of Foreign Affairs, the World Bank offices in Accra and in Kampala, and various libraries, especially the Institute of African Studies Library of the University of Ghana in Accra and the Library of the Institute of Economic Policy Research in Kampala.To attain the requirement of data validity and reliability it was important to use only published material from credible sources. In this regard, data from the Ghana Poverty Reduction Strategy (GPRS) (2002) and the Uganda Poverty Eradication Strategy (PES) (1997), as well as the response of the two countries to the 2005 United Nations declared Millennium Development Goals (MDGs), were collected and analysed. Textual materials from hard copies of scholarly publications and soft copies of textual material derived from the worldwide net (internet) were also utilized in the study.

1.6.5 Data Analysis

In line with the standards of qualitative data analysis, the research objectives and the propositions were used to identify the major themes from the data. It involved breaking down all the information collected and arranging them into thematic areas, according to the thrust of the

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objectives of the study. The work took cognisance of positions taken by some researchers such as Hammarseley, (1990) and Silverman, (1997) who suggest that data validity in qualitative analysis is crucial in social scientific research as it defines the purpose of the research. This ensured that data analysis met all criteria of validity and reliability.

The analytical strategy of this work relied on a general approach called "constant comparative analysis". The tool grew out of the sociological theory of symbolic interactionism and involves taking one piece of data, in this sense a statement or thematic area and comparing it with others that may be similar or different (Thorne, 2000). The purpose would be to arrive at a certain conceptualisation of any possible relations between various pieces of data. In the particular instance of this work which is a comparative study of the development policy responses of Ghana and Uganda, all information collected about Ghana will require the collection of a similar set of information about Uganda so that some meaningful comparison can be made.

The strategy in this work also involved analysing each aspect of the information or data collected so that a conclusive conceptualisation could be established for the purpose of generalisation. Sets of information on Ghana and Uganda about the development trends and policy-making processes that were intended to respond to the challenge of underdevelopment were collected and analysed for similarities and differences in order to reach a conclusive conceptualised view. Being a work based on qualitative research, this study takes the position that an interpretive understanding is possible by way of uncovering or deconstructing the shades of meaning of a phenomenon by collecting and analysing appropriate data. This helped to establish the significance of this work as it also shaped its content by drawing out evidence of causes and effects of policy formulation as a response to the challenge of underdevelopment of

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Ghana and Uganda from the period immediately after independence until the dawn of the 21st century.

As discussed earlier, Ghana and Uganda were purposely selected because, besides sharing some common political, economic and historical trends, the two countries have been counted among countries considered success stories of neoliberal reforms in Africa. Therefore, an analytical descriptive base was established to analyse the historical, political and economic trends of the two countries. This strategy required that all aspects of comparison where data was collected on demographic information, physical features, political, as well as economic and historical trends would be systematically arranged and analysed.

1.7 Limitations of the study

A major methodological challenge faced in conducting research for this work was the non-availability of some of the data and literature, particularly on Uganda, that was considered useful for the study. Fortunately, it was possible to spend some time in Uganda, but this was not for as long a period as the researcher would have liked, due to constraints of time and resources.

The sole reliance on secondary data for the study is another limitation of the study. It placed a burden on the researcher to find the appropriate data which sometimes was a big challenge. However, the point must be made here that for a study like this which thrives on historical development experience, collecting primary data was considered not so important to the final results realised at the end of the analysis. Yet this turned out to be a limitation because the study had to solely depend on works by other people; therefore collecting such data and making meaning of it to correspond to the central theme of this work was a huge challenge.

It is also important to note the need for the financial support of the costs of collecting

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data, especially for comparative study, from research institutions through research bursaries or funds. Indeed it is my considered opinion that increasing cooperation among African universities facilitated by different donors may make it possible for another generation of students to spend time in other countries and conduct research using varying methods to seek information and using primary as well as secondary material or data.

1.8 Outline of Thesis

The thesis is organized into seven main chapters. Chapter One is the introductory section setting out the background, the problem statement, and the methodology. It is the chapter that sets the boundaries of the research, and define the set objectives and the tasks to be accomplished. Chapter Two provides a comparative profile of the two countries. It is here that the geographical and demographical features of the two case study countries are presented; the striking similarities, even at this level of comparison, form part of the driving force for this study. The literature review and the theoretical and conceptual perspectives of the study are outlined in Chapter Three. This chapter also captures discussions on development in all its varying conceptions as well as what constitute political economy and good governance. It is the chapter that discusses the theoretical framework upon which this work is hinged. Chapter Four tackles the broad question of policy-making in Africa and explores policy-making as a general concept, examining its specificity to Ghana and Uganda. The chapter outlines policy-making institutions, policy actors and the various roles these two plays in policy-making in Ghana and Uganda. Chapter Five discusses development challenges and policy responses soon after independence until when the countries found it necessary to implement structural adjustment policies. It deals with the different types of governments that emerged after independence and how each of these

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governments attempted to address development challenges in both Ghana and Uganda. The chapter does a comparative analysis of the development experience of the two countries. Chapter Six deals with development policy outcomes for Ghana and Uganda based on statistical data. The chapter examines the end results of efforts made at addressing the challenges each country faced. The discussion is mainly based on quantitative output of how each country fared using specific indicators. Chapter Seven contains the final analysis, the summary and the recommendations of the study and their general applicability to sub-Saharan Africa. The discussions here are a synthesis of all that has been found out; it gives a final picture of what the study has achieved and what can be done further in future research.

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CHAPTER TWO

CONTEXTS: GHANA AND UGANDA

2.1 Introduction

As former British colonies, Ghana and Uganda share some similarities in historical experiences and in institutional structures, notwithstanding their different locations in West and East Africa respectively. As noted in Chapter 1, they also demonstrate similarities in their pre-colonial social structures and early post-independence development trajectories. And in more recent years, both countries have been led by charismatic leaders (Rawlings in Ghana and Museveni in Uganda) who have dominated the political space and have shaped, to a large extent, political and socio-economic development in their respective countries. The chapter proceeds by presenting the physical and ecological characteristics of the two countries. It also dealt with their administrative and governance structures; demographic and social characteristics, and economic systems. A comparative statistics in agriculture, a sector which is dominant in the economic structure of the two countries, was also a key point of discussion in the chapter.

The rationale of this chapter is derived from the fact that in discussing the two countries one has to have a fair knowledge of some key physical characteristics, which largely have to do with the geography, demography, vegetation and climate of the territory. These features largely influence agriculture as an important sector of production which has a huge influence in driving the economies of the two countries. The chapter sets the context for the analysis of data in later chapters.

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2.2 Physical Characteristics

Ghana is located on the Gulf of Guinea, West Africa (see Figure 1). Its geographic coordinates are 8 00 N, 2 00 W and it covers an area of 238,535 square kilometres. The Republic of Ghana, as it is officially known, is surrounded by three francophone states- Burkina Faso to the north, La Cote D'Ivoire to the west, and Togo to the east. The 537 kilometre southern coastline completes Ghana's international borders. In contrast, the Republic of Uganda is a landlocked country (see Figure 2) and is located on latitude and longitude 1.1027° N, 32.3968° E and covers a total area of 241,038 square kilometres. Uganda's total land area is 2,698 kilometres and it shares boundaries with the Democratic Republic of the Congo to the west, Kenya to the east, Rwanda to the southwest, South Sudan to the northwest and Tanzania to the south.

2.3 Climate of Uganda

Uganda has unique climatic conditions. Even though the country lies on the equator, its climate is tempered by its altitude and gives it a spring-like climate all year round. The country has a hot dry season from December through February with intermittent rains starting in March. The country records its heaviest rains in April and May. The dry season is from June through October and this is often cooler. There are short rains and erratic showers in November and. temperatures will normally not rise above 84F (29^{o}C). The average temperature is about 78F (26C).[3]Being an Equatorial climate Uganda has generous sunshine largely influenced by the comparatively higher altitude of most areas of the country. Average annual temperatures range from about 16° C in the south-western highlands to 25° C in the northwest; but in the northeast, temperatures exceed 30° C about 254 days per year. In the Lake Victoria region there are

[3]. See www.gameplanafrica.com/African-Safaris/About-Uganda.html (accessed 29-08-2013).

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average temperatures during the day of about eight to ten degrees which are warmer than temperatures during the night and these are generally about fourteen degrees lower in the southwest.

In Uganda rainfall is fairly distributed with the exception of the north-eastern part of the country.. In the south of the country here are two rainy seasons, which normally begins in early April and again in October. Little rain falls in June and December. The north has, irregular rains occurring between April and October, while from November to March is often very dry. Average annual rainfall around Lake Victoria would normally be in excess of 2,100 millimeters, while the mountainous regions in the southeast and southwest record more than 1,500 millimeters of rainfall annually.[4]

2.4 Climate of Ghana

Ghana has a tropical, climate with differences in temperatures that occur with seasons and elevations. Two rainy seasons occur in the south of the country from April to July and from September to November. The north has only one rainy season which starts in April through to September. Yearly rainfall is between about 1,100 mm (about 43 in) in the north and 2,100mm (about 83 in) in the southeast. In the harmattan season north of the country, dry winds from the desert come from the northeast from December through to March. This lowers the humidity and creates heat weaves in the day whiles the nights are cool. Southern Ghana largely experience harmattan in January in the seasonal cycle. Highest temperatures are recorded in March, and the lowest in August.[5]

[4]. See http://www.mongabay.com/reference/country_studies/uganda/GEOGRAPHY.html(accessed 29-08-2013).

[5]. See http://www.ghanaweb.com/GhanaHomePage/geography/climate.php (accessed 29-08-2013).

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Climatic conditions across the country are not uniform though uniform conditions may occur. The Kwahu Plateau, located at the northernmost part of the forest area, provides a natural dividing climatic landmark. At the north of the plateau, two distinct are seasons namely the harmattan season which is dry with hot days with cool nights from November to late March or April. This is followed by a wet period peaking in late August or September. The south and southwest of the Kwahu Plateau, annual mean rainfall from north to south ranges from 1,250 millimeters to 2,150 millimeters. This area has four separate seasons with heavy rains falling from about April to late June. After a relatively short dry spell in August, a second rainy season begins in September until November, before the harmattan season occurs in to end the cyclical season.

What is particular about the climatic condition of Ghana is the all year round high temperatures. The north of the country is even warmer at certain parts of the year especially at the end of the dry season. The southern part of the country is often humid mostly occurring in the night when 95 to 100 humidity can be recorded. However, the north of the country also experiences humid conditions during the rainy season. During the harmattan season humidity drops to a low of25 per cent in the north.[6]

2.5 Land Use - Ghana

In Ghana the southern half of the country has rich soil and is cultivated in two seasons. There is 17.54 per cent use of arable land - land cultivated for crops like, maize, rice, cassava in almost all the regions of Ghana. However, the soils in the northern part of the country are not as rich and are only cultivated once a year. There is also 9.22 per cent of permanent crop land

[6]. Seehttp://memory.loc.gov/cgi-bin/query/r?frd/cstdy:@field(DOCID+gh0041) (accessed 29-08-2013).

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which is land cultivated for crops that will not need replant each time there is a harvest. These include cotton, rubber and citrus and 5.6 per cent of land is reserved land. Cocoa is largely produced in the forest regions such as in Ashanti, Brong-Ahafo and Eastern Regions- where rainfall is 1,000 -1,500 millimeters per year. Industrial crops in Ghana are mainly palm oil, cotton, rubber, sugar cane, tobacco, and kenaf. Other food crops include yam, sorghum, millet, beans, groundnuts and corn. The country has and produces gold, diamonds, manganese and petroleum (which is recently discovered) for export.[7]

2.6 Land Use - Uganda

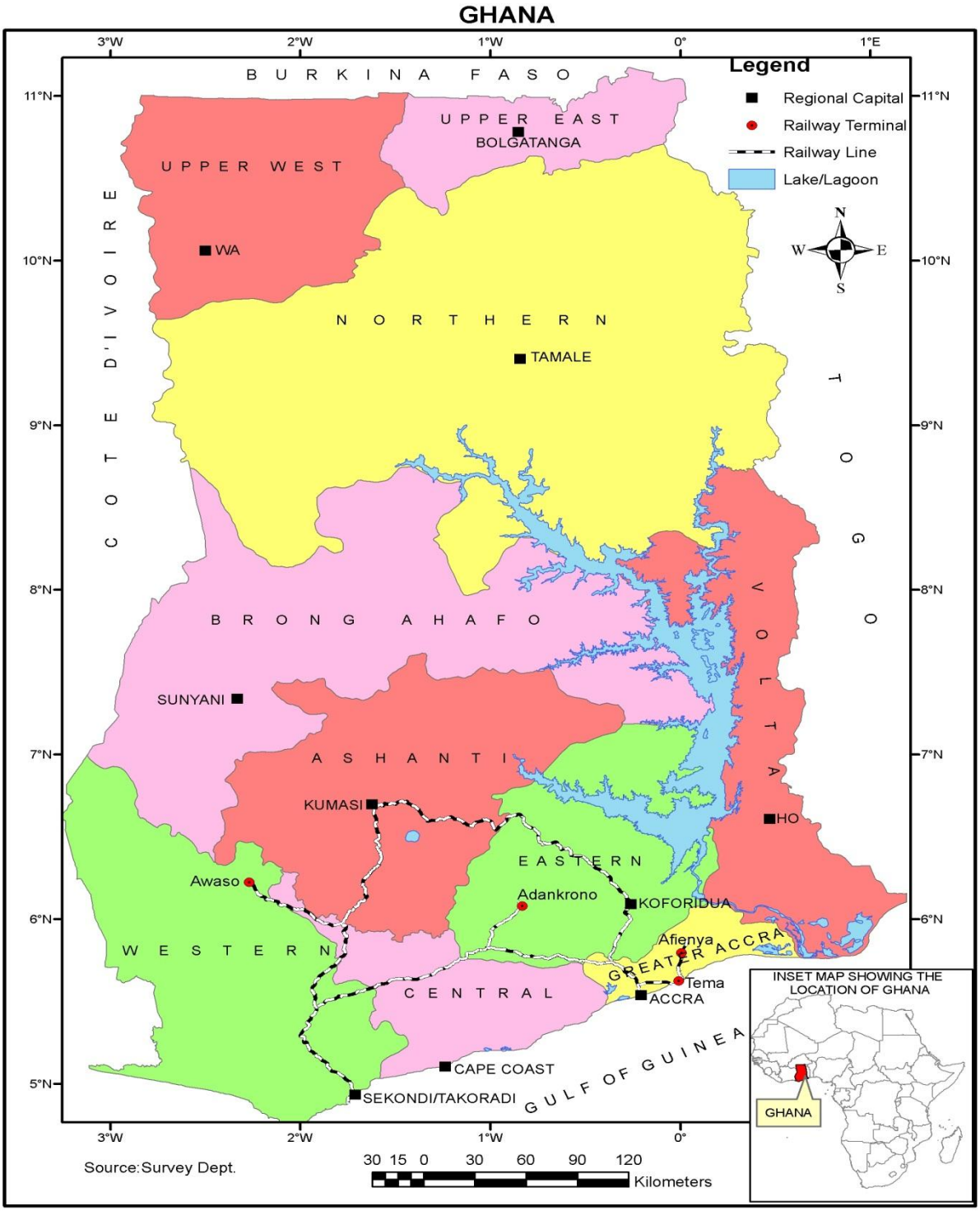
In the southern half of Uganda has rich soil and with a good rainfall agriculture does well. This is different from the north of the country which is drier and less fertile but with extensive pastoral economies..The main food crops in Uganda are plantains, sweet potatoes, millet, corn, cassava, beans, and groundnuts, sorghum. Cash crops such as coffee, tea, cotton, and tobacco are major exports in Uganda. . About 21 per cent of the land is cultivated and 45 per cent is woodland and grassland. About13 per cent of the land in Uganda is set aside to serve as national parks, forests, and game reserves. Papyrus grows well in Swampland in the Southern and Eastern parts of the country whiles acacia does well in the woodlands of the central region and savannah in the North. The country has a high minerals and petroleum potential. Some minerals such as copper, cobalt, have been discovered in the southeast and southwest and petroleum has recently been discovered and produced in the country.[8]

[7].See CIA World Factbook - February 21, 2013and http://memory.loc.gov/frd/cs/ghtoc.html (accessed 29-08-2013).

[8]. Seehttp://memory.loc.gov/frd/cs/ugtoc.html (accessed 29-08-2013).

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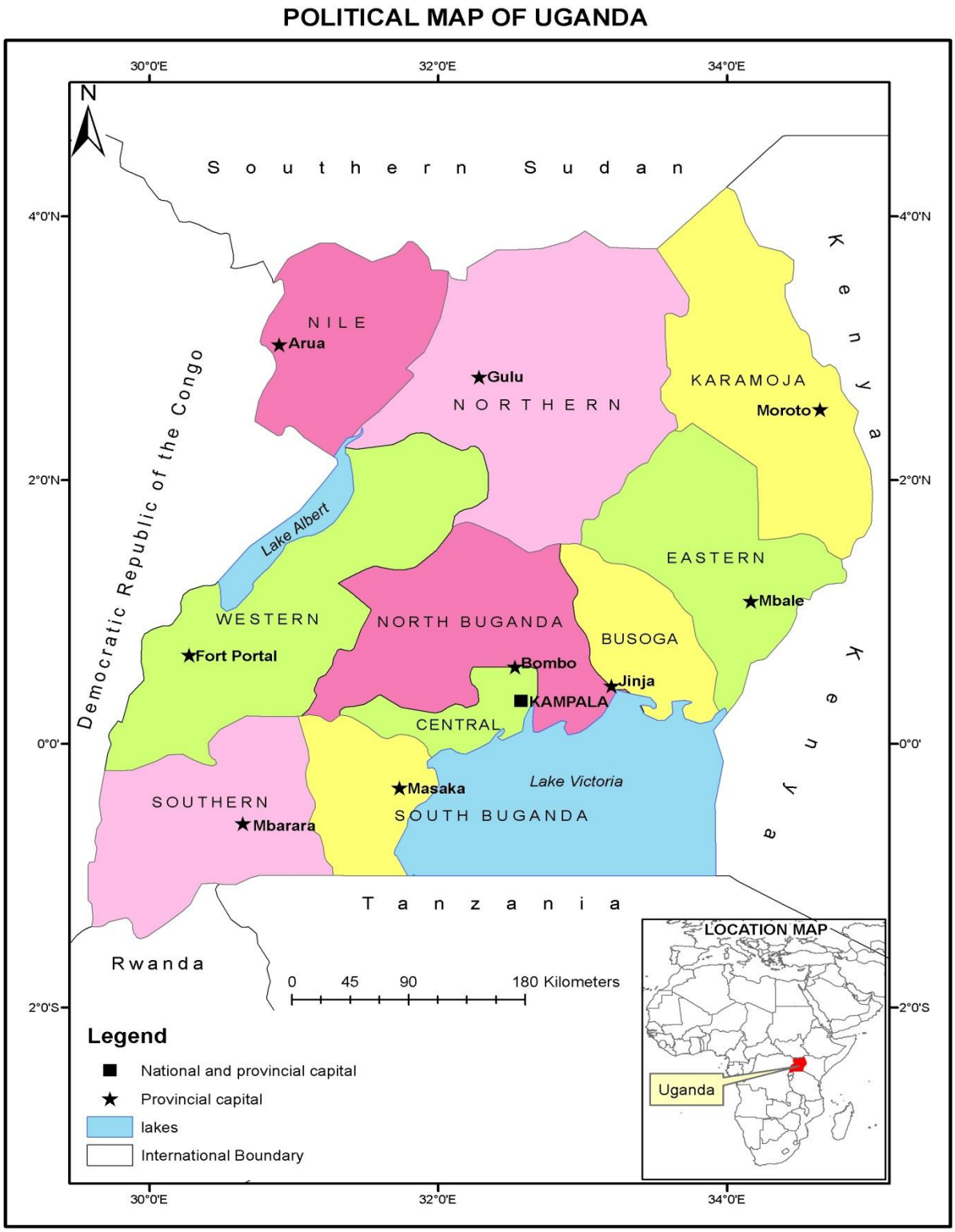
Figure 1 Map of Ghana



Source: Produced by Department of Geography/University of Ghana, 2013.

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Figure 2 Map of Uganda



Source: Produced by Department of Geography/University of Ghana, 2013.

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2.7 Vegetation, Climatic Features and Land use in Comparison

The two countries have similar rain fall patterns and receive almost the same amount of rain fall at between an average of about 1,100 mm (about 43 in) in the north to about 2,100 mm (about 83 in) in parts of the south. The two countries also have diverse vegetation cover within each country. The two countries are also characterised by four broad ecological zones and geographical features. The savannah vegetation type is distinctive to northern parts of Ghana and Uganda, while the southern parts of both countries are largely forested for Ghana and grassy woodland for Uganda. While Uganda has several lakes, it lacks a coast. Ghana's coastal strips and parts of the eastern corner are mangrove zone.

In the two countries the northern regions experience fewer rain fall patterns. Ghana's tropical rain forest belt is characterised by thick forest growth which has many streams and rivers. This zone covers the Ashanti, parts of the Brong Ahafo, Eastern and Western regions. Broadly, the climatic conditions in Ghana is tropical whiles in Uganda they are equatorial. The forest zone is warm and comparatively wet; the southern coastal belt is hot and humid and the northern savannah belt is hot and dry. The rainfall pattern is characterised by two distinct seasons. In the southern zone, there are two rainy seasons; south-May-June and August-September. In the northern savannah zone, there is only one rainy season which usually starts in mid-June and ends in November.

In Uganda the regions in the south have two rainy seasons, and this begins in early April and in October. The southern, eastern and western regions are woodland and grassy where lots of crops like plantain, banana, and cocoa are growing just the same way as in Ghana. Little rain

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falls in June and December. In the north, rains occur occasionally between April and October, while from November to March is often very dry.[9]

Uganda shares certain similarities with Ghana in both vegetation and climatic conditions. It is curious to note that in both countries, parts of their northern regions (in the case of Ghana) or the whole of the northern part of the country (in the case of Uganda) are prone to conflict. Nevertheless, prolonged inter-ethnic conflicts in northern Uganda have contributed to the underdevelopment of the region. In the case of Ghana the northern savannah zone remains relatively deprived as compared to the southern forest and coastal zones. The harsh economic environment in northern Ghana has been attributed to historical neglect due to lack of pragmatic policies.[10]

In both countries the south of the country receives abundant rainfall annually and enjoys two cropping seasons per year which enhances agricultural production. The drier north of Ghana and north-eastern quarter of Uganda receive sparse rainfall in a single season which runs approximately from April to October, and are more prone to dry spells that occasionally disrupt crop production and the availability of food. Livestock production is particularly important in the drier areas of both countries.

For both countries the land is used mainly for Agriculture and mining. Food crops such as maize, cassava, plantain, banana, millet, sorghum are produced which suggests a similarity in what is eaten in the two countries. The two countries also have similar cash and industrial crops. In Ghana these include palm oil, cotton, rubber, sugar cane, tobacco, kenaf and cocoa. In Uganda they include cotton, coffee, sugar cane, tea, tobacco and cocoa. Both countries have recently

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[9]. Seehttp://memory.loc.gov/cgi-bin/query/r?frd/cstdy:@field(DOCID+ug0030) (accessed 29-08-2013)

[10]. See World Bank, *Human Development Report*(2007).

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discovered oil in their two countries and are net exporters of petroleum products. Again both countries have reserved lands. In Uganda 17 per cent of land is reserved while in Ghana 5.6 per cent of land is reserved or protected. In both countries production of livestock thrives especially in the northern regions. The net effect of the land use of these countries is that the land appears to have a similar quality for crop and livestock production as well as for petroleum production. It does suggest that development patterns may be similar in the two countries in what is produced for both local consumption and for export.

2.8 Governance, Administrative and Legal Structures

Ghana and Uganda are both former British colonies and have similar governance, legal and administrative structures. Administratively Ghana is divided into 10 regional coordinating councils and 216[11] district assemblies with sub-structures under each district. On the other hand Uganda has four administrative regions which are divided into 112 districts, with sub units under each district.[12] Also the legal systems of the two countries appear similar in origin and construction.

Ghana's legal system is largely influenced by the English system and has a Court hierarchy consisting of the Supreme Court of Ghana (highest court), the Court of Appeal, and the High Court of Justice. Beneath these bodies are district, traditional, and local courts. Like in Ghana, the legal and court systems in Uganda are influenced by the English system and common law and practice. In a similar fashion the Supreme Court of Uganda is the highest court, below which are appeals courts, while civil disputes are handled by local committees. Both Ghana and

[11].See http://www.ghanadistricts.com/home/ (accessed 22-07-2013).

[12]. Seehttp://www.molg.go.ug/local-governments (accessed 22-07-2013).

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Uganda are democracies based on the constitutions they set themselves. Since 1992 Ghana has operated its governance systems with the 1992 constitution under the Fourth Republic.

On the other hand, Uganda modified its 1967 constitution which the National Resistance Council (NRC) operated since taking power in 1986. It was not until 1995 that a new constitution was launched. In both Ghana and Uganda the national constitution provides for the decentralisation of power through decentralised bodies though in practice, the executive branch of government still wields enormous power at all levels of political administration. For both countries, at the top of the governance hierarchy is the president of the republic in the decentralised system of administration which has regional and district administration centres. Each district is further sub-divided into smaller administrative units. The appointment of heads for the districts varies between the two countries.

While in Ghana, the president of the governing party appoints the heads of the districts, in Uganda the heads of the districts are popularly elected by residents of the district.[13] At the national level, Ghana practices multi-party liberal democracy whiles Uganda, though professing to do so cannot be said to be successful. The National Resistance Movement (NRM) has always dominated politics since 1986 with Yoweri Museveni as President of Uganda since he came into power in 1986 and, so far, has shown utmost intolerance to opposition. Ghana has had several changes of government through democratic means with opposition parties winning power. However, both countries have a national legislature made up of representatives of the people. Representation at the national legislature is called Parliament in Ghana and in Uganda it is called the National Assembly. Membership is by popular elections with individuals coming in either on a political party ticket or as independent candidates.

[13]. Seehttp://molg.go.ug/local-governments (accessed 22-07-2013).

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Both Ghana and Uganda have gone through a lot of political and economic turbulence in their history soon after independence. After gaining independence from Britain in 1962, Uganda experienced two decades of dictatorship accompanied by extreme civil violence. Ghana, on the other hand, experienced some coup d'états which did not generate into civil conflicts as may have been the case in Uganda. Ghana has experienced stability since the last coup in 1981. On the other hand, Uganda has experienced relative stability since 1986 after the last coup or military take-over. According to Twimukye, *et al*., (2008) after a long period of political instability which often resulted in civil conflict, Uganda has come to experience stability, and consistent economic growth, and improvements in various aspects of social life over the last decade in post structural years.

2.9 Economic System: Ghana and Uganda

According to Nyanteng (1997), after independence, Ghana, under Dr. Kwame Nkrumah, enjoyed a liberal economy that supported private enterprise until the early 1960s when the national orientation shifted from a liberal economic posture towards a socialist one. The economic system of Ghana after Independence was thus a mix one. Government dictated market prices of some goods and subsidised some production inputs, especially agricultural inputs. This state of the Ghanaian economy was not different from that of Uganda. According to (Twimukye *et al*., 2008), Uganda ran a mixed economy after independence. With this strategy, government took the lead in most economic activities including subsidising fertilizer and providing extension services to farmers. The government also fixed prices of agricultural commodities as well as involved itself in the marketing of agriculture products through food marketing boards.

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In both Ghana and Uganda, the economies were statist soon after the two countries gained their independence. What is particular about the two economies was that the leaders after independence sought to move away from the liberal economic structure bequeathed to them after independence to a socialist, state controlled economy. The type of economic system to adopt was one of the major sources of political and economic distraction to the two countries soon after colonial rule and this resulted in several military interventions as will be seen in later chapters. Each change of government addressed the economic system and sought to change it either because it was statist or because it was a free market economy.

However, after all the turbulence in political and economic governance that the two countries went through they came to agree on free market economic systems. Thus the economic systems of the two countries are modelled on a neoliberal economic system that has taken the government away from exercising direct control over the economy. The process through which each of the two countries got to this point is similar and shows the level of curiosity that emerges in discussing their policy responses to the situation of underdevelopment.

2.10 Demography of Ghana and Uganda

The 2010 Population and Housing Census of Ghana put the country's population at 24.5 million (Ghana Statistical Service (GSS), 2013). A similar census in 2002 conducted in Uganda put the country's population at 24.4 million. According to the Uganda Bureau of Statistics (2002)[14] the census aimed at and collected data on the demographic and socio-economic characteristics of the population, household and housing conditions, agriculture, activities of micro and small enterprises, and the characteristics of the community.

[14] **http://www.ubos.org/onlinefiles/uploads/ubos/pdf%20documents/2002%20CensusAnalyticalReportESummary.pdf (accessed: 27th June 2013)**

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An important observation made by MFPED (2008) on the 2002 census for Uganda is that the country's population doubled in size from 12.6 million in 1980 to 24.4 million in 2002; and that at the current growth rate of 3.2%, the population is expected to double again to 49.2 million by 2022. In the same way Kaggwa *et al.*, (2011) observes that Uganda faces a huge increase in human population amongst the three highest global population growth rates of 3.2 per cent, and in global fertility rates at 7 children per woman.

According to the "2012 State of Uganda's Population Report," the country's population which stood at about 8 million at independence in 1962 now stands at over 34 million people.[15] The report estimated that by 2050, Uganda will have a population of 127 million people. This will more than quadruple the figure 27.4 million which was the population at the beginning of 2007. However, HIV/AIDS has taken a toll on Uganda and has, in recent years, seriously impacted on the population size and structure. Fortunately, there is currently a decline in impact probably due to the introduction of Anti-Retroviral Treatments (ARVs).

The devastating effect of HIV/AIDS in Uganda, unlike Ghana, is well documented. According to the UNDP Report (2008) Uganda has a HIV prevalence rate of 6.7 per cent and about 130,000 new infections each year representing a little over 10,000 new cases each month. Faced with such a dire situation, the country's workforce is significantly reduced. This has a consequential negative effect on the growth and health of the economy especially with an increase in the costs of treatment of opportunistic infections associated with the disease. The report added that a drop in labour and investment due to HIV/AIDS deaths will translate into a slower growth in wages over the next 10 years, fuelling more labour migration and affecting the size of the population.

[15]. Seemail2.unfpa.or.ug/pub/2012/2012_SUPRE.pdf (accessed 27-08-2013).

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An interesting phenomenon is that despite the devastating effect of the HIV/AIDS pandemic which does not affect Ghana as much, the population of Ghana compared to that of Uganda is smaller with a growth rate that is lower than that of Uganda. This could be explained by the increased availability of treatment to HIV/AIDS patients and the higher rate of population growth of Ugandans as compared to Ghanaians. The table below shows a comparison of the population and demographic statistics of the two countries. The statistics here are important because of the impact they have in interpreting the development trajectory of the country. This, and a combination of other factors, would explain the differences and similarities in the development trends of the two countries. It may also explain why the one country may be performing better than the other.

Table 1 Socio-Demographic Indictors: Ghana and Uganda [16]

	Ghana	Uganda
Age dependency ratio > dependents to working-age population	0.74	1.12
	Ranked 57th in 2005.	Ranked 1st in 2005. **51% more** than Ghana
Age structure > 0-14 years	37.1	50.1
	Ranked 74th.	Ranked 1st. **35% more** than Ghana
Age structure > 15-64 years	59.1	47.7
	Ranked 160th. **24% more** than Uganda	Ranked 227th.
Chinese population	500	100
	Ranked 86th. **4 times more** than Uganda	Ranked 107th.
Gender development	0.544	0.437
	Ranked 105th. **24% more** than Uganda	Ranked 122nd.
Percentage living in rural areas.	55%	88%
	Ranked 66th.	Ranked 3rd. **60% more** than Ghana
Percentage living in urban areas	45%	12%
	Ranked 135th. **3 times more** than Uganda	Ranked 197th.

[16]. See http://www.nationmaster.com/compare/Ghana/Uganda/People (accessed 27-08-2013).

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Population > CIA Factbook	23,382,848	31,367,972
	Ranked 48th in 2008.	Ranked 39th in 2008. **34% more** than Ghana
Projected population growth	60.62%	250.65%
	Ranked 61st.	Ranked 2nd. **3 times more** than Ghana
Rural population	11,542,880	25,185,380
	Ranked 42nd in 2005.	Ranked 20th in 2005. **118% more** than Ghana
Sex ratio > 15-64 years	1	1
	Ranked 115th.	Ranked 123rd.
Total Population	22,409,572	28,195,754
	Ranked 49th.	Ranked 41st. **26% more** than Ghana
Total Population > Female	11,191,572	14,074,989
	Ranked 50th.	Ranked 39th. **26% more** than Ghana
Total Population > Male	11,218,000	14,120,765
	Ranked 49th.	Ranked 42nd. **26% more** than Ghana
Total Population, thousands	21,946	27,269
	Ranked 50th.	Ranked 41st. **24% more** than Ghana
Urbanization	36	15
	Ranked 156th. **140% more** than Uganda	Ranked 200th.
Urbanization in 2015	42.4%	20.7%
	Ranked 127th. **105% more** than Uganda	Ranked 160th.
Urban population	10,569,920	3,630,845
	Ranked 46th in 2005. **191% more** than Uganda	Ranked 90th in 2005.
Women > Adult literacy rate females as a % of males	79	73

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	Ranked 99th. **8% more** than Uganda	Ranked 108th.
Women > Life expectancy females as a % of males	105	102
	Ranked 117th. **3% more** than Uganda	Ranked 163rd.

Source:http://www.nationmaster.com/compare/Ghana/Uganda/People (accessed 27-08-2013).

From Table 1 which compares Ghana and Uganda, it can be seen that Uganda not only has a higher population but also shows a higher projected population growth at 250.65 per cent. This represents a projected growth rate which is 3 times higher than that of Ghana which stands at 60.62 per cent. The table also shows that a massive 88 per cent of the total population of Ugandans live in rural areas, while in Ghana this percentage stands at 55. In absolute figures 11,542,880 Ghanaians live in rural areas, as compared to 25,185,380 Ugandans who live in rural areas.

In these statistics, what is particularly of interest is the dependency ratio. The age dependency ratio is the relative number of people younger than 15 or older than 64 years who are dependent on the working population; often aged 15-64 years (see the nationalwidemaster.com, 2013). For example, 0.7 means there are 7 in every 10 working people are dependent. Ugandans in this category are 51 per cent more dependent on others than Ghanaians are. Whiles Ghanaians represent a 0.74 dependency ratio and are ranked 57th in the world, Ugandans show a ratio of 1.12 and are ranked 1st. This is not a good indicator for a country that wants to achieve economic independence and break away from the clutches of underdevelopment. Neither is the position of Ghana an encouragement. Apart from the changes in the percentage of people who are engaged in agriculture, the rest of the statistics are fairly the same. According to the UNDP (2011), Ghana's population growth rate stands at 1.8 per cent per annum which is lower than the sub-

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Saharan African average and is ranked 63rd in the world. In all, the statistics show that in both Uganda and Ghana, the majority of the population live in rural areas.

In Uganda the rate of population growth over the years has been substantial compared to that of Ghana. This gives an indication of large increases in population size with correspondent pressure on utility services. This situation is the opposite in Ghana where, between 2008 and 2011, the rate of population growth has been reducing (see Tables 2 & 3).

Table 2.Population growth rate for Ghana, 1.822% (2011 est.)

Year	Population growth rate	Rank	Per cent Change	Date of information
2008	1.93	71	-	2008est
2009	1.88	67	-2.59	2009est
2010	1.86	64	-1.06	2010est
2011	1.82	63	-2.15	2011est

Source: UNDP (2011)

Table 3: Population growth rate for Uganda, 3.576 per cent (2011 est.)

Year	Population	Rank	Per cent Change	Date of information
2008	3.6	4	-	2008est
2009	2.69	24	-25.28	2009est
2010	3.56	2	32.34	2010est
2011	3.58	3	0.56	2011est

Source: UNDP (2011)

2.11 Social Characteristics

By social characteristics we are looking at the ethnic and religious compositions of the two countries. In much of Africa, the political tensions that have occurred have mostly emanated from underlying religious and ethnic differences which Ake (1996) has identified as reasons for political instability. So much more was such the situation in the political tensions that arose in Uganda than it was in the case of Ghana with regard to the many military interventions that took place prior to the period of stability. For example, the largest ethnic group, the Buganda, in Uganda, had been the target of political assault by President Milton Obote (see Meredith, 2006).

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Again, the on-going fighting in Northern Uganda between the Lord's Resistance Army and the ruling government has both ethnic and religious connotations. The actions generated by these ethnic and religious tensions have direct consequences on the development of any nation. This underlines the importance of discussing the social characteristics of the state.

2.11.1 Ethnic Composition

Ghana and Uganda, like states elsewhere on the continent, are populated by different groups of people with different ethnic backgrounds. Tonah (2007) has noted that ethnicity became a dominant concept in the social sciences in the 1960s. Ethnic classifications are still common in post-independence Africa. Consequently, Ghana has five major ethnic groups namely the Akan, the Mole-Dagbon, the Ewe, the Ga-Dangbe and the Guan as shown in table 4 below.. The languages of these main ethnic groups are grouped into two main linguistic groups: the Gur and the Kwa group of languages (Kropp Dakubu, 1988). The Akan people who form the largest ethnic group are found in both the south and central parts of Ghana along with the Ewe and the Ga-Dangbe people are who mainly in the southern coastal areas of Ghana. The Mole-Dagbani occupy the northern regions of Ghana along with a sizeable population of the Guan speaking people, some of whom are in the south of the country. Even though several languages are spoken in Ghana because of the many mixes of ethnic groups, the most widely spoken across the country are the Akan languages.

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Table 4. Main Ethnic Groups in Ghana and Uganda

Ghana		Uganda	
Ethnic groups	% of pop	Ethnic groups	% of pop
Akan	47.3	Baganda	16.2
Mole Dagbani	16.6	Iteso	8.2
Ewe	13.9	Basoga	7.7
Ga-Dangbe	7.4	Banyankore	8.0
Gurma	5.7	Banyaruanda	5.8
Guan	3.7	Bakiga	7.1
		Langо	5.6
		Bagisu	5.1
		Acholi	4.4
		Lagbara	3.6
		Banyoro	2.9
		Batoro	3.2
		Karamojong	2.0
		Others(est.)	20.3

Source: Author compilation

Uganda, like Ghana, was made up of smaller kingdoms with one dominant ethnic group. The Buganda kingdom was the largest and most powerful (Karugire, 1980). Like the Asante of Ghana, the Buganda had a formidable political organization. Currently, in terms of ethnic composition, the Buganda people form the largest group in Uganda (see Table 4). Other ethnic groups include the Basoga, who are found on the western slopes of Mount Elgon; and the Batoro, who live on Uganda's western border, south of Lake Albert. The Ugandan population also includes Arabs and Asians. The Arab population of Uganda were originally traders who came from the Persian Gulf (Pakenham, 1992). On the other hand, the Asian population are part of the British colonial legacy in East Africa. Indians were brought to Uganda to construct the East African railways. Even though the Uganda Asians were called foreigners, more than half of their numbers were born in Uganda. When Idi Amin assumed power in the early 1970s, he deported several thousands of Ugandan Asians (Mamdani, 2011). Linguistically, the majority of Ugandans are Bantu-speakers. However, the two official languages are English, from the British colonial influence and Swahili, which is widely spoken in the Great Lakes region of Africa.

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2.11.2 Religious Composition

According to Mbiti (1969: 1), "Africans are notoriously religious." Mbiti asserts that pre-colonial and contemporary African cultures and societies, regardless of their location, origin, language, or ethnic composition, are intensely religious. Religious beliefs and practices occupy a central place in the societies of Ghanaians and Ugandans. Both countries have different religious traditions. Nevertheless, the large proportion of Ghanaians and Ugandans identify themselves with three religious traditions: traditional African religions, Islam, and Christianity. According to the Ghana 2010 population census, 75 per cent of the population reported to practice Christianity. The percentage of the population with preference for Islam was almost 18 per cent (17.6%) and Traditional religion adherents were about 5.2%. A further five per cent (5.3%) indicated no affiliation to any religion. Similarly, in Uganda the main religious associations are Islam, Christianity and traditional African religion. Religion defines the psychology of the people and may also have an influence on the preparedness of people to work.

2.12 Agricultural Indicators: Ghana and Uganda Compared

Agriculture plays a central role in the development of both Ghana and Uganda. Kerstin (2007), discussing the impact of the IMF, World Bank policies and EPA on small holder farmers in Ghana, Uganda and Zambia, recognised the importance of agriculture to the economy of these countries. Table 5 below shows a direct comparison in agriculture indicators between Ghana and Uganda.

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Table 5: Agriculture Indicators for Ghana and Uganda[17]

	Ghana's Agriculture stats	Uganda's Agriculture stats
Agricultural growth	152	109
	Ranked 8th. **39% more** than Uganda	Ranked 74th.
Arable and permanent cropland	5,809 thousand hectares	6,960 thousand hectares
	Ranked 40th.	Ranked 37th. **20% more** than Ghana
Arable land > hectares	4,185,000 hectares	5,200,000 hectares
	Ranked 50th in 2003.	Ranked 41st in 2003. **24% more** than Ghana
Arable land > % of land area	18.39 % of land area	26.38 % of land area
	Ranked 60th in 2003.	Ranked 35th in 2003. **43% more** than Ghana
Cereal production	152 thousand metric tons	109 thousand metric tons
	Ranked 8th. **39% more** than Uganda	Ranked 74th.
Cotton exports	15 thousand bales	75 thousand bales
	Ranked 49th.	Ranked 30th. **4 times more** than Ghana
Cotton production	70	90
	Ranked 37th.	Ranked 33rd. **29% more** than Ghana
Crop production index	121.2 %	108.7 %
	Ranked 25th in 2004. **11% more** than Uganda	Ranked 78th in 2004.
Fertilizer use	2 kg	0.7 kg
	Ranked 127th. **186% more** than Uganda	Ranked 131st.
Food production index	121 %	109.2 %
	Ranked 16th in 2004. **11% more** than Uganda	Ranked 67th in 2004.
Labor share	56.6%	79.6%
	Ranked 41st.	Ranked 13th. **41% more** than Ghana
Meat production	140 thousand metric tons	220 thousand metric tons
	Ranked 91st.	Ranked 73rd. **57% more** than Ghana
Organic cropland	5,453 hectares	122,000 hectares
	Ranked 50th.	Ranked 18th. **21 times more** than Ghana
Tractors	3,570	4,700
	Ranked 103rd.	Ranked 98th. **32% more** than Ghana
Tractor concentration	0.6	0.7
	Ranked 125th.	Ranked 123rd. **17% more** than Ghana

[17]. See http://www.nationmaster.com/compare/Ghana/Uganda/Agriculture. Information here is regularly updated to reflect current trends (accessed 27-08-2013).

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value added > annual % growth	4.14 %	5.11 %
	Ranked 49th in 2005.	Ranked 40th in 2005. **23% more** than Ghana
value added > current US$ (per capita)	181.6 $ per capita	90.9 $ per capita
	Ranked 79th in 2005. **100% more** than Uganda	Ranked 119th in 2005.
Workers per hectare	0.9	1.3
	Ranked 54th.	Ranked 39th. **44% more** than Ghana

The statistics in Table 5 above show that about 80 per cent of Ugandans and 57 per cent of Ghanaians are engaged in agriculture. This amply underscores the importance of agriculture in the development trends of each of these countries. Even though Uganda has a larger expanse of arable land and has more of its labour force engaged in this sector, agriculture grows 39 per cent more in Ghana than in Uganda. Ghana also produces 11 per cent more food than Uganda does, despite Uganda's superiority in tractor population. The importance of agriculture stems from the value addition to its products either for consumption or for export. Uganda's rate of value addition per annum is more than that of Ghana, although, in overall terms, Ghana has 100 per cent more in value addition per capita than Uganda does. The net effect of the statistics is that there is a huge investment of labour force for both countries in agriculture, with Uganda's commitment in this direction being overwhelming. Given that there is also a huge population of the people of the two countries still living in rural areas, policies in modernising agriculture and improving value addition at the rural settings must be a priority.

2.13 Summary of Chapter

In comparing Ghana and Uganda we find that though the two countries are located in different sub-regions they share some geographical and historical characteristics. Whiles Ghana has tropical weather conditions Uganda has equatorial weather conditions with the north of each

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of the countries experiencing drier conditions and less rain fall. They are also demographically different. While Uganda has an average population growth rate of 2.4 per cent, Ghana has an average rate of 1.8 per cent. A large population of each of these countries is dedicated to agriculture which emphasises the crucial role of agriculture in the development of the two countries, thus indicating how important it is that policies on agriculture be given a priority.

A fundamental observation, however, is that there is a near close resemblance of the geographical features of the two countries despite the distance in-between them and their locations. In this description, the role of agriculture appears to be central to the development of the two countries given the nature of the land and their rainfall patterns. With regards to their social characteristics, Ghana and Uganda are similar and engage in similar religious practices with Islam and Christianity being the leading religions. These socio-cultural factors contribute to the psychological preparedness of the people to respond to their development needs.

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CHAPTER THREE

REVIEW OF RELEVANT LITERATURE AND THEORETICAL FRAMEWORK

3.1 Introduction

This chapter reviews relevant literature on some perspectives on development and underdevelopment and narrows down on discussions of relevant theories that explain policy responses to the challenge of underdevelopment in Africa. The theoretical frame used for analysis in this work, the neoclassical counter revolution theory, is explained in this chapter as providing an adequate theoretical basis for the examination of policy choices in Africa. It also explains policy as a crucial intervening step in reaching coherent and sustainable development. The political economy in Africa is charged with varied interests that play out in the struggles for political space. This chapter addresses these issues and has two thematic focal points. The first is the literature review and the second is on discussions of types of theories that address the changing face of development in Africa and narrowing down to the chosen theoretical frame that provide the explanation for Africa's policy reactions.

The literature review covers four broad areas. The first discusses policy. Here, it traces the concept of development and how policy emerges to address challenges of human needs especially in the intervening policy responses to Africa's development challenge. The second area focuses on the political economy and defines Africa's approach to its development needs and the direct political influence on policy decisions, either through external sources or through internal policy decisions. The third area examines aid as an instrument of addressing Africa's approach to dealing with its economic needs. The fourth area of review is "good governance"

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and, here, an effort is made to give a broad understanding of what the concept entails despite the difficulties involved in giving meaning to it.

To carry out an in-depth analysis of Africa's development trajectory in relation to policy-making, I elect, from among the various discussions on theories of development, to use the neoclassical counter-revolution theory as the theoretical frame for this work. This choice is largely informed by the fact that the theory adequately captures the background to policy-making in Africa's development attempt since the 1980s; and it demonstrates how such policy-making has influenced the continent's development praxes in more ways than one.

3.2 Perspectives of Development Policy

There exists abundant literature seeking to explain the concept and practice of development and policy reforms in Africa. These include, but are not limited to, Lancaster (1991), Killick *et al.*, (1991, 2006), Mkandawire and Soludo (1999), Meredith (2006), and Ndulu *et al.*, (2008). Other publications worth noting include Hutchful (2002), Kapur *et al*., (1991), Herbst (1993), Karugire (1980), Knack (2001), Erixon (2005), Drucker (1986), and Standbrook (2000). This review will take into consideration the varied perspectives of these scholars while also looking at works that have specific reference to Ghana and Uganda within the context of the larger African development issues.

3.2.1 Development and Development Policy

Development, as a concept, and policy, as a process of reaching the goal of changing the lives of people, are crucial to the governance and stability of every state. As nations confront various levels of challenges, streamlining policy becomes a necessity rather than a choice of the

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state to ensure that it gets the maximum benefit of its investment. According to Stewart (2004), the concept of development policy was brought to the fore more forcefully after the Second World War when most European countries went into recession and had to address their difficulties. Stewart observes that this period was characterised by multilateral and bilateral initiatives and drew in the IMF which then streamlined policies for beneficiary countries to correct the inherent imbalances in their economies.

Stewart also distinguished between three types of policies – structural, macro, and micro. Macro and structural policies mainly relate to the determination of primary incomes, while micro-policies are concerned with the transfer of primary incomes through taxes, subsidies, and public goods. Micro-policy, therefore, mainly relates to secondary incomes, although some micro-policies can affect primary incomes of the poor as in, for example, special credit schemes to extend access to credit to the poor; and education and training directed toward the poor. The thrust of Stewart's argument hinges on its ability to trace the origins of development policy and to establish the relationship between policy and policy outcomes. Even though Stewart suggested policy measures which could be exploited, it was within the context of neoliberalism. Many of the alternatives proposed by Stewart have their foundations in theories about development which had previously been tried with some degree of success though not without their own shortcomings. This area of thought will be discussed in the ensuing work on theoretical perspectives below.

In the view of Herbst (1993), African governments have taken various policy steps in order to adjust their economies with some amount of success. This has introduced some discipline in the economies and made state economic management more cautious in expenditure levels. With economic reforms African economies are now more exposed than ever before and

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are vulnerable to the fluctuations of the international economic systems. This is worrying for two reasons: the first is the fact that African economies experience economic loses when the world economic systems begin to experience set-backs; and the second is that with democratic political and liberal economic systems in operation, African regimes are confronted with volatile political climates.

But this, according to Ake (1996), Mkandawire and Soludo (1999), has created its own results as African regimes now find it difficult to engage in patronage politics by rewarding groups that can threaten violence. These, in most instances, would compel more effective and more responsive political and economic governance practice. It is what Herbst (2003) observed as the whole point of the reform, for African governments not to engage in practices that will reverse economic gains the countries may have made.

These reforms of stabilization and adjustment policies, according to Stewart and colleagues (1992), dominated policy-making in Africa throughout the 1980s.The authors assert that most of the adjustment policies were formulated in collaboration with the major International Finance Institutions (IFIs). Those policies agreed with the IMF were designed to restore equilibrium in the countries' economies and were short term in their focus though they had medium and long term impacts. On the other hand, the policies agreed with the Bank were meant to transform the structure of the economy towards greater efficiency in the medium term. Stewart *et al* (1992) observed that though these policies had medium term implications there was the tendency to neglect Africa's longer-term needs in formulating adjustment policies. In some respects, it appeared that the policies being pursued were actually moving African economies away from a desirable medium-term path. The authors saw the policies pursued in Africa as undifferentiated from country to country. What that meant is that the policies recommended and

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used in Ghana, for example, were exactly the same as those recommended and used in Uganda. The presupposition then is that one will not need a country by country analysis to understand what happened in each of these countries.

However, viewing the neoclassical assumptions, it is possible to observe the nuances in both policy implementation and policy outcome. The reactions of various interest groups and government interests and pursuits of policy goals may be different and will influence policy outcomes. From another perspective, the assertion by Stewart (1992) that structural adjustment policies did not have long term positive effects in Africa may not completely be true given the long term gains in enduring economic and political reforms in parts of Africa.

A major step that Africa must take to realise its efforts at ensuring development is to work out how to properly understand its development challenges and to define a development agenda that addresses its development needs. An independent and well thought-out policy in a reliable political environment is a good starting point, given that individuals have their private interests playing against the larger interests of the state.

3.2.2 Political economy of underdevelopment

Independence from colonial rule brought in its wake an urgent need for African leaders to promote the development of their respective countries and to fulfil the promises they made to the masses that stood by them in the fight for independence. The new African leadership had to contend with two important issues. First, it operated within a world system that was not sympathetic to the cause of new nation states that wanted to narrow the development gap. Secondly, the new states had to operate in a world dominated by socialist and capitalist rivalry and needed tact and diplomacy to survive.

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Asamoa (2001) reflected this position and asserted that the momentous post-independence era was characterized by the rapidly expanding political, economic and military power of the West and of the Soviet Union. Asamoa observed that the ideological struggle, between socialism and capitalism and the quest for support in Africa largely influenced the policy direction in most parts of the continent. Scholars like Hagan (1962), Lerner (1958), Moore (1963) and Levy (1952) are of the view that a specific form of a broader Western model of social transformation within the modernist tradition was what the West supplied to Africa.

On the other hand, reflections that Herbst (1993) had on the politics of development in Africa led him to the conclusion that the politics of economic reform in Africa is crucial to the understanding of the reality of development in the continent. He stressed the difficulty that countries like Ghana, Malawi, and Nigeria went through to carry out development projects. He observed that the problem of the African state has been the poor and often inimical relationship between government and private sector operators. The worrying observation that Herbst (1993) made is the possibility of the reversal of the gains made because of internal political factors which might destabilise the governments of respective countries.

According to Herbst (1993), Kwame Nkrumah and other nationalists such as Julius Nyerere, Kenneth Kaunda, Leopold Senghor, Jomo Kenyatta, and Kamuzu Banda came to power without any knowledge of the private sector. They saw the growing private sector as a threat to their future political careers and fought against it. This was especially because of their socialist or Marxist backgrounds.

The observations of Herbst (1993) can, however, be criticized on several grounds. Firstly, the claim cannot be sufficiently justified that most African leaders saw the emergence of the private sector as a threat to their influence and personal enrichment. Again, not having had an

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experience with the private sector could not have been good enough reason to fear it. Obviously, the new African leaders may have sought, at that early stage, to protect their power and influence against their political opponents. It is possible that they were simply being protective of their newly won independence and failed to see the urgency to develop the private sector as a necessary way forward to economic development. But beyond that is the fact that many of the leaders believed that to be truly independent it was necessary to completely break away from the western capitalist systems; and they went ahead to develop state-run economies in the hope that that was the way to go. Thus, it was not necessarily because of their lack of knowledge or their fear of the private sector. It does appear that the relegation of the private sector was more propelled by ideological inclination rather than by the fear of it. What we can assess is whether the decision to embrace socialist development policies yielded the desired results. From the studies so far, we have found that almost all the countries in this category ran into crises of development and had to be salvaged with a complete turnaround in ideological orientation and with favoured neo-liberal development patterns and systems.

Subsequently, various efforts have been made to address policy-making in the continent in ways that will ensure policy ownership. Ake (1996) discusses the efforts made in this direction by the United Nations Economic Commissions of Africa (UNECA). In the view of UNECA, the development policies prevalent since independence were not producing the needed results. Indeed, they were still the same colonial and neo-colonial policies. The reasons for this were not far-fetched. In colonial times, African economies were doing badly and so the expectation was that at independence the trend will change for the better. According to Asante (1991) it had become clear by the mid-1970s that the new independent economies were not doing well and that the majority of African states and peoples had not in any way significantly benefitted from

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decolonization. The shops were empty and the economies were in bad shape. Standbrook (1989: 3-4) described this as a 'tragic' and 'precarious daily existence' of the human dimension of the economy of Ghana, which he thought was similar to the economic state of other African countries. Thus, in spite of the ample natural resources prevalent in Africa, the economies of African countries were in tatters and increasingly at the periphery of the international economy. This gives reason for scholars and cursory observers of the development scene in Africa to begin to question the persistent underdevelopment and the dilemma and irony of the development experience of Africa.

However, Asante (1991) tries to give reason for the poor state of development in Africa. He postulates that the continent had the particular disadvantage of being completely incorporated into the world economic system soon after independence and also had the added disadvantage of being excessively dependent on external trade, and foreign technology and expertise. He concludes that the African economies were so completely opened that they were exposed to the fluctuations of the international economic system. To him, the very strategies and theories upon which their development policies were modelled were not understood by the new leadership of the various economies.

Nevertheless, this perspective on the state of the development of these economies has its own implications. In the first instance, it would mean that in trying to address the economic difficulties of the African continent, one would have to do so within the wider context of the world economy, and examine policy that addresses both the domestic and the international environment. This, to all intents and purposes, is not going to be an easy fix. It would require increased knowledge and expertise of the African policy-maker to be able to address not only what happened domestically but also what happened on the world scene.

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According to Herbst (1993), Africa's decline was especially poignant because it was occurring at a time when other parts of the developing world were experiencing rapid economic expansion. With the obvious failures manifested in distortions and imbalances in the economies which characterised African economies in the 1970s, the need to change the policy direction was inevitable. Most countries in Africa, especially in sub-Saharan Africa, then responded by adopting structural adjustment policies aimed at reforming their economies and at equipping them to tackle the challenges of underdevelopment and rising poverty levels.

According to Malima (2001), several African states adopted structural adjustment policies because their economies failed to transform themselves into modern economies on their own; and, given their basic structures, these economies could not participate effectively as equal partners in the international economy.

Malima's (2001) assertions can be said to be applicable to the case of Ghana and Uganda. Cash-strapped and with struggling economies, the two countries had no other option than to seek foreign aid with the accompanying conditional structural reforms of their economies. These involved taking measures to stabilize their economies and accepting macro-economic policy measures that had direct effects on interest and exchange rate adjustments and also had an overall impact on liberalising trade and consciously reducing budget deficits. As in the two countries, adjustment policies were implemented in much of Africa and economic recovery programmes were carried out in the decade following the 1980s. But this decade was also one of increased poverty in the African region where structural adjustment policies were implemented. In sub-Saharan Africa alone, poverty rose from 191 million to 228 million between 1985 and 1989 (Stewart, 2004).

However, Standbrook (1989), after examining the development challenges Africa faced,

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thinks that the state did not play the needed role in influencing development. He examines the influence of the state in the development of the economies of some Asian countries such as Japan, China, Taiwan, South Korea, Hong Kong and Singapore and concludes that the state everywhere facilitated capitalist accumulation and that Africa could not be different. He identifies three reasons why the role of the state is crucial. Firstly, he asserts that it is the responsibility of the state to create and maintain a conducive general socio-political and legal framework that can support market relationships. This presupposes that the state has to create the necessary environment for the security of property and predictability in economic decision making which are basic for encouraging investment.

The second reason he assigns is that the state has to foster the needed economic conditions in the provision of services and infrastructure–such as roads, rails, ports, airports, electricity, water, telecommunication, etc., that directly facilitate production. The third reason Standbrook identifies is the need for the state to regulate foreign economic relations in order to maximise local benefits.

In a similar vein, Schire (cited in White, 2006) tries to give an explanation to the general development malaise of the African continent. He shares the same opinion on the expected role of the state but disagrees sharply with views of the role of the African state in the provision of some needed services and in regulating the foreign economic relation as was put forward by Standbrook (1989) for various reasons. He espouses that most African States were dominated by political elites who became more authoritarian and corrupt; and for whom state policy constituted an increasing threat to political and economic freedom. These states then entered a vicious cycle of economic mismanagement leading to economic decline; and they thus resorted to foreign borrowing and effectively went bankrupt.

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Schire (2006) goes on to postulate that the development paradigm that shaped public policy was fundamentally flawed in both political and economic terms. This view is based on two assumptions which are related in their contextual understanding. The first assumption is that the state exists to be technically capable of performing the complex tasks required of it in a development environment. The second assumption is that the state itself is a neutral instrument which both leads and follows the public interest. Schire (2006) concludes that both assumptions are false because the state emerging from colonial rule did not have the needed capacity and bureaucratic expertise to deal with the complex system of development (this is consistent with Asante, 1991). Again, the state is often challenged by groups and individuals who try to wrestle power and control from the status quo. This made the state itself opportunistic in seeking to satisfy its own interests and ensure its survival. This coincides with the neoclassical counter-revolution perspective on the opportunistic state and individuals and groups operating within it.

Nowhere is the African dilemma more succinctly portrayed than in the work of Mills (2011). His work suggests that Africa is not denied the market and financial means to compete in a globalised world. Africa is not poor and underdeveloped because of aid nor poor infrastructure nor imbalanced trade because it has been given preferential access to the international market but has still failed to make it. In his view, Africa's situation is not because the needed development and expertise is unavailable since these can all be bought on the international market just as Asia has done. He also asserts that Africa's poverty is equally not due to any notions that its people do not work hard, because he believes that no one works harder than the African woman. Nor does he think Africa to be poor because it lacks the needed natural resources since "[c]ompared to Asia [Africa] is a veritable treasure trove from hydro to carbons to hydrocarbons" (Mills, 2011: 13). He additionally disputes the claim that Africa is poor because the private sector does not

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exist or is unwilling to work. In his view, the private sector does exist but only as "an elite link system of rent seeking" (Mills, 2011: 12). Consequently, Mills comes to the conclusion that the problem of poverty and underdevelopment in Africa is squarely the problem of leadership. He emphasises that "the primary reason why Africa's people are poor is because their leaders make this choice" (Mills, 2011: 12).

Even though Mills' views are contestable, they reflect the dilemma and the paradox of Africa's underdevelopment paradigm. The development challenge has, however, obliged Africa to search for a development agenda that will adequately respond to its development needs and that will be less dependent on the rest of the world. As part of the determination to seek self-reliance in formulating and implementing development policies concerted efforts were made by a group of African leaders to define a development agenda for the continent.

The first of these efforts was the "Lagos Plan of Action" in 1981 and later the New Partnership for Africa's Development (NEPAD) in 2001. According to Taylor and Nel (2002), the idea of NEPAD was formulated with the group increasingly playing a prominent role in negotiations between Africa and the developed world, and posturing a specific 'developmental' agenda in international politics. The purpose of these interactions was to revitalize Africa's place in the global political economy; and they culminated in the launching of the African Union (AU) in July 2002. (See Chapter Four for detailed discussions of continental initiatives in policy-making).

In his contribution to the discourse on development and policy in Africa, Ake (1996) argues that the problem was not that development had failed but that there was never an agenda for development. In Ake's view, after independence, most of the regimes were more preoccupied with political stability and whatever they appeared to be doing by way of development were

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orchestrations meant for the political survival of the governments rather than genuine commitments to development. It is imperative to note that contrary to the views espoused by Ake (1996) and Ferguson (1997), the ideology of development was not merely used as a tool of political exploitation by African elites. Available evidence has shown that there were genuine political regimes which had the motivation to improve the welfare of their people though they might not have succeeded (see Mkandawire, 2012; 2001; Cooper, 2002; Olukoshi, 1998; Freund, 1990).

The proposition that African countries saw economic development as secondary to the nationalist ideology after independence could not have been true for all countries. For example, Asamoa (1996) provides a clear picture of Nkrumah's commitment to development soon after independence and does not lend credence to the earlier assertion. Again, the work of Arnold (2001) does not support Ake's position. On the contrary Arnold argues that development issues preoccupied Africa soon after independence.

Arnold (2001) observes that the independence era was followed by a genuine commitment to development as Africa's new states faced the formidable tasks of achieving a level of economic growth commensurate with the needs of their newly liberated peoples. Foster and Killick (2006), and Heller (2005) have done extensive work on Africa's development policy and the challenge of underdevelopment. What is common in their work is the perspective that with numerous efforts to bring about development including seeking and using foreign aid, the situation of underdevelopment persists.

O'Brien (1979) gives ample expression to the real challenge of African economies as highly dependent on their former colonial powers or on the developed world for functional operations in the world market. Citing the example of Senegal's dependence on France, he

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demonstrates Senegal's vulnerability to the vicissitudes of the French economy. Being solely dependent on primary export products such as groundnuts and phosphates, Senegal's dependence on France for her exports and development policy guidance is emphatic. For O'Brien this situation is predominant with most African economies and accentuates not only the unequal relations between Africa and the rest of the developed world but also Africa's inability to address its underdevelopment challenge.

The view that Africa's perennial economic dependence on the West has a negative effect on the former's ability to own its development policy has been re-emphasized by several scholars. Ake (1996), for example, believes that the pattern of development amongst African countries that experienced colonialism only ensured failure. His view is that the problem Africa faces goes farther than the dependence of Africa on the West. The problem also has to do with the African political elite who emerged as leaders after independence and their failure to define any development policy or agenda. Like Asante (1991) and Herbst (1993), Ake (1996) believes that African leaders lack the requisite knowledge and skill, the integrity and confidence to address the development challenge facing their respective countries.

The fundamental truth lies in the inability of the African state to take advantage of state power to develop efficient ways of growing their economies beyond being appendages of other relatively better developed economies. Efforts at triggering off development in Africa through continental initiatives do not still appear to work. Two major views are taking shape here to explain the problem of underdevelopment. The argument about the emerging dichotomy of endogenous and exogenous factors being the reasons for Africa's state of underdevelopment is important to give meaning to Africa's quest for development. In all this the role of aid flowing from the developed West into Africa will largely shape the ensuing development paradigm that

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emerges to explain the challenge of development facing Africa.

3.3 Underdevelopment, Aid and Policy Reform

As far as policy and aid in Africa are concerned a fundamental response to the dire situation in which Africa found itself was to formulate a policy to address the myriads of development challenges facing the continent. As discussed earlier, initial policy decisions had been a failure compounded by the world crisis. It put African countries at a point of serious economic disaster (Standbrook, 2000). The most pragmatic decision was to seek aid from the external world. The World Bank and the IMF were readily available to support albeit with conditions of reform. Aid for economic and political reforms thus became the most fundamental policy source of policy response to the situation the new African states found themselves in. Stewart *et al*., (1992) found that between 1980 and 1988, 33 countries had signed agreements with the IMF and twelve had extended Fund facilities, in the form of loans and grants, while fifteen had structural adjustment loans with the World Bank.

Ghana and Uganda became the vanguards of policy reforms and were largely viewed as examples of two sustained reformers in Africa (World Bank, 1999). Reforms in this light required short term policy interventions to stabilise the economies (through the IMF) and long term policies that would eventually restructure the economies (through the World Bank). Researchers such as Rodrik (1996), van de Walle and Johnston (1996) believe that the adjustment process helped with ideas and strong local talent in formulating policy. In these cases, finance grew as policy improved and increased the benefits of reform, helping to sustain political support. According to Erixon (2006) structural adjustment generated foreign aid to countries which accepted the programme and aid was used to fund large amounts of government spending,

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consumption, and investment. For instance, he established that aid accounted for more than 50 per cent of Uganda's budget, 60 per cent of Rwanda's, and 70 per cent of Mozambique's (Erixon, 2006). This massive aid inflow has been considered a "double-edged sword" initially helping but eventually weakening a country's economic performance (Lancaster and Wangwe, 2001).

Other scholars such as Boone (1996), Burnside and Dollar (1997) have argued that aid does not work and that it is simply a waste of resources. They contend that aid only works in countries with "good policy." Erixon (2006) intimates that it would be more sensible to scale back levels of aid provided and give aid only to governments that are already reforming, and make aid available for a strictly limited period of time. The author stresses that other reforms such as removing trade barriers and eliminating trade-distorting agricultural subsidies would yield far more benefits than increasing aid.

In the opinion of Arnold (2001), the over-reliance on aid is a reflection of a lack of commitment on the part of African political leaders who need to be more self-dependent. The automatic availability of aid on an annual basis over a long period of time, in Arnold's view, has created unsustainable levels of debt, especially in relation to the average size of most African economies.

According to Arnold (2001) by the beginning of the 1990s for example about a quarter of all African countries had debts in excess of their GNPs. For Arnold aid creates a dependency psychology that allows donors to maintain control over African economies. Similarly, Killick and Foster (2007), tried to establish that there is a high dependency on aid by African countries but that there is also a difficulty involved in the management of huge sums of money which was not previously available to a country. The authors cited the problem of absorption of these funds

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and the possible disadvantage this can create for the private sector in the creation of goods and services. For the authors, a stimulated response from the supply side of the economy will have a good effect in balancing off the envisaged difficulty. Thus, the critical understanding is that aid must not just be spent on the purchase of goods and services in the domestic market but that countries must have the ability to absorb it. In other words, aid should add value to the economy; it should result in net import or else, according to the authors, the recipient countries will only be accumulating deficit.

The authors go on to make some important policy recommendations to both donors and recipient countries. For the recipient countries, it is recommended that their governments take a conscious view of the adjustment policies appropriate for their economic circumstances. Also these governments need to consciously formulate policies concerning the development of the tradable-goods sector, especially with regard to non-traditional exports, so that in scaling up aid it will not work to the disadvantage of such producers. Again the recommendation is that governments need to be aware of the increased risk attendant in being heavily reliant on aid.

The policy implication for donors are that, in determining their aid priorities, donors should re-examine the balance between deployments for social and more directly productive uses, and that rapid increases in aid stand a good chance of being wasted unless they are provided in the context of carefully prioritized spending plans. Essentially the work is a study and analysis of the problem of underdevelopment and policy financing using foreign aid in Africa. Much depends on a good policy environment and a transparent and accountable government.

Burnside and Dollar (1998) agree with this line of thinking and argue that in developing countries with weak economic management, there is no established relationship between aid and

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the social indicators which the aid is supposed to affect. For example, if aid is targeted at reducing infant mortality then a good aid management policy should show positive results with the absorption of that aid.

A World Bank policy research report (1998), titled *'Assessing Aid, What Works, What Doesn't, And Why,'* categorizes aid into two groups: official development assistance and official development finance. According to the report "the first is the subset of the second and comprises grants plus concessional loans that have at least 25 per cent grant component. Official development assistance is all financing that flows from developed country governments and multilateral agencies to the developing world" (World Bank, 1998: 6). In a forward to the report, Joseph Stiglitz, the then Senior Vice-President for Development Economics and Chief Economist of the World Bank, viewed aid as a learning business that continually evolves, either as lessons of success or as lessons of failure. He stated that aid to beneficiary countries is channelled through a variety of activities that bring into the beneficiary country 'money and ideas" (World Bank, 1998: 6).

Again if aid is the transfer of not only money but also ideas, it will be interesting to see how ideas play out in the failure and successes of aid to Africa in general, and more specifically to Ghana and Uganda. Stiglitz' ideas are also reflected in *Perspectives on Aid and Development,* (Gwin, *et al*., 1997) in the assertion that more effective development means an improvement in the lives of people. This is more concrete and is not the same as the use of statistics of economic performance to explain that the living conditions of people are better when in reality they may not be. A pressing question is, therefore, posed by the 1998 World Bank report: "How can development assistance be most effective at reducing global poverty?" The larger issue this sought to resolve is the re-thinking of an aid plan that shows that financial aid works in a good

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policy environment and that the effect of aid in such an environment is larger, according to the World Bank (1999: 9) report which states that 1 per cent of Gross Development Product (GDP) in assistance translates into a 1 per cent decline in poverty and a similar decline in infant mortality. According to the document, money has less impact in a weak policy environment. The critique of this work is twofold. First is that its scope is narrowed down to economic analysis; and secondly it speaks from the perspective of the donor and not the poor recipient and might, therefore, not be telling the whole truth until it is all put to a test by further research, which is the purpose of this work.

For Ferguson (1997), Lappe and Collins (1979), and Lappe *et al*., (1980) poverty is not a *sui generi* fact or a consequence of global scarcity but only a symptom of powerlessness that international aid projects, by their very nature, aggravate. Therefore, whoever they claim to "target" does not make the radical changes in political and economic structures that could alone empower the poor: thus, aid projects cannot be expected to eradicate poverty since they only reinforce the system which, in the first place, causes the poverty. This view is a radical reinforcement from Stiglitz's discourse that suggests that aid will succeed in a good policy environment; but what Lappe and Collins do is to demand also a change in policy in the donor policy environment as well in order to empower the poor recipient of aid.

Writing on the subject of 'Ghana's external debt problem', Anim (1991) states that, at independence, Ghana had neither external nor internal debt obligations and was a net exporter of capital. However, with time, the situation deteriorated and the country is now a net importer of capital and heavily in debt both externally and internally. In this regard, Anim states categorically that the debt problem of Ghana had its origins in the need to raise external finance for the industrialization programmes envisaged by Kwame Nkrumah. Anim's position is only

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true to some extent, because the reason for increased demand for aid has gone beyond Nkrumah's envisaged programmes of industrialization in recent times. The situation of underdevelopment and investing in other infrastructure for social services, like roads, has remained a major issue in development policy.

According to Macamo (2005), the idea has always been to look for lessons in our dire political, social and economic conditions. However, the author is disappointed that existing conditions only describe the situation of non-development; and he states that eliminating the conditions would not answer the question of Africa's development failure. It rather re-states the problem in another form. Ake (1996), consequently, contends that African leaders have been preoccupied with finding access to markets and obtaining more loans on better terms, more foreign investment, and better prices for African goods, debt cancellation, and access to technology, among others.

In Ake's view, African economies have been stagnating or regressing with real incomes getting lower than they were. He identifies that health prospects are poorer and malnourishment is widespread with infrastructure breaking down. Much of his work examines the needed development discourse that will bring to the fore the need to open up the debate on policy dialogue. Robinson and Tarp (2004) also identify three justifications for aid. These are that aid is advanced to developing countries first for altruistic or humanitarian concerns to address the extent and degree of poverty and the glaring inequality of the world, secondly as a foreign policy tool and thirdly for commercial interest. The cold war era witnessed a lot of aid inflow to Africa for reasons of reducing poverty, spreading democracy, promoting gender issues, and promoting social development and the expansion of the donor's market. In the end, it is all to provide a conducive environment for foreign investment to occur.

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The works of Ake (1996), Macamo (2005) and Burnside and Dollar (1997) provide deeper insight on the impact of foreign aid on African development. Burnside and Dollar (1997) have, for instance, noted that foreign aid tends to have a positive impact on growth where there are good fiscal, monetary and trade policies. According to Erixon (2005), the proponents of aid argue that poor countries are poor because they lack the funds to invest in the infrastructure that would enable economic activity to take place; which in turn means that they are unable to attract investment. For Erixon, this argument was originally used to justify huge infrastructural investments, such as roads, power projects, dams, etc. But to Erixon aid does not bring about growth and development. He establishes that between 1970 and 2000 Africa received approximately $400 billion in aid, and that aid as a percentage of Gross National Income (GNI) grew continuously between 1970 and 1995, starting at about 5 per cent in 1970 and peaking at around 18 per cent by 1995. However, during the same period there had been a decrease in GDP growth and poverty had also increased considerably.

Killick (1991) and Devarajan *et al.*, (2001), have been forthright in this position and consider that the most important indicators and variations in growth among developing countries are political organisation and administrative competence of government. This has to do with the quality of policy intervention. Exon (2005), nonetheless, believes that this is not unique to Africa and that growth is higher in periods when the aid-to-gross national income ratio falls. Again he asserts that aid does not finance additional investments for which the recipient countries failed to marshal domestic resources for spending on current consumption, which in turn fuels corruption. What this means is that aid is not meant to take over domestic resource mobilization efforts and if aid is given without the required financing of investment or spending on domestic expenditure it creates room for corruption.

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Lancaster (1999) establishes that for a considerable portion of aid agency, progress remains experimental because of the lack of research to match aid with real development outcomes and policy changes. He believes that aid as a source of behavioural change must be evaluated for effect. In the case of aid financed projects, the writer believes they have been the least effective in achieving the objectives for which such projects are sponsored. Lancaster's (1999) dissatisfaction with aid stems from his beliefs that aid is not the answer to Africa's quest for development.

Understandably, an over-reliance on aid to develop is a difficult development path to follow, no matter how hard a country may try. It explains the problem of the crippling debt burden of most African countries and their inability to grow out of it to own their own development path.

3.4 Good Governance

In reflecting on the underdevelopment of Africa many studies across-board have emphasized the role of governance and leadership as crucial elements in policy-making in response to the challenge of development. According to Hyden and Court (2012), the concept of governance is not new except for its meteoric rise to prominence in the international development debate. The World Bank (1989), in analyzing the development crisis of Africa described it as a crisis of governance. Meredith (2006) points out the rounded failure of leadership and governance in tackling the problems of post-independence Africa. Similarly, Mills (2010) stresses leadership failure as the cause of underdevelopment in Africa. According to Mills (*ibid*) while others see difficulties in governance as a challenge to overcome, African leaders simply fail. Ake (1996) believes that development failure occurred because development

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was never on the agenda of the emerging leadership of Africa. Herbst (1993) talks about how the rent-seeking clientele of African leadership and their surrogates corrupt the system. Several others see leadership and governance as inescapable in diagnosing the problem of Africa and seeking policy solutions (Commission for Africa Report, 2005).

Even though governance as a concept is defined and viewed from various perspectives; namely from the point of view of international relations, from the administrative perspective and from the perspective of dealing with comparative politics, the interest in this work is on governance from the international development agency perspective which has an effect on all the three others. This perspective, according to Hyden and Court (2012), tends to agree on the concept of governance as an activity aimed at steering societies in desired directions. From this perspective, governance can be viewed from three strands, namely political which involves the formulation of policy; economic which involves the decision-making processes that affect a country's economic activities; and administrative which involves the system of policy implementation.

Governance is important in discussing development in Africa, where policy actors are presumed to normally act because of selfish ends. The expectation is that governance, as a key element in development, will serve as a foundation stone in neutralizing all interests and projecting public interest in development administration. This is where governance plays a major role in policy-making and implementation. For example, in trying to cure the problem of underdevelopment, a logical reaction from the World Bank point of view will be to prescribe good governance with the belief that certain governance indicators are necessary for growth, (World Bank, 1997). This has been a pronounced policy direction in the structural adjustment years and beyond in Africa. Yet, there is no agreement on the meaning of "good governance."

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The concept is as nebulous as many social science concepts and it defies rigid definition. According to Okere (2010: 13), "the concept of good governance is now much politicized within development circles and especially in the African context."

However, according to Abrahamsen (2000), perspectives on good governance, as defined and pursued by the World Bank as a standard for attracting financial support, gloss over the situation of developing countries where there is a wide difference between liberal democracy and an insistence on economic austerity. To Abrahamsen defining good governance from a strict capitalist context and insisting on the defined tenets represent only procedural interpretations of democracy and would delegitimize alternative definitions that accentuate citizens' welfare or government accountability to citizens instead of to foreign creditors.

The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), 2009 have a more realistic approach to the concept. It mentioned some major characteristics of good governance, suggesting that in good governance, there is consensus orientation and it allows free choice. Also there is accountability, transparency and responsiveness in the actions of those in authority (UNESCAP, 2009). Again, there is equitable and inclusive decision making which must be participatory and must show a clear commitment to the effective and efficient administration of resources. All of these will operate within the context of the rule of law that allows for a fair legal framework that ensures impartiality in the enforcement of laws (UNESCAP, 2009).

In the pursuit of a development policy in Africa, especially in Ghana and Uganda, it is clear that governance is an important issue. Instability, mass political violence, oppressive rule, mismanagement, embezzlement, and the abuse of the rights of citizens, rampant in the 1970s and 1980s were largely attributed to the lack of good governance (see Herbst, 1993; Strandbrook,

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1989; Reinikka and Collier, 2001). It is thus not surprising that democracy and good governance have always been high on the agenda when it comes to slapping conditions on African countries seeking aid from the World Bank and IMF. What makes it more emphatic is the apparent direct relationship between consistency in economic growth and practice of democracy and good governance in the two countries. Since the two countries improved their political governance and observed good governance practices they have witnessed moderate economic growth (see Erixon, 2005). In the midst of unstable governments and bad economic governance, development policy is not efficiently spelt out and will have no chance of proper implementation.

3.5 Development in Perspective

The evolution of policy in both Ghana and Uganda has historical importance and supports analytical works on trends and evolution based on theoretical perspectives. To understand the many emerging political and economic changes that occurred in Ghana and Uganda over the years since independence, it is necessary to understand the dynamic evolution of the theories and meanings upon which policy, at any point in time, is defined in the two countries as a direct response to development challenges.

Early writers such as Kiado (1976), in discussing development theories, have concluded that in interpreting development and underdevelopment there must necessarily include historical and external elements. In Leys' (1996) view, it is not an oversimplification to view a development theory as a concept which emerged as part of the efforts to understand the differences in socio-economic standards between the developed West and the underdeveloped states of Africa and Asia. He emphasizes that the first formulation of a development theory was the work of economists, many of whose works were grounded in Keynesian ideas. These

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economists shared the social-democratic thinking that presupposes that countries facing development challenges will naturally yield to the control of well-resourced and developed countries to offer support (Leys, 1996).

According to Todaro and Smith (2009), early theories of the 1950s and 1960s understood development as a process of economic growth during which nations must pass through some stages of modernisation. This brought prominence to the modernisation theories in which the right quantities of savings, investment and foreign aid were necessary to allow a developing nation to progress from one stage of development to another, just as the developed economies historically went through. Aina (1993) describes modernization theory as the most popular 'nomenclature' with origins traceable to the Second World War. Like Aina, Hoselitz (1960) and Hagen (1962), both modernization theorists, also view development and underdevelopment from an economic perspective. From this angle, development is construed as industrialization and urbanization. It advocates that for any society to transform from being an underdeveloped to a developed society, it has to embrace modern transformational methods and models of production. This will mean the application of science and technology in tackling development problems.

Perhaps, it was in line with such thinking that the influential study of Rostow (1960: 4-16) emerged. According to Rostow, there are five stages of growth, namely (i) traditional society; (ii) pre-condition for take-off; (iii) the take-off; (iv) the drive to maturity; and (v) the age of high mass-consumption. Rostow's work greatly influenced the modernisation thinking and serves as a good starting point in understanding the concept of modernisation as applied in development literature. In fact it was this theory which influenced the colonial regimes and determined the economies of both Ghana and Uganda until they gained independence and

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dependency theories became prominent with the new independent Africa (see Dzorgbo 2002; Todaro and Smith, 2009).

It was the Dependency school which highlighted the short comings of the modernization theory in a much devastating manner using the dependency approach. The criticism came strongly from the American economist, Andre Gunder Frank. The Dependency theory is an indirect outgrowth of Marxist thinking (Todaro and Smith, 2009). The view of the dependency school is well defined in Nafziger (2006) as projected by Furtado (1973) as well as Frank (1969). It attributes the existence of Third World underdevelopment primarily to the historical evolution of a highly unequal international capitalist system of rich country versus poor country relationships. In the view of Gunder Frank as echoed in Nafziger (2006), the economic development of the rich countries is largely responsible for the underdevelopment of the poor and " [the] development of the least developed countries is not self-generating nor autonomous but ancillary" (Nafziger, 2006: 145).

The Dependency school attacks the modernization theory as a façade behind which lies the exploitation of the Third World by the advanced world (see Martinussen, 1997). By such unequal power relationships between the centre (industrialized countries) and the periphery (the Least Developed Countries, LDCs), efforts by the latter to be self-reliant and independent become difficult. The basic thesis of Gunder Frank is that underdevelopment is not the result of the traditional or non-modern political, economic and social institutions but that LDCs were subjected to exploitation by imperial powers which served as the root cause of their underdevelopment (see Nafziger, 2006). According to Nafziger (2006), Frank's theoretical position suggests a continuous dependent relationship wherein some countries will grow their economies through self-determination and others will do so based on a dependent relation.

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However, with the widespread failure of developing economies from the 1970s to the early 1980s, the reliance on the dependency theory as the basis of policy was brought to question. Economic difficulties were compelling enough to change course. According to Kapour (2002), the dependency theory seems to have lost favour among scholars of the social sciences and of Third World politics, whilst post-colonial theory appears to be on the rise. Thus, since the late 1980s, neo-liberalism has gained prominence as a framework for international development (Plattner, 2010; 1998; Brown, 2003). Basically, neoliberalism can be considered as a revival of the modernization theory.

It is therefore not surprising that apart from the inclusion of a "good governance" discourse which gives prominent roles to the private sector and civil society as major actors, the fundamental values of the modernization theory, such as privatization and deregulation, are still embedded in the neo-liberal framework. These values are what the World Bank and IMF used to scale the performance of Ghana and Uganda as doing well (Erixon, 2005).

In the view of Abrahamsen (2000), a post-colonial theorist, the conventional conception of development ignored the power of discourse and its role in the construction and maintenance of the domination of Third World countries by their Western counterparts. Abrahamsen (*ibid*) asserts that the development discourse has been subtly used as an instrument to project Third World countries as underdeveloped in order to justify Western intervention in their internal politics and economic affairs, citing the concept of "good governance" as an example of such development discourse. With reference to Ghana, Kenya, Zambia and Cote D'Ivoire, Abrahamsen maintains that the "good governance" discourse is a pretence aimed at developing African countries in the image of the West (2000: pg nos).

To Abrahamsen, far from being a genuine humanitarian motivation, the need to contain

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the spread of communism was a major rationale behind the Western world's support for third countries (Abrahamsen, 2000: 19). Thus, with the end of the Cold War, the International Financial Institutions (IFIs) found the attachment of political and economic reforms to aid less difficult since the prospects of losing the non-conforming states to the allegiance of the Soviet Union had diminished. Even though Abrahamsen acknowledged a positive correlation between the domestic protests of the pro-democracy movements, and the re-emergence of multi-party rule in the continent, she maintained that the external impact arising from changes within the global system equally accounted for political reforms in Africa.

Ferguson (1994) shares the view of Abrahamsen. In his book *The Anti-politics Machine*, Ferguson maintains that the notion of development has been used as a decoy by the elites to consolidate their grip on political power. Proponents of this view insist that capitalism is not a cause of development but the obstacle to it. According to Ferguson the notion of capitalism as a universal remedy for underdevelopment is fundamentally contradictory. Similarly, Aina (1993) observes that the disenchantment with orthodox development models led to a number of innovations and experiments with development paradigms and practices such as the basic needs approach, concern with the informal sector and the redistribution with growth strategy.

3.6 Have Development Theories failed?

Pieterse (2009), in discussing the trends of development, traces the origin of theories and concepts of development in the wake of growing changes in the nature and purpose of the concepts as a result of varied influences. What is particularly interesting about this work is the reflection of the difficulty in hanging on to any theoretical position, since, in all instances, they all seem to fail in addressing the problem of underdevelopment. The author believes that several

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decades of efforts have not measured up to expectations, especially in Africa and parts of Latin America and South Asia. According to the author, all these theories upon which policies are built have failed. This failure is also recognised by several other writers, such as Mkandawire (2012, 1997), Bashiru (2011), and Mills (2011). To Pieterse (2009) claims held by universalists in making developing countries a special case in neoclassical economics and structural adjustment policies have undermined the foundation of development studies. This poses a question to Pieterse (*ibid*) to determine whether we have got to the end of development.

This has generated two waves of thought in post-development discourse: first is to assume that we have come to the end of the road in theory and something else should occupy our minds in how to deal with our challenges beyond development. The second is to acknowledge the failures and also the achievements and successes associated with all these efforts and avoid simplistic one-sided explanations and assessments. The second position is logically inspiring for research and may have been largely influenced by Sen (1999) in her revolutionary view of development as not only taking account of growth in GDP but also depicting a country's ability to bring about justice, freedom and human satisfaction. This view presupposes that a low income country can be developed.

The study found these explanations useful in understanding how development as a concept evolved from theoretical perspectives. The discussions would help us see how policies evolved from Ghana and Uganda soon after independence when they sought to break with the past colonial structures modelled in neoclassical theoretical frameworks. The debate between modernity and dependency theories brings out a clear picture of the back and forth movement of African economies in experimenting with these development conceptualisations. This will aid in grasping the core thrust of this work as we go along.

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It will also help to understand the resilience of the neoclassical development perspective emerging out of modernisation concepts and used almost as a gospel in all facets of the development discourse to explain and remodel Africa's battered economies right from the 1980s to date. It explains also why the theoretical framework upon which this work is seated emerged from neoclassical tradition and conceptualisation as discussed below.

3.7 Theoretical Framework

"Neoclassical Counter-revolution Theory"- Neoclassical Revival

The neoclassical counter-revolution theoretical perspective is adopted for analysis of this work. It will serve as a good framework for analysing comparative development policies and outcomes in Ghana and Uganda. What is particularly appropriate about the theory is that it serves as a platform to explain Africa's current development difficulties and the solutions that are proffered by the donor community and implemented by the African country in question, in this sense, Ghana and Uganda. Using the theory as the basis of analysis gives opportunity to have a comprehensive view of the approaches to development from the point of view of the donor and how that influences policy thinking and action by the recipient. This would reflect the reality of the African development scene in contemporary times and point at how policies emanate from the developing country. Indeed, the truth is that the donor-Africa relation is informed by the neoclassical counter-revolution theoretical perspective since the 1980s and has pervaded the realm of policy-making and implementation. It thus makes sense to view this framework as an appropriate theoretical basis for analysing development challenges and policy responses in Africa.

Earlier criticisms against the neoclassical theories resulted in a new thinking with the

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theoretical conception re-branded as "neoclassical counter-revolution theory." This was a revival of the neoclassical and modernisation conception of development. The theory has greatly influenced policy especially in the Western world and presently shapes the policy perspectives and programmes of almost all African countries. According to Todaro and Smith (2009: 126-32), the political ascendency of conservative governments in the 1980s in the United States, Canada, Britain, and West Germany came with the neoclassical counter-revolution in economic theory and policy direction. These scholars looked at the theory from the point of view of the developed economies and also from the perspective of developing economies. In the developed economy, the theory favours the supply side of macro-economic policies, the rational expectations theory and the privatization of public corporations. In developing countries, the theory calls for free market and the dismantling of public ownership, statist planning and government regulation of economic activities.

The central argument of the neoclassical counter-revolution is that underdevelopment occurs because of inadequate resource allocation, poor pricing policies and too much state dominance or intervention in the operation of the economy. This presupposes that developing countries will do better if they allow free market operations, have less statist control, promote free trade and export expansion, and privatize state-owned enterprises. This will also mean allowing investment in the economy from the industrialized economies, reducing or eliminating government regulations and price distortions, thus stimulating economic efficiency and growth. In a direct response to the dependency school of thought, the theory postulates that countries are underdeveloped "not because of the predatory activities" of the developed world but "because of the heavy hand of the state and the corruption, inefficiency and lack of economic incentives that permeates the economies of developing nations" (Todaro and Smith, 2009: 127).

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Thus, for the neoclassical counter-revolution theorist, what is needed to reverse underdevelopment is not to change the world economic system but to restructure developing economies, provide more foreign aid and ensure more efficient policies. To do so, three positions are proposed by the neoclassical theorists namely, ensuring free market operations without government control, embracing public choice theory, and accepting a market friendly approach to development. However, of greater interest in this study are the assumptions in the analysis of the public choice theory. Green (1994), Todaro and Smith (2009) all agree with the basic conclusion of the theory derived from the argument that governments can do nothing right. This follows from the assumptions that politicians, bureaucrats, citizens and the state act purely from the self-interest point of view using the power and authority of the state for their selfish gains. Citizens use political influence to obtain private gains known as rents from government policies. Politicians use government resources to win support and consolidate power in the same way as other public officials use their positions to take bribes from rent seeking citizens. All these presuppose that although exogenous factors can have influence in the success or failures of development policies the influence of endogenous factors in policy making and implementation are paramount.

This has responded to the assumptions of modernisation and dependency theories which appear to leverage single factor influence (either from the effect of economies that are not modernised in the sense of the modernisation theory or as the direct result of economic factors flowing from history and the influence of the developed economies in the sense of the dependency perspective). It also brings out the basic influences in the making of public policy. There is a presumption that the state, the citizens, the politician and public officials exert influence from various directions in the making and implementation of public policy.

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According to Stewart *et al* (1992), it is this policy direction that influenced policy-making in Africa. Stewart's position bears some testimony to the practical reality and gives meaning to the assumptions of neoclassical counter-revolution. In Africa, policies are largely influenced by political elites with persuasions by citizens who offer them political support in exchange for policies that advance their clientele and rent-seeking relations. Thus, self-interest dominates policy formulation for the politicians and the technocrats to gain out of it and for the citizen to benefit from the parochial proceeds of the policy.

However, the very assumptions of the neoclassical counter-revolutionary theory are a source of its criticism as acknowledged by the World Bank, which is a champion of this development conception. The World Bank Report (2002) pointed out that free-market reaction had minimised very real problems of market failure that are prevalent in the developing world. It recognised that achieving greater openness and macro-stability, which are key in this theoretical frame, were necessary but not sufficient for growth.

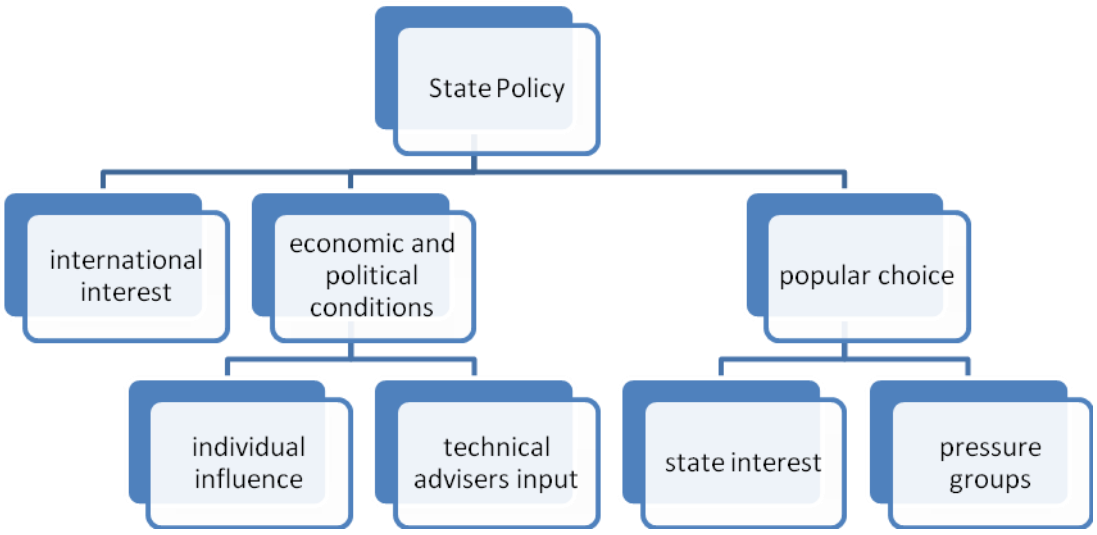
Mills' (2010: 360) critique of this is particularly pointed. He describes the basic assumptions of the neoliberal thinking as problematic since it assumes that some countries are more 'developed' and 'civilised' and have the obligation to assist the less fortunate ones. To him, this was the same justification for colonial rule. He rejects the attempt by the international community "to remake" developing nations "according to a particular image of the West, of liberal democracy, of functioning free-market system….. that never synced with local customs, needs...." In a similar fashion, Todaro and Smith (2009) point out the unfair assumption that the economies of developing countries are the same as those of the economies of the developed world. He especially labelled as inaccurate the assumption that conditions in developing countries, especially consumer behaviour and the level of literacy of the populace, are the same

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and will fit in assumptions of free market operations.

The illustration presented below in Figure 3.1 shows where the influence of policy-making comes from. The state champions policy with diverse influences from the international community, and the underlying economic and political conditions which propel public interest. At the foundation of it all are the individual and state interests as well as the interests of the technical advisers and pressure groups who are all trying to influence policy to their advantage. This presents a picture of the role of self-interest in policy definition within the conceptualisation of the neoclassical revival theoretical framework.

Figure 3: Conceptual Framework: The State, Society, public choice within a neoclassical counter-revolutionary theoretical approach



Source: Author's construction, 2010.

The diagrammatic in figure 3 representation shows that state policy in principle, sits above any other interest though other interests influence and shape the thinking of the state. The neoclassical counter-revolutionary theory posits that popular choice is paramount in the analysis of development policies and outcomes. But popular choice comes against two significant considerations: the economic and political conditions and the interest of the international donor

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community (who pays the piper and will want to call the tune). Obviously the economic and political conditions may be generating uncomfortable heat from the citizenry represented here as the individual interest. This will only serve as fuel to project individual interests. Important in this direction is the state interest playing against the interest of the politically conscious society represented by entreaties of the public through public choice. This indeed is a critical element of the theoretical frame.

The importance of this figure to the analysis is derived from the core implications of the theoretical frame which suggests that, policy actors such as the state, the technocrat, the individual citizen and the international donor community all act because of their individual selfish gains. This represents the political economy of policy response as discussed in the literature review. In a broader sense, Pieterse (2009) specifies the many actors in the development field that also serve as sources of influence in policy definition in table 6 below.

Table 6: Actors in the development field: different stakeholders, different development

Institutional	State	IFIs	UN system	Civil society
Structure	Governments	IMF, World	UN agencies	NGOs
Infrastructure	Bureaucracies, interest groups, parties, factions, citizens	WTO,G7, international and development banks and TNCs	UN General Assembly, governments, ILO, WHO	People, societies, movements, trade unions firms, parties, churches
Location	Capital etc.,	Washington DC	New York, Geneva, Paris, Nairobi, etc.,	Dispersed
Development Thinking	Economic: Neoclassical to Keynesian and Human Development	Neoclassical economics, neoliberalism	Human Development	Alternative Development and post development
Disciplines	Economics, Political Science, Public Administration, Demography	Economics	Economics, Political Economy, Political Science	Sociology, anthropology, ecology, gender and cultural studies

Source: Pieterse N. J. (2009). Page 10.

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The table identifies the state, the international Finance Institutions (IFIs), the UN system and civil society as critical stakeholders in the development field. Each of these centres of influence has its own structures or forms. They come in the forms of infrastructure with a location and the kind of development-thinking that drives the process and generates a discipline. It is easy, reading from the table, to see, for example, the types of theoretical thinking the state would likely bring forth given its association with the IFIs and UN systems and civil society. The import here is that several sources of influence determine the outcome of policy.

3.8 Summary of Chapter

The development efforts of African countries defined in their relation with the developed world of the West, in particular, can only properly be understood from the analysis of the different facets of development perspectives and theoretical interpretation of those policies which significantly inform development now and in the past. The discussion above attempts to capture this assertion, and the choice of the theoretical framework has aimed at coalescing a holistic understanding of policy development and from varied sources. Two issues have been identified here. The first is that development has a history which cannot be ignored; and secondly, development is influenced from several sources rather than from a single source. Choosing the neoclassical counter-revolution theory as the framework for discussion has the advantage of discussing the direct impact of the state, the IFIs and civil society on policy making as would be seen in the chapter four which will discuss the policy-making trends in the two case study countries.

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CHAPTER FOUR

POLICY-MAKING IN AFRICA: CONTINENTAL INITIATIVES, FEATURES AND PROCESSES

4.1 Introduction

The challenge of Africa's underdevelopment has always inspired an increased desire to formulate appropriate policy responses. Proliferations of programmes, plans, frameworks and strategies have been produced by African and international development agencies aimed at addressing the political and socio-economic development of Africa as a whole. This chapter has the broad objective of examining policy-making in Africa with specific reference to Ghana and Uganda, but it also looks at the continental initiatives that impact policy-making in the individual African countries. The chapter seeks to establish the immediate policy concerns in Africa after independence and the kinds of policies that were devised to respond to the challenges of Africa's development need. It will examine the source and scope of development policies in Africa as well as the trends that have evolved over years of policy-making in Africa, with specific reference to the two case study countries.

The chapter argues that policy-making in Africa, especially in Ghana and Uganda, is influenced by the political and economic history of the continent. It stresses that policy-making responded to three challenges. The first challenge was to address the colonial legacy of pinning Africa to particular systems and policies which did not reflect the African agenda to be truly independent, politically and economically, immediately after independence.

Soon after independence the way forward for African countries was to formulate appropriate policies which would adequately respond to the development gap they were

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confronted with. Todaro and Smith (2010) contend that it was considered desirable for the newly independent African countries to move away from the colonial ideological outlook that shaped policy in order to break completely with the past. The majority of the states opted for state-led socialist or Marxist approaches, and the "developmental state" took the lead in the production process (Mkandawire, 2001). According to Dzorgbo (2001), a typical African country was such as Ghana followed a "statist" model of development, with government intervention in almost every sector of the economy. Most noticeable were government restrictions on foreign trade (import tariffs, quotas, and export restrictions), the maintenance of an over-valued exchange rate, and the placing of production in the hands of public enterprises. In Mkandawire's (2001) essay, *Thinking about Developmental States in Africa,* the author identifies the African state as the centre of development until the 1970s and 1980s. Thus, the state was the source of all policies with little input from other stakeholder individuals or groups, except for times when it gave in to such input as a response to social pressures.

The second challenge was the crisis Africa faced in the 1970s and 1980s which was marked by huge setbacks in development. This crisis was precipitated not only by the oil crisis that sent the world into recession but also because of poor policies compounded by bad leadership (see Mills (2011). Policy-making during and after the crisis was mainly aimed at addressing the development crises African countries had to endure as new independent states. The effort was, therefore, to tackle the resultant economic imbalances.

The third area that inspired policy making and gave it increased attention was the introduction of pluralist politics in the 1990s. The emergence of good governance discourse within the ambit of the NEPAD framework, and the compelling conditional multi-national and bilateral donor support greatly shaped policy-making in Africa.

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4.2 The Process of Policy Making in Africa: A Focus on Ghana and Uganda

Policy processes in Africa have evolved over years of practice of forms of governance. In periods of military autocratic regimes, the process of policy-making was limited to pronouncements by military ruling elites. Ghana and Uganda are typical in this direction. In the military administrations of the two countries policy-making was less consultative. With the introduction of pluralist political administration in Africa, and as civil society organisations develop, consultation about policy-making has become wider to involve many more stakeholders and better structured from policy identification to implementation. Much discussion on this process has centred around questions on how policy actors and policy-making institutions, in a rational manner, will reflect the essence of the issues around which policies are made. This has to do with collecting and processing information and coherently articulating the ideas that represent the decision makers' preference (Grindle and Thomas, 1991; Sutton, 1999; Kingdom, 2003).

With the increasing involvement of International Finance Institutions (IFIs) in the policy-making process in Africa, the process can be explained with existing policy-making models, with fair accuracy. This is because policy-making in Africa (and this is clearly observed in Ghana and Uganda) has a direct relation to the donor policy decision and/ or the theoretical understanding of the development challenge facing Africa. Donors, as noted earlier, have come to embrace neoclassical counter-revolutionary ideas and frameworks which place the blame of the development challenges of Africa on Africa's own failings (see discussions in Chapter Three). Even though this might seem to be an over-simplification of the explanation of the policy failures and underdevelopment of Africa, it offers a useful beginning to the task of explaining how policies come to be implemented in Africa. It also shows how deep donor influence goes in

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interpreting Africa's development needs, and what policy responses will adequately address the perennial underdevelopment in the continent.

To understand policy-making in Ghana and Uganda as case study countries, it is important to examine the theoretical basis upon which policies are made. Several models of policy-making exist. Ajakaiye (2007: 21) defined two models endorsed by the donor community and often used in the policy-making process in Africa; and which are most relevant to this work. These are "the stage or linear model," and "the interactive model."

4.2.1The Stage Model

The stage method has several descriptions. According to Porter and Hicks (1995), as cited in Ajakaiye (2007: 21), the stage model is also referred to as the rational, comprehensive or linear model. The primary goal of this method is to arrive at the most efficient policy formulation that will maximise two desired outcomes: one that was intended and one that was desired but not intended. It will also, in the same vein, minimise undesired outcomes in policy implementation. In this model, the decision to formulate and execute a policy has the following structured process which has been the acceptable model recommended by the donor partners and used in Africa, especially, to build and utilise capacity for research in sub-Saharan African: (1) the setting of the agenda; (2) the identification of alternatives within which a particular line of action is established; (3) an authoritative choice among those specified alternatives and (4) the implementation of the decision; as well as (5) evaluating the effect, impact or outcome of the particular intervention (Ajakaiye, 2007: 22).

According to Ajakaiye (2007), it is the last stage of this model that makes it a policy-making process rather than an activity. It is this stage that ensures the evaluation of the effect and

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impact or the outcome of a particular policy intervention. Evaluation presupposes that there will be a cyclical effect that ensures that mistakes and failures will go back to the drawing board, identified again as problems and tackled through the process of policy-making. In this process, Ajakaiye and Roberts (1995) talk about indigenous society-centred forces, technocrats and bureaucrats in Africa who will virtually ignore the populace and suppress any protest because they are likely to benefit from the policies and outcomes. Here, the direct influence of the IFIs is felt in the first three steps of identifying the problem, articulating plausible alternative policies and selecting the most efficient one for implementation.

4.2.2 The Interactive Model

The interactive model suggests that as policy formulation moves through the stages of decision making several actors are involved and the decisions of any one of these actors will have the potential of altering the outcome of the kind of policy that is finally initiated. This model is what prevails in Ghana and Uganda as various levels of consultation and input take place in the policy-making process for these countries. Ajakaiye (2007) presents three stages of this model as follows:

1. Identification of the problem or agenda setting stage
2. Articulation and analysis of alternative policy options which is referred to as the solution stage
3. The implementation or the evaluation stage.

The author observes that for each of these stages, three groups of people or actors are identified to be in action in the policy process and these are:

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1. politicians of the ruling administration and bureaucrats made up of government policy-makers and implementers;
2. special interest groups outside government, and this includes trade union groups, politicians not in power, and business interest groups; and
3. the international donor community or development partners.

Here the influence of the donor community led by the International Finance Institutions (IFIs) is dominating and overrides that of the governments in Africa in the agenda setting and solution stages. It is during this time that conditions imposed by the IFIs translate into policies. Governments in Africa have very limited control or influence over the first two stages, though they usually insist they own these policies. African governments will normally have no choice but to cede leadership to the IFIs in order to enjoy debt rescheduling or cancellation, and foreign aid. At this stage, the influence of the special interest groups is minimal.

The last stage is the implementation and evaluation stage and this is where local interest groups are active and will normally have government negotiating with them to have policies implemented. There are those who will see the policies as inimical and oppose them, and those who will see them as beneficial and support them. The final determination of success in implementing a particular policy will largely depend on whether those who oppose the policy are in the majority and can prevail or are a minority group that can easily be suppressed by government. According to Ajakiaye (2007: 25), "experience in Africa abounds to show that governments frequently deploy their powers to suppress any opponents of controversial policies while promoting those who favour it."

This model is in line with the neoclassical counter-revolutionary thinking which was discussed in chapter three and which forms the theoretical framework for this study. This

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theoretical frame was much pronounced after the first phase of the structural adjustment years in Africa when the governments embraced democratic processes in development policy and practice. In implementing the policies, both Ghana and Uganda were singled out for praise by the donor community in their ability to ensure that policies which were largely opposed by the people still saw the light of day. However, a fundamental outcome of imposing the condition of democracy and rule of law is that there is wider consultation and there is a well laid-out process of policy-making through defined institutions such as parliament, even if this was just cosmetic.

In the specific case of Ghana and Uganda, consultation happened with some specific stakeholders and input into policy-making is often through memoranda by the public. In the two countries, parliament is an important part of policy-making as most policies have a legal frame that ensures enforcement. Once the intended policy is discussed at Parliament in either Ghana or Uganda, the press would normally pick it up and create a platform for public discussion. The feedback serves as important indications for government decision on finalising the policy. However, it must be emphasized that these parliaments tend to be dominated by members of the ruling party. This domination and executive pressure affects objectivity in parliamentary deliberations.

In the specific decision making contexts in Africa, policy-makers are frequently influenced by at least four criteria as spelt out in Grindle and Thomas (1989), and these are the technical advice they receive (especially those instigated by development partners); the impact of their choices on bureaucratic interactions; the meaning of change for political stability and political support; and their relationships with international actors. The essence of policy flowing from the decisions prior to policy, as observed by Majone (2006: 228) "....remains impenetrable to the observers, often even to the decider himself." This position was previously echoed by

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March and Simon (1958), who contended that individuals and organizations operate on the basis of bounded rationality; a concept suggesting that organizations develop means of dealing with recurrent problems that enables them to solve problems holistically without the need to deal with them individually and separately.

The policy-making process as found in Ghana and Uganda is either linear or interactive and enables tracking and evaluation. The most used process is the interactive process in which several other institutions are involved in the process leading to policy definition. The predominant presence of the donor influence in the process of agenda setting and the stage of implementation make the process less effective and less truly interactive. Ownership of the process is not clear, as policies are implemented even if the people are opposed to the policies from inception. This was observed in both Ghana and Uganda right from the start of the structural adjustment policy initiatives.

4.3 The Policy-making institutions, functions and trends

In this part we discuss policy-making institutions and their functions as well as the emerging trends in policy-making in Africa with specific reference to Ghana and Uganda. The purpose is to give a broad understanding of the institutions where policies emanate from and the kind of functions they perform. However, a full comprehension of policy will require that we know the trends within which policies occur. In discussing this topic we have separated institutions and their functions from the trends so as to ensure clarity.

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4.3.1 Institutions and functions in policy-making

In the wake of the democratic transition throughout Africa, interaction with the public and some statutory institutions and other bodies has increased. Some of these, inevitably, have become policy-making institutions and are key important actors, given the functions they perform. Thus, in drafting policies, Governments usually rely on some specialised and technical agencies or organs through which policies are crafted. For Ghana and Uganda, the policy framework is usually drafted by a Ministry from where the policy emanates. Here, technocrats will work on a policy reflecting the thinking and expectation of the sponsoring Minister who then passes it on to Cabinet for examination and approval. Cabinet serves as the institution representing the executive arm of government. If such a policy input is approved it will then represent government policy in the particular country. Cabinet then passes the policy on to Parliament accompanied by a memorandum explaining the spirit and intent of the policy as it appears in a legal frame. Parliament peruses the policy content and passes it as an approved Act in accordance with the executive policy direction. The Act then becomes a binding legal document referred to as an Act of Parliament, if the President appends his or her signature to it. In both Ghana and Uganda, parliamentary sub-committees are very prominent in policy formulation and play no mean role in development policy input. On a yearly basis, government financial policy drafted by the Minister responsible for finance on behalf of the President, comes before Parliament through this process and presents the policy for examination and approval by Parliament.

Generally, apart from the Ministry, Cabinet, Parliament and Office of the President, the policy-making process also involves a number of other non-state agencies including think tanks and NGOs. These institutions or organizations and their general roles in the policy process are

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observed in both Ghana and Uganda (these institutions are also mentioned in Hoffman, 1995). These are the Central or National Banks of the two countries, Organised Trade Unions, political parties and research institutions or think tanks, all of which play a decision-making role but usually rely on other government departments to sponsor and champion their policy input. In Ghana, for example, the Institute of Economic Affairs (IEA), and in Uganda the Institute of Economic Policy Research (which have a fair degree of independence from Government) are examples of key research institutions that have influence in policy inputs. The IEA, for example, championed the passage of the presidential transition bill in Ghana. Also included in these policy actors are various private sector bodies such as the Chambers of Commerce, sectoral associations as well as consultative groups in which industry, labour unions or other groups play a major role. Some organizations which are equally crucial and relevant in linking research with economic policy development are, for example, the media or social policy NGOs as well as cooperative societies, women's organizations, environmental groups, etc. The role of the media, for example, is so crucial in Ghana and it will often set the agenda for policy discussion and possible policy change.

In effect policy-making institutions are crucial to the overall formulation of policy, its implementation and outcome. All throughout Africa in present times, Parliament, civil society groups which are non-governmental in nature such as Trade Unions, professional associations, women and gender groups, among others, are playing a role in policy-making. This makes policy-making no longer the preserve of only the executive arm of government. With parliament becoming more independent because of the increasing role of minorities and civil society action, involvement in the policy-making process is more a rule than an exception.

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4.3.2 Trends in Policy-making

In both Ghana and Uganda, a lot of effort has gone into developing appropriate policy frameworks targeting specific development issues. Both states, as well as most states in Africa, have recorded more failures than successes and have inspired current trends in policy thinking (Ayuk and Marouani, 2006; Mills, 2007). This calls for the need to understand not just policy-making but the trends in policy-making in Africa. This will help in a closer understanding of the development process in Africa and in the two countries. Much discussion of policy decision making in Africa and elsewhere has revolved around questions about how policy makers, in a rational manner, will define an existing problem, collect and process information and seek to formulate policies around the problem with the singular view to properly articulating in a coherent manner the policy expectations of the decision makers' preference (Allison, 1971; Frohock, 1979; Killick, 1976; March, 1978; Robinson and Majak, 1967; Kingdom, 2003).

The first trend in policy-making in which policy actors were challenged in this way was soon after Africa gained independence. Emerging from colonial rule the trends in policy-making was to walk the socialist path of development. In both Ghana and Uganda, the state took the lead in development pursuits with a socialist orientation to policy-making. Policies were made to control the market operations and to set up trade barriers and embark on state- industrialised substitution of imports. There were policies meant to make African countries self-reliant. According to Olukoshi (2004), there were huge investments in health, education, and road and rail infrastructure as well as a drive in industrialization and agriculture which paid off. At this time, policy-making was limited to some policy elites who made policies for national development and had the wide discretionary powers to compel acquiescence (Herbst, 1993, Todaro and Smith, 2009).

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With the widespread failure of African economies and the ensuing crisis precipitated by the world oil prices, new policy-thinking and trends emerged to address Africa's failures. This brought IFIs and their accompanying policies about structural adjustments into focus because of what Malima (1994: 10), called the "genuine desire" of African governments to solve their "inherent economic difficulties." This resulted in structural adjustment policies largely patronised as the solution to the economic problems facing Africa. These policies addressed more fundamental economic development issues as spelt out in Malima (1994: 10). In his view structural adjustment policies were necessary because the economies of African countries could not transform themselves into modern economies on their own. The assumption was that given their basic structure, these economies were not able to effectively participate in the international economy as equal partners and did not benefit from international trade and specialisation. As a result, African economies increasingly became aid dependent.

Structural policies resulted in short term gains but overall assessment showed the failure of the structural adjustment policies to address the fundamental problem of Africa's underdevelopment. With the reality of failed policies new policy outlooks are now being sought. From the late 1980s, donors now insisted on democracy as a condition for advancing aid to African countries. Ghana adopted a new constitution in 1992 and Uganda in 1998. This has had its own impact on policy making in the two countries as every policy step has had to go through needed consultation with key stakeholders as mentioned in the discussion on policy-making institutions. However, development experts are beginning to criticise donor conditions and are seeking new policy directions as Mills (2011), suggests by stating the importance of transforming a donor driven economy and focusing on job creation and quick growth. According

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to Mills (2011: 358), earlier recovery policies "were both complex and condescending" and they attempted to remake countries in the image of the donor countries and their internal partners.

For Dowden (2009: 534), the new policy direction of Africa is enshrined in NEPAD. Though the NEPAD policy is not new in its conception, the author believes it represents "a formalised new commitment to better economic governance and a deal between Africa and the rest of the world." According to Dowden, the NEPAD policy commits Africa to democratic governance and political stability in return for increased aid from the Western donors who are Africa's traditional donor partners. Dowden (*ibid*) also views the new policy outlook to include the African Peer Review Mechanism, a voluntary review system in which African countries, through some eminent citizens, will review the governance and economic performance of governments and develop reports with the aim of making recommendations to improving performance. The idea is to have real change occurring in Africa not by pressure from outside but from within Africa. The policy trend now is for Africa to own its policy.

The discussion so far establishes that policies have their origins and appear in trends. It is the particular reality of development challenge that serves as the push factor in formulating policy. Contemporary trends in development policy for both Ghana and Uganda, therefore, address the "inherent" underdevelopment in Africa.[18] Policy is drifting towards self-support and ownership of development policy. The drive to achieve such a policy understanding is embedded in the need to realize the three objectives spelt out by Todaro and Smith (2010). The first of these is to increase the wide-spread availability of basic life-sustaining needs such as food, health, shelter and protection. The second is to raise the levels of living including improving education, job creation, etc., meant to enhance the wellbeing of the citizen. The third is to expand the vast array

[18] See Erixon (2005).

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of social choices and opportunities available to the citizens and to ensure basic freedoms, while freeing them from dependence on the state and also from ignorance and misery.

4.4 The Scope of Policy Coverage: Who Sets the Agenda?

The scope of development policy-making in Africa, just like in other parts of the world, features more prominently in three major areas: agricultural policies; industrial policies, which are backed by trade policies; and macro-economic policies, which are backed by monetary policies and fiscal policies. Other policy options available to African governments are determined by the development priorities and the strategies of the countries in question, and most importantly through conditionalities of Africa's donor community.

Industrial policies in Africa had the common goal of protecting their infant industries and, so, most African countries generally adopted the protectionist approach to address trade imbalances. African governments, in their quest to industrialize, resorted to the use of trade policies to regulate importation of foreign consumption goods meant to give space for their infant industries to survive avoidable competition from more developed industries from outside the continent. The focus was to stabilise the macro-economy using monetary and fiscal policies. This was true with Ghana and Uganda as reported in Herbst (1993) and Bibangambah (2001), respectively.

Invariably, these structuralist-inspired policies which defined the whole development framework in Africa were failing. The World Bank (1981, 1989 and 1994), as well as scholars such as Bates (1981), writing from the neoclassical perspective were quick to point at domestic policy failures as being accountable for earlier development failures in the continent. Nonetheless, the African development crises have been inspirational in defining the scope of

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policy-making in Africa. Policies are now not just addressing the problem of the poor economic performance but also tackling and focusing on long term development objectives. From that perspective, the crises were seen to be the product of post-independence policy distortions which worked to the benefit of a minority but powerful and vocal urban constituency of state officials, industrialists, and workers but to the disadvantage of rural and subsistence farmers (Herbst, 1993).

Though the scope of policy has always been to address the short and long term development needs in Africa by policy operators, nothing has influenced the scope of development in Africa more than Africa's development partners. This reality is manifest in Ghana and Uganda. The Africa economic crisis and the changed configuration of the international economic relations completely dislodged African economies resulting in the need to adjust the economies, with Ghana beginning the process in 1983 and Uganda in 1987. According to Mkandawire and Soludo (1999), although there had not been a clear form that the intended adjustment would take, the Bretton Woods Institutions defined the kind of adjustment Africa needed as the only feasible alternative. A consensus, however, emerged in the donor community which suggested that improving economic policy in Africa was the highest priority (World Bank, 1982). This then established the scope for subsequent policy-making in Africa which has persisted and comes in different shades and forms since the SAP days.

What is evidential of the SAP emergence as a policy framework in Africa is the championing of the programme by the donor institutions and acceptance of African countries to implement the programme despite all odds. This set the standard of the influence of the IFIs in redefining solutions to Africa's development needs. The key policy initiative was to reverse the apparently insurmountable worsening economic deteriorating trends and to promote economic

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growth, improve investment and deal with macro-economic imbalances observed all over post-independent Africa. This has been a favourite subject of discussion across the globe by development researchers such as Bates (2002), Toye (1991), and Herbst (1993).

According to Duncan and Howell (1992: 1), the principal problem has been to "establish the nature and links" between the larger economy and its response to structural adjustment interventions within specific micro-economic initiatives around which policies revolve. By and large, these links never appeared to have reduced poverty in any significantly, thus signalling that the underdevelopment of Africa was even more pronounced. Referring to a World Bank report, Mills (2010) reported that Africa, south of the Sahara, was still the poorest in the world and that the average annual income of $1,681 was 50 per cent less than the next poorest people of South Asia and more than seven times poorer than any poor country in Latin America. Nigeria exemplifies this sorry depiction of African states. The number of "Nigerians living on less than one dollar per day rose from 19 million in 1970 (of a population of 70 million) to 90 million (from 120+ million)" (Mills, 2010: 2). Even though Nigeria might be a peculiar case, it accentuates the growing dilemma of the underdevelopment of Africa and defines the policy scope in which African policy-makers need to situate their policies.

Thus, a fundamental policy area in the wake of the structural adjustment failure was to deal with the increasing poverty in African countries through Poverty Reduction Strategy papers (PRSP) which both Ghana and Uganda made a central policy area. This does not suggest equalling poverty in Africa to Africa's underdevelopment. It accentuates the manifestation of underdevelopment and defines the policy scope of both Ghana and Uganda. Further than that was for African countries to declare themselves "Highly Indebted and Poor Countries" (HIPC), and which policy initiative Ghana and Uganda were again part of. These policy areas, according

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to Marouni and Ayuk (2007), were strictly imposed conditions and depended on donors' objectives.

Donors, including the World Bank, channelled their aid toward structural adjustment programmes, offering loans and grants aimed at inducing governments to reform their policies. This encompassed rapid and extensive liberalization, deregulation and privatization of economic activity in search for a solution to economic stagnation and decline (Bates, 1981). While structural adjustment programmes have been applied more intensely and frequently in Africa, the dominant assumption underlying the mainstream focus on the African policy environment is that Africa's economic crisis was primarily the product of accumulated policy distortions and to solve the problem there was the need to support policy change (see World Bank, 1981; Bates, 1981).

The present scope in policy-making revolves around the millennium development goals (MDGs), which requires African countries to meet eight targets.[19] According to Raafindrkoro and Roubaud (2007: 37-69), it is through the Poverty Reduction Strategy initiatives that international institutions recommend the MDGs as indicators to build policies around. What then comes out clearly is that the policy dimension of Africa's quest to address its underdevelopment is largely instigated from outside the continent.

4.4.1 Who Sets the Agenda?

Who takes these decisions about policy in Africa? Porter and Hicks (1994) argue that, in the industrialized countries, policy agenda setting is done by elected officials and their appointees rather than by civil servants or activists outside government. To the authors, career

[19] MDG is discussed under continental initiatives in policy-making in subsequent discussions.

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civil servants, technocrats, academics, and policy advocates as well as non-governmental organizations all play a role in framing and proposing policy alternatives and solutions. However, fundamentally, it is the politician and the actors located outside of the researcher/analyst community who put forth the agenda of policy and only turn to these actors for relevant endorsement.

These same policy actors and their influence appear to play out in much the same way as in Africa, except that actors here tend to be more closely associated with government as operatives in the public sector in the same way as government officials are largely associated with the donor community. This is very much the case in both Ghana and Uganda. In these countries, policies are initiated and formulated by established institutions staffed by public officials, (as will be discussed under policy-making institutions). This being the case, the argument of Grindle and Thomas (1991) makes sense in that, in developing countries, public officials are, generally, much more important in policy formulation than their counterparts in Western industrialized nations. This means that relevant policy information and expertise are contained within government circles. In effect, policy actors in Africa are largely made up of government officials and their technocrats and researchers based mainly in public service institutions such as the universities and training institutions. The fundamental reason could be that politicians assume they have a social contract with the people after they are elected into office with a development plan they have to prosecute. It places a burden on them to ensure that all promises they made, committing themselves to development in any direction, would, therefore, be fulfilled. This has the potential of designing policy more in tune with political expediency rather than tackling the reality of development confronting the people.

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However, if policy is to make any meaning at all, it will be important for policy makers to have an objective view of both the internal and external conditions that will determine the policy content and scope. This would necessitate objective and scientific research into policy requirements which will come from government and non-governmental sources. These suggest the need for effective research into the policy-making domain that will eventually determine a particular policy direction. The understanding is that independent policy actors will play a major role to give policy the needed objectivity in tackling real development needs. In this wise, policy will be addressing the need for the policy and the assessment of the outcome. Thus, factors that account for failure will be addressed and those that ensure success will be strengthened. If external factors were to be blamed for development failures, it would still be the role of policy-makers to device policies to reduce the vulnerability of their economies to such exogenous factors. On the other hand, if the factors were internal, it would still be the African policy-maker who would address those internal factors. Essentially, any and each one cause will ignite the appropriate policy responses and will have their own ramifications on policy-making. The point here is that, it does not matter whether the cause of Africa's development failures were external or internal so long as the policy process is objective and not only driven by government institutions and public officials but also supported by other key stakeholders.

4.5 Neo-liberal Policy Initiatives: Structural Adjustment Policies in Africa

A critical point of policy shift occurred with the introduction of structural adjustment policies as a way to cure the policy failures that occurred in the 1980s, in particular. The shift in policy occurred from the belief in the state-led approach in development to embracing the free market system of economic governance. The trust in government for its intentions and its ability

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to make economic progress was widespread. This policy choice was particularly agreeable with newly independent countries in Africa. According to the World Bank (2002), as a result of the disappointment of the state-led approach, development thinkers had a change in heart in the 1980s and early 1990s and strongly stressed the primacy of markets in development. This was the basis of liberal development policies pursued in Africa to address the underdevelopment challenge facing Africa. Grindle and John (1989) suggest that, in the 1980s, opposition to reform was widespread and that groups and individuals with economic interest, who largely benefitted from the status quo and were favoured in allocative decision-making, supported the reforms. In the neoclassical counter-revolutionary perspective this was a normal trend as it believes that people act on the basis of self-interest. Those who perceived the reforms as inimical to them will normally oppose them and those who supported the reforms were those who benefitted from the status quo. The neoliberal policy shift was a radical change seeking to fix what was conceived to be problematic in the way African countries designed and interpreted policies about development. According to Grindle and John (1989), most changes implied a significant decentralization of decision making, a reduction in the size of the public sector, and an important shift from a state-run economy to a market economy where the private sector would drive the development process.

In Ghana as well as in Uganda, there was some resistance to the introduction of neo-liberal economic policies. Neither of the two countries accepted market reform. They preferred to stick to their socialist principles and ideals. Beginning with rejecting these neoliberal policy reforms, the two countries came to be seen as the most successful reformers in Africa (Erixon, 2005). The offer of financial support to relieve them of their development difficulties was a fundamental reason for the acceptance to embrace market-based policies. The World Bank

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Report (2003) on 10 African countries, observes that Ghana and Uganda are among the most successful in policy reforms and have achieved considerable gains in economic development compared to other countries in Sub-Saharan Africa during the 20 years following structural adjustment.

In Ghana, the decision to accept SAP and its associated conditionalities was a crucial turning point in the country's policy direction. Indeed, by 1983 the Jerry John Rawlings Provisional National Defense Council (PNDC) regime had reached a point in its battle with the economic crisis. Richard Pearce (cited in Duncan and Howel, 1992) talks of the rapid decline in agriculture, exacerbated by sharp and deteriorating terms of trade and a prohibitive rise in interest rates which brought the economy to its knees. National infrastructure deteriorated badly with a drastic fall in food security. Under these circumstances, the then PNDC government under Jerry Rawlings was, therefore, compelled to accept SAP. Thus, the regime started receiving its loan package in 1983 and launched its first economic recovery programme (ERP) between 1983 and 1988. These helped to boost the import of badly needed goods and also to ease the economic tension (see Aryeetey and Cox, 1997). Aid thus generated the needed confidence for national take off in policy reform and ensured that the leadership sustained the hopes and expectations of the people in the fact that things would get better.

In Uganda, the decision to accept neoliberal policy reforms was equally an important turning point for policy change. The Museveni government had reached a point where it badly needed aid to bolster its administration. According to Torgny Holmgren *et al*., **(**1999), aid and policy reform helped the government to stabilize the volatile economic environment and to restore confidence in the financial system. The government made policy changes in the

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formulation and implementation of liberal reforms which then formed the basis of the ensuing neo-liberal policy regime in which the country currently finds itself.

In both Uganda and Ghana, there had been reluctance from the donor agency to advance aid because of the resistance of the countries, and from the countries themselves to accept neo-liberal reforms because they were suspicious, coming from a socialist standpoint and a statist orientation. But once compelled by circumstances of development difficulties and failures, the governments had to budge and give in to the conditional aid. One of the basic factors that ensured the success of the reforms is strong political leadership. Both leaders came from military backgrounds and were not democratically elected, and, therefore, could not be stopped by the protest of the people. The two countries also went through a process of learning from previous mistakes and subsequently evolved government commitment to reforms. In recent years, an important factor that has been noticed to be accounting for the success of liberal reforms is the involvement of other domestic actors, such as some organised state institutions, trade unions, professional bodies and other civil society groups, in policy formulation.

However, it is not all aid-inspired prescriptions for policy change that eventually led to the desired policy changes and/ or reforms. For example, Burnside and Dollar (2000) found that the amount of aid countries received did not completely have the desired effect on the quality of their macro-economic policies. The authors investigated the determinants of the success or failure of reform programs supported by adjustment assistance. They found that reform outcome could be predicted by underlying political-economic variables such as length of tenure of the government and whether the leader was democratically elected. Other studies have found no systematic relationship between aid and policy (Killick, 1991; Ranis, 1995; Mosley, Harrigan and Toye, 1995). These arguments do not preclude the conclusion that structural adjustment

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policies have a defining influence on Africa's policy direction as a fundamental source of policy-making.

Thus, for the two countries, there are many noticeable similarities in their reform programs as well as in the level of donors' support. Starting in 1986/87, with a time lag of some four years, Uganda followed a path more or less identical to the one Ghana had taken. Both countries experienced military coups accompanied by a highly regulated economy and alliance with the Soviet Union (Eastern bloc). Neither government was convinced that market-friendly neo-liberal policies were desirable. The policy failures that followed triggered the subsequent moderation and acceptance of structural adjustment. In Ghana and Uganda, it is quite emphatic that structural adjustment inspired policies and aid flow played an important role in the initial development process.

4.6 Continental Initiatives in Policy Making

Africa as a whole has shown some determination to chart its own policy course after the African development crisis and after the poor performance of Africa in the SAP. Several continental organisations in Africa sprung up initiatives to address policy direction for Africa. Some of these bodies were the African Economic Community (AEC), the African Alternative Framework to Structural Adjustment Programme (AAFSAP), the African Charter for Population Participation and Development (ACPPD), the Lagos Plan of Action and the New Partnership for Africa's Development (NEPAD). These bodies, including many other regional bodies, have shown their desire to influence Africa's development through indigenising Africa's development policy and addressing its inherent underdevelopment.

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Apart from these, other research institutions also emerged, which, according to Marouani and Ayuk (2007: 12), were the result of "the poor policy environment during the structural adjustment years; and the need to build expertise in policy-making in Africa led to the creation of a number of initiatives in Africa in the 1990s." Research organisations such as the African Economic Research Consortium (AERC), the African Capacity Building Foundation (ACBF) and the Global Development Network, (GDN) took centre stage in policy research, first to address the general lack of technical skill in policy-making in Africa, and also to reflect expectations that Africa would eventually have its own policy and policy-making process.

Dissemination of AERC supported research, for example, is targeted towards the academic community and decision makers in African governments as well as to professionals within and outside Africa. The AERC is widely regarded as having developed a pan-African network of credible, talented economists. Its major preoccupation is to match policy with policy research in order to help Africa to develop, as much as possible, the best policy approach to its development needs.

For the purpose of this work we will discuss only the Lagos Plan of Action, the NEPAD and the Millennium Development goals which have become the source of policy impetus for almost all African countries. The erstwhile Organisation of African Union (OAU), which has evolved as the African Union (AU), for instance, was supported by the AERC to shape policy and to successfully transform itself. One of the early initiatives to own policy is the Lagos Plan of Action (1981) which was the policy bedrock of the OAU in fostering self-reliance and the judicious use of African resources. The Lagos Plan of Action was a bold attempt by African governments through the OAU to define a policy blue print for all African countries. Asante (1993) lists the Plan's seven point policy as follows:

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(i) Africa's huge resources must be applied principally to meet the needs and purposes of its people; (ii) Africa's almost total reliance on the export of raw materials must change. Rather, Africa's development and growth must be based on a combination of Africa's considerable natural resources, her entrepreneurial, managerial and technical resources and her markets (restructured and expanded), to serve her people. Africa, therefore, must map out its own strategy for development and must vigorously pursue its implementation; (iii) Africa must cultivate the virtue of self-reliance. This is not to say that the continent should totally cut itself off from outside contributions. However, these outside contributions should only supplement our own effort: they should not be the mainstay of our development; (iv) as a consequence of the need for increased self-reliance, Africa must mobilize her entire human and material resources for her development; (v) each of our States must pursue all-embracing economic, social and cultural activities which will mobilize the strength of the country as a whole and ensure that both the efforts put into and the benefits derived from development are equitably shared; (vi) efforts towards African economic integration must be pursued with renewed determination in order to create a continent-wide framework for the much needed economic co-operation for development based on collective self-reliance (see Asante, 1993).

A major policy initiative for Africa flowing from the Lagos Plan of Action was to enhance growth and development in Africa through Africa's own initiative and policy drive. A response from this position seemed to be coming from the formation of the New Partnership for Africa's Development (NEPAD). According to Fomad *et al.*, (2005) this framework offers very clear policy guidelines which serve as a paradigm shift from previous policy trends in the region. The NEPAD programme is presented not only as an African initiative, but also as a dynamic scheme which sharply departs from the experience of the adjustment years (Olukoshi, 2002).

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According to Taylor and Nel (2002), the idea of NEPAD was to present Africa before the developed world as revitalized with the launching of the AU.

The NEPAD initiative has identified some policy guidelines for Africa that will address the underdevelopment and political instability of Africa. Its core idea is to provide the needed inspiration and impetus for Africa to make its own policies, develop and harness its vast natural resources and build the capacity of its human resource. The NEPAD initiative recommends regional and continental goals of economic cooperation and integration and cross-border Trans-African road network, transport and communication and the consolidation of joint energy, water and other important public goods.

The initiative also recognises the improvement of agriculture as a prerequisite to the development of Africa as it will ensure food security and improve rural economy (Ayuk and Marouani, 2007; Olukoshi, 2003;Mkandawire and Soludo, 2003).However, NEPAD has suffered some very scathing criticisms from African civil society groups and individuals in the development world as not particularly unique in representing the desire of Africa to develop an independent policy solution for Africa's development. According to Olukoshi (2003), the NEPAD initiative appeared in its design to be pandering to the whims of an external audience. What makes this seem the case is the fact that, to qualify for aid, individual states must fulfil the conditional triggers of good governance, stable and democratic administration, rule of law and respect for the rights of people etc, which are the same conditionalities needed to attract aid from the Bretton Wood institutions.

This critique is aptly couched in Ayittey (2006) who believes that the principle and objective of NEPAD are not original to it. According to him, analyses upon which NEPAD is founded are faulty as it identified Africa's underdevelopment as a result of some historical and

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external factors such as colonialism, the cold war and the unjust global economic system. Again, as the initiative was modelled in a way that will present it as a good candidate for foreign aid, its spirit of self-reliance was defeated. These criticisms are necessary but should not completely be destructive of the NEPAD initiative. Of course, it is clear that, in seeking to develop Africa as has been proposed by the initiative, Africa will have to partner others to do so. It is not a fair critique if NEPAD anticipates Africa's need to partner others such as the developed West and China, to attract foreign investment meant to address its development challenges. A further critique by Ayittey (2006), seeking to blame the crafters of the policy document for modeling NEPAD along the principle of the Marshal Plan, is equally unfair. Africa is not an island and development policy-makers should not try to reinvent the wheel. If NEPAD, after examining any earlier initiatives, thought that it could benefit from its essence, there should be no problem with that. The real critique should come from its implementation where outcomes can be measured against intentions. Indeed an assessment by Asante (2006) of the NEPAD initiative after five years of its operation, lauded NEPAD for its efforts at inspiring and energizing the development process and for how it laid a solid foundation for the renewed development of the African continent.

The most current and fundamental policy direction in the 21st Century for Africa is derived from the Millennium Development Goals (MDGs), which Africa has adopted as the blue print for development. According to a report on the third session of the United Nations General Assembly in the 2005 World Summit Outcome, Member States and the United Nations demonstrated their commitment to ensure the full and timely realization of the Goals. The eight goals are:

1: To eradicate extreme poverty and hunger

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2: To attain universal primary education

3: To promote gender equality and empower women

4: To have ensured a reduction in child mortality by the end of 2015

5: To improve maternal health

6: To combat HIV/Aids, malaria, and other diseases

7: To ensure environmental sustainability

8: To develop a global partnership for development

The UN General Assembly report (2005) indicates that these eight goals form the basis of almost all poverty reduction strategy initiatives in Africa and are captured in the development strategies of African countries as they are incorporated in the NEPAD treaty and the African Peer Review Mechanism. The critical question to ask is whether at the slow pace of development in Africa, countries can meet these goals within the stated period of implementation. As late as 2007 the UN Report on the Millennium Development Goals indicated that progress in the majority of countries in Africa is off track for the achievement of the Goals by 2015. Perhaps, it will be important to get back to the drawing board to peruse the reasons for these policy failures.

4.7 Summary of Chapter

Policy-making in Africa has come a long way from initial post-independence statist or structuralist policy approach, to policies driven by donor influence which ensured the introduction of the Structural Adjustment Programme (SAP). Right after independence, policies were largely pro-socialist in attempts to completely break with the past. The market was regulated and prices were controlled, especially in Ghana and Uganda. The factors that came together to ensure the introduction of SAP are partly influenced by historical and previous policy

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experiences. In both countries, political leadership, economic policy choices, political ideology, and the influence of external partners or donors weigh heavily on the direction and eventual pursuit of neoliberal reforms.

The world economic crisis precipitated by rising oil prices in the 1970s adversely affected African economies and resulted in most economic difficulties. The wide-spread failure of most African economies, particularly in sub-Saharan Africa, in the 1970s and 1980s can thus be considered among the major reasons for the shift to neoliberal policy prescriptions. The outcome of structural adjustment policies in Ghana and in Uganda would be analysed in subsequent chapters.

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CHAPTER FIVE

GHANA AND UGANDA: DEVELOPMENT CHALLENGES AND POLICY RESPONSES (1957-2008)

5.1 Introduction

Since independence, both the statist and market led approaches to development have been tried in Ghana and Uganda with the different policy approaches yielding varying outcomes. At the centre of these policy approaches are the economy and the politics that went on to shape the development process. The discussion in this chapter will take into consideration the impact of policy mixes of previous statist and market oriented policy interventions in the 1960s prior to the overwhelming political instability of the 1970s/80s that plagued the African continent less than a decade after independence. Needless to say, the truncation of the lives of many governments through military take-overs, for example, had serious consequences on the policy regimes of the day.

Development analyses such as found in Mills (20010), Ake (1996), Standbrook (1989) Killick (1978), Herbst (1993, 2001) , Aryeetey and Kanbur (2008), and Calderisi (2007) believe that earlier commitments to development policy initiatives by immediate post-independence leaders, until a tipping off of policy and development failures in most of Africa, showed some degree of positive achievements. Starting with Ghana, it can be stated that the country, at independence, was seen in a positive light with high expectations that it will achieve impressive development, given the human and material resources at the disposal of its early leaders. Herbst (1993), Dordunoo and Nyanteng (1997), observe that Ghana began independence in a much better economic condition than most African economies. This was not much different from the

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Ugandan situation. The 2002 UN country report of Uganda stated that the country had a very promising economy at the time of Independence in 1962. According to the report, the country had a strong infrastructure base, an emerging agrarian, commercial and industrial middle class, a vibrant agricultural sector that met the national needs and generated adequate foreign exchange earnings, and an industrial sector that provided a wide range of products. Also, the IMF Report (1995) stressed the initial success story of Uganda between 1963 and 1973 when the economy grew at an average of 6 per cent per annum.

With a focus on these case study countries, this chapter will deal with the history of governance and its impact on the economy in the development efforts of Ghana and Uganda. The analysis will capture the post-Independence period, marked as 1960 – 1980, while taking into consideration the structural adjustment years, marked 1980 – 2000. It will deal with policy responses to circumstances of needs and how those policies paid off by either improving the conditions of the people or deteriorating their conditions.

5.2 Post-Independence Economies of Ghana and Uganda, 1960 – 1980

The vulnerability of African economies at independence compelled the various nationalist leaders who had just come to power to seek ways to adequately respond to the development challenges they were confronted with. Indeed, underdevelopment and a feeling that power in the hands of the African could better the fortunes of the people was enough fuel for the resistance movements across the continent in the agitations for independence (Boahen, 2000).

According to Duncan and Howell (1992), leaders in this era were largely influenced by the development theories in fashion. These theories highlighted the inadequacies of the domestic market, private capital formation and international trading systems, and promulgated the

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substitution of private economic activity by state intervention. Additionally, policies at this time "advocated import substituting industrialisation behind high tariff walls and relied on short to medium term borrowing" (ibid: 14). Generally, these theories were dependency theories that attributed the underdevelopment of the African continent to the exploitation of the developed world which colonised it. So at independence the logical thinking was to move completely away from neo-liberal theories that informed colonial policies but which invariably were the legacy of the colonial administration (Todaro and Smith, 2009).

5.2.1 Policy Response in Ghana

This background thinking of Africans seeking to break away from the control of their former colonial masters and getting attracted to the dependency tradition greatly influenced Ghana's early economic development policies under the rule of Kwame Nkrumah. According to Herbst (1993), Nkrumah pursued state interventionist policies in order to promote his early transition to socialism. Invariably, his administration was socialist inclined and promoted a state-led development agenda being greatly influenced by the dependency tradition (Boahen, 2000)

Following from this perspective (of a socialist, state-led development approach), an impressive number of development plans and policy strategies emerged. Notable among them were the ten-year development plan which was later transformed into the Nkrumah 7-year Development Plan (1963/64-1969/70), considered as Ghana's own development strategy.

The development plans called for a rapid transformation of the agricultural sector, of investments in infrastructure, and of the health and educationsectors with over 70 per cent of total expenditure on transportation (Boahen, 2000, Dzorgbo, 2001). According to Dzorgbo (*ibid*), the 7-Year Plan had the goal to foster African unity, transform and diversify the economy, and

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create equal economic opportunities using scientific socialism as the ideological base (also see Amenumey, 2008; Boahen, 2000). In terms of strategy, the plan aimed at modernization through industrialization, focusing on import-substitution industries. In accordance with the priorities of the CPP government, 20.3 per cent of the national budget was allocated for investment in the industrial sectors while agriculture had only 17.4 per cent (Dzorgbo, 2001).

During the early years of Nkrumah's reign, Ghana had a liberal economy that supported private enterprise. However, from the early 1960s, the regime's orientation shifted from a liberal economic posture to a socialist one (Boahen, 2000). It can, therefore, be stated that Nkrumah's development approach belongs to the tradition of economic nationalism which is based on the belief that political considerations must override economic ones (Gilpin, 1987).

Nkrumah's development plan was to provide a fundamental guide for economic independence. Consequently, a second five-year development plan was launched. The plan departed from the 7-Year Plan and defined the economic policy direction of the Nkrumah regime based on six distinct areas. The first was agriculture, which was to be supported to increase yield in all production areas, especially food production.

The second Five-Year Development Plan (1959-1964) was abandoned in 1961 (Asamoa, 1996). This, however, did not change the core policy direction of the regime that emphasised industrialization as a means of promoting growth and development to improving the lives of Ghanaians. Indeed, much of the period of the Nkrumah regime had more socialist than capitalist inclinations in orientation and in approach. Herbst (1993) observed that 1961 marked the increased involvement of the state in the economy. This, according to the author, was manifest in the 7-Year Development Plan, adopted in 1964, which gave the state control of key branches of the economy ranging from the control of public utilities to the production of raw materials.

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5.3 Policy Initiatives of Obote's Government, 1961-1971

According to Bibangambah (2001) between 1961 and 1971 the post-independence Ugandan government shifted from the development planning inherited from the colonial administration to comprehensive development planning. This allowed for an emphasis on agriculture as well as on the development of the manufacturing sector of the economy. The policies of Milton Obote were socialist inclined. His first plan was a ten-year development plan, (1961 – 1971), which was largely inherited from the British. His second plan, a five-year development plan, was termed *Work for Progress* (1966-1971) and was largely influenced by his socialist ideas. It was more nationalist in approach and sought to promote development through self-initiative in agriculture and in import substitution industrialisation that promoted local products.

According to Twimukye *et al*., (2008), after independence in 1962, Uganda adopted a mixed economy of socialism and capitalism to address its development strategy. These scholars note that the government took the lead in most of the economic activities, especially, in the agriculture sector where various subsidies were granted to support the use of equipment and fertilizer. This policy initiative brought about increased agriculture production, although it also resulted in low employment in the industrial and manufacturing sectors. In response, the government enacted a wage legislation, an income policy and import substitution initiatives in order to stimulate employment in the formal sector.

Immediately after independence, Uganda's economy became highly regulated (*ibid*). Marketing of agricultural products was done through state marketing boards which had monopoly over cotton, coffee beans and maize. In a similar vein , the Government fixed the prices for agricultural commodities and passed on to the farmer a fraction of the international

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prices of the commodities while using cooperative movements to mobilize farmers to mainly produce export commodities.

5.4 Comparative Policy Responses

Looking at the two policy responses, it is clear that both Ghana and Uganda faced the initial challenge of proving that they were better off at independence than in colonial rule. Both countries were influenced by the development theories in fashion at the time, i. e. the dependency theory. The two countries believed that a state intervention or state driven policy was the way to go. They both accepted socialism as a fundamental ideological thrust which was purposely adopted to depart from the colonial legacy, though they started with capitalist systems of free market operation and private enterprise. This was an experiment which both countries believed was worth trying, given that much of the developing world found structuralism or state controlled development to be a better alternative to a free-market economy.

Both countries, at independence, started with a ten-year development plan and subsequently ended up with a seven-year plan, in the case of Ghana, and a five- year plan, in the case of Uganda. The reasoning behind this was that they had to adopt a development policy they could regard as their own as the ten-year plans were a colonial legacy. After independence they needed to forge their own systems of development that would be reflected in the development plans.

A fundamental policy thrust was to boost agriculture and set up import substitution industries meant to create jobs and also support local industries to grow. It is intriguing that both countries see the same policy direction as the way forward in promoting development. While in Uganda import-substitution industrial development was adopted as a result of a growing

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agriculture sector and dwindling manufacturing sector, in Ghana it was a policy direction right from the beginning. Both the ten-year development plan and the seven-year development plan emphasized industrialization as an important policy initiative to break with the past and to create jobs. In both countries, there was a drive towards economic nationalism which was a way of promoting development, putting the nation first and preferring what is produced locally to what would come from outside.

5.5 Outcomes of Nkrumah's Policy Initiatives

The achievements chalked by the CPP government were many. There was a general improvement on public infrastructure. For example, at independence Ghana had only 3,500 miles of trunk roads, of which only 939 miles were tarred (Dzorgbo, 2001). Within the period of implementing Nkrumah's 10-year development plan, there were 4,420 miles of trunk roads of which 1,900 were tarred. Several bridges were constructed across the country to connect various villages and towns (*ibid*).

In the sphere of education, many schools and colleges were constructed, while the health sector saw the construction of several new hospitals. Dzorgbo (2001) observes that until the late 1980s and 1990s when the PNDC/NDC came to power no new roads were added to what the Nkrumah government had constructed. According to the author, the regime also pioneered the construction of the Akosombo Hydro-electric project and linked it up with the development of the modern industrial city of Tema for an industrial take-off. Again the author reveals that the Cooperative Council set up two tractor assembly plants in Nsawam and Kumasi which were to supply 1,500 wheeled tractors and 1,400 crawler tractors at the cost of ¢24,256,890. By the end of 1965 there were 870 registered famer based co-operatives (*ibid*).

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Nonetheless, Ghana ran into economic difficulties with rising foreign debt and balance of payment deficits which were a direct effect of falling cocoa prices. According to the IMF Africa Department Report (1998), in 1961, for example the nominal price of cocoa fell to 50 per cent of the 1958 level and by 1965 it dropped further to 40 per cent. Additionally, the socialist approach to development, especially in agriculture and industry which appeared not to be maximising returns on investment, adversely affected the economy. Meredith (2006) observes that the numerous state farms established throughout the country were a source of employment to many who in actual fact were underemployed. Seidman (1978) reports heavy financial losses and puts the loss in investment in state farms alone to the tune of nearly £150 million at the end of 1965.

Herbst (1993) states that although government investment between 1960 and 1965 was very high, it did not result in any significant productive growth because so many projects, including the establishment of the Ghana Airways Corporation and the construction of the State House, were capital intensive investments motivated by politics rather than by economic consideration.

5.6 Outcomes of Obote's Policies

Bibangambah (2001) asserts that there were substantial positive development outcomes of the Ugandan economy with clear indicators. The author observes that there was expansion of education at primary, secondary and university levels as well as expansion in health services. During the period 1962-1966, the Ugandan economy was estimated to have grown by 4.4 per cent per annum, which compared favourably with the target average growth rate of between 4.5 per cent and 5 per cent per annum on average (*ibid*). The study by Kasekende and Atingi-ego (2002) shows that the share of industry in GDP also increased. The country also had an

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expansion in the small-scale manufacturing sector. In the estimation of Kasekende and Atingi-ego (ibid), although the manufacturing sector grew rapidly, it performed below its expected target with its contribution to GDP increasing to 8.7 per cent by the end of the decade. They reveal that there was also only a marginal increase of the share of industry to GDP from 17 per cent to about 18 per cent and that the Ugandan economy was still largely dominated by the agriculture sector. The export of agriculture products, mainly coffee and cotton, decreased slightly from 54 per cent at independence in 1962 to 48.7 per cent by the end of the decade. The share of services also increased slightly from 29.8 per cent of GDP at independence to 31.3 per cent at the end of the decade. However, Uganda's economic development during the period between 1961and 1971, fell below expectations. According to Holmgren *et al*., (1999), the economy had, at that time, shrunk by more than 20 per cent from its peak value in 1970, and inflation had hit an annual rate in excess of 240 per cent. This virtually brought the economy down to its knees.

5.7 Policies of Ghana and Uganda, 1966 – 1980

The first change in government in Ghana occurred in 1966 through a military take-over which brought the National Liberation Movement (NLM) into power. In Uganda, a military take-over organised by Obote himself overthrew the constitution in 1971 and launched the Obote II regime. However, this arrangement was cut short by General Idi Amin who overthrew the Obote regime and set up the Advisory Defence Council of Uganda. After a change in Government occurred in both cases, the development policy thrust also changed. The shift in development policies for both Ghana and Uganda marked a demonstration of the dissatisfaction with the earlier development policy pursuits of the two immediate post-independence regimes. We will

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discuss each situation and show the shifts in policy and their resultant outcomes in the development strides of the countries.

5.7.1 The Case of Policy Shift in Ghana after Change in Government

The NLC regime that overthrew the Nkrumah administration in February 1966 jettisoned Nkrumah's socialist development policies, (Boahen, 2000). According to Hutchful (2002: 10), the military government "initiated Ghana's first experiment in stabilisation on the basis of standby relations with the IMF." The liberal-leaning military regime concentrated its energies on private sector development and encouraged foreign investment in Ghana. The NLC proceeded to atone for Nkrumah's socialist sins by turning to the West. It also severed diplomatic relations with the Eastern Bloc. This move was rewarded by the West which supported the NLC regime with loans and grants to import consumable goods (Dzorgbo, 2001).

The NLC regime subsequently succeeded in adopting standard IMF disinflationary fiscal and monetary policies. According to Hutchful (2002), by 1967 the cedi was devalued by 30 per cent against the dollar and 10 per cent of the total workforce, especially in the construction industry, was retrenched. Again, in contrast to the practice of the CPP era the NLC altered the involvement of state-owned enterprises in the economy. Hutchful (ibid) intimates that privatization of state enterprises was only halted as a result of public protest. In analysing the regime, the author recognises that the physical stabilisation effects were only temporary and revenue mobilisation through tax had reduced while unemployment rose. However, the intervention of the NLC set the stage for an alternative policy input which contrasted with the Nkrumah regime's efforts to prop up state enterprises or public sector investment leading in the development process, and in job creation with the state squarely in the driver's seat.

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The NLC introduced market reform policies and sold some state enterprises hoping to prop up the private sector. According to Hutchful, this set the stage for policy debate in Ghana between structuralism and monetarism. Both approaches appeared, at the time, not to have made the needed impact to push forward the agenda for national development efforts. While Nkrumah's structural change policies were hugely criticised because of their failure to ensure sustained development, stabilisation efforts by the NLC were sloppy and short term with very little positive results.

According to Dzorgbo (2001: 199), "the modification or change of ownership rights of the nation's infant industries meant that the Nkrumah regime's long term objective of economic self-reliance was defeated." But the economic reforms introduced by the NLC, especially with the abandonment of state enterprises, did not satisfy the broad majority of people. It created unemployment and instigated workers' strikes throughout the country. Per capita income, which stood at 142 cedis in 1965, fell to 135 cedis in 1969, Dzorgbo (*ibid*).

An internal comparative policy analysis shows that whiles Nkrumah believed in the state-led development approach, the NLC believed and pursued private-sector-led economic development. In the NLC administration, every action and policy was the opposite of that of the Nkrumah/ CPP regime. Thus, it is evident that Nkrumah pursued socialist policies while the NLC pursued capitalist policies supported by the IMF. The new policy was to completely overthrow the old thought of letting the state lead in national development efforts.

5.7.2 Policy Shift in Uganda after Change in Government

On 2 February 1971, General Idi Amin overthrew the administration of Milton Obote and formed the Advisory Defence Council (ADC) consisting of army officers to rule Uganda.

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According to Kasekende and Atingi-ego (2002), during this period, there was minimal structural transformation. Both Meredith (2006) and Dowden (2008) assert that Amin was not interested in a development policy or in transforming the economy. He left his country in a worse predicament than he initially found it in. Kasekende and Atingi-ego (*ibid*) found out that the share of agriculture in the period 1970-74 fell by nearly 7 per cent and then increased in a latter period of 1975-79 by 4 per cent. The authors observe that, at the same time, the share of industry in GDP, on the other hand, rose by 13.94 per cent to about 19 per cent, with services increasing by 3.5 per cent to 32 per cent.

Reinikka and Collier (2001) intimate that under the reign of Idi Amin, Uganda's economy contracted and the economic decline that occurred through Amin's regime was attributed to a lack of savings and investment, to capital flight, and to general mismanagement of the economy. The authors reveal that, during the Amin regime, the average real per capita income for the period 1970-1979 of US$ 609.6 was lower than the US$ 617 of the previous growth phase. The huge decline in economic performance towards the end of the 1970s saw real GDP per capita, which had peaked at US$ 670 in 1971, decline to a record low of US$ 534 by 1980 (Kasekende and Atingi-ego, 2002). This decline was largely driven by the deterioration in total factor productivity resulting from the depletion of the physical, human and social capital, and the running down of firms and farms after a large stock of private land and productive assets were seized by the state, and given to cronies who mismanaged them (World Bank, 2007).

5.7.3 Comparative outcome of Policy Shift

It is obvious that with the first major political change of the two countries there was a policy shift either for the better or for the worse. In the case of Ghana, the military regime of the

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NLC had reasoned that Ghana's failure to meet its development expectations was because of Nkrumah's socialist state-led development approach; and so they jettisoned the earlier highly promulgated state-controlled socialist development agenda. The regime promoted private sector development and implemented IMF stabilisation policies by retrenching workers and privatising some state institutions. The regime laid a foundation for economic development in the neoclassical development path, with the view to stabilising the economy and promoting market-friendly policies.

In the case of Uganda, the Amin-led administration tried to be liberal at the beginning but became statist and brutal at the end. The regime did not bring anything to the table that had a serious implication for policy impact on development. There was neither structural change nor policy improvement. His administration left Uganda ravaged and worse off. While in Ghana there was a new development experiment by a shift to the right, in Uganda there was a perpetuation of a reign of terror that destroyed earlier development gains. The military change in Ghana reversed the development policy thrust. Similarly, the change in Uganda also reversed the development trend and retrogressed the development gains of the country. In Ghana, the military ensured a hand-over to civilian rule. But in Uganda, the military never thought of handing over to a civilian regime and stayed in power until it was ousted by another military intervention. What is particular about the two military interventions is that they both curtailed the life of the regimes they overthrew. And what is particular about the two failed regimes was the fact that they each altered the constitution bequeathed by colonial rule and declared a one-party state. In both cases there was an impact in the continuity of the development agenda of the two countries.

The general failure of leadership to sustain political stability and development consistency was part of the crises that were observed in much of Africa. The component of failed

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leadership and political upheavals punctuated by the world oil price hikes were particularly poignant to Africa's economies. In both Ghana and Uganda, policies and outcomes of development were distorted with negative consequences.

5.8 Policy Response of the Busia and Acheampong regimes in Ghana

The government of Dr. K. A. Busia's Progress Party (PP) which came into power after the 1969 elections was more private-sector-friendly. The regime saw the private sector as an engine for economic development (Oquaye, 1980). As previously noted, the policy direction of the NLC, which ensured the radical break from state-driven development and the retrenchment of workers, slowed down the economy and resulted in massive unemployment. This was a major challenge to the Busia regime. A major policy decision of the government in this direction was to deepen liberalisation and privatization, targeting increased job creation and reflating the economy (Hutchful, 2002). Supporting free market operations was, thus, a cornerstone of the regime, but so also was the need to protect Ghanaian businesses from foreign competition and to ensure a deregulatory system of importation. The PP government also launched a rural development programme and instituted a development Fund supported by a 10 per cent National Development Levy on incomes to underwrite it. According to Dzorgbo (2001), this enabled the government to construct roads and rural health centres; and some efforts were made to extend water and electricity supply to the rural areas.

Herbst (1993) observes that, even though the Progress Party (PP) government marked some significant achievements and had GDP growing at 3 and 4 per cent throughout its tenure, several social problems were left unresolved. Unemployment continued to soar and the cost of living remained high, among other problems. Herbst (*ibid*) further stresses that the Busia regime,

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finally, decided to address the foreign exchange shortage by massive devaluation; and this was a fundamental break with the past because it marked a departure from using the state instrument as a major means of dealing with economic crises. The regime rather relied on market mechanisms to balance the external account. In all of this, the Busia administration was working with the IMF and World Bank to address the acute economic difficulties confronting the country. This, along with the NLC early stabilisation policies, was one of Ghana's early glimpses at working with the IMF, as the government austerity programme was recommended by the IMF.

Both Boahen (2000) and Dzorgbo (2001) report that the policy measures of the Busia regime severely affected the working people, especially the salaried work-force who were saddled with wage freezes, tax increases, currency devaluations, and rising import prices. These measures precipitated protests from the Trade Union Congress. In response, the government sent the army to occupy the trade union headquarters and to block strike actions, a situation that some perceived as negating the government's claim to be operating democratically (Dzorgbo, 2001). In 1972, following a wide-spread feeling of discontent, the military took advantage of the situation and ousted the Busia regime.

5.9 The NRC Administration: Back to State Controlled Economy

Colonel Acheampong who overthrew the Busia administration and assumed leadership of the National Redemption Council (NRC) saw everything wrong with the previous administration. Acheampong led a government which was socialist in orientation and nationalist in character (see Oquaye, 1980). His approach to development was predictably statist which enabled him to use state authority to control the economy.

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The focus of the Acheampong administration is captured in the following statement: "I want to assure the nation that we shall spare no effort, and no sacrifice will be too great for us in this gigantic task of winning a great economic war" (cited in Oquaye, 1980: 11). Like the capitalist-leaning NLC administration, the socialist-inclined NRC reversed the neo-liberal economic policies of the previous Busia regime.

According to Herbst (1993), the Busia administration devalued the currency by 78 per cent from 1.02 cedis to the dollar to 1.82, which move was quickly followed by the Acheampong coup d'état. To show the difference between his policies and those of Busia, and to spell out his own dislike for a market economy, Acheampong and his NRC re-valued the Ghanaian currency upward to 1.28 cedis to the dollar. He also repudiated the loans contracted by the Busia government with its backlash of an emergence of a parallel market called "kalabule" that sustained smuggling and corruption. As part of his policy of opposing everything about the previous regime, the NRC rejected the IMF directed stabilization programmes and re-valued the national currency by 42 per cent as previously noted. The regime also re-instituted import licenses and foreign exchange regulation (Oquaye, 1980).

The NRC regime chalked some initial successes, especially, in agricultural production and food security. The NRC, which later became known as the Supreme Military Council (SMC), also introduced two major policy interventions, namely "Operation Feed Your Industry" and "Operation Feed Yourself." These two policy interventions were targeted at ensuring national food security, with Ghana producing food to feed itself, and producing industrial raw material to satisfy the production demands of the industrial sector. These two programmes met with great public enthusiasm, and a lot of young people returned from urban centres to rural areas so as to engage in farming. Indeed, the first two years of this policy were quite successful

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and saw some significant expansion of the economy (Nugent, 1996).

Nevertheless, from the mid-1970s, the Ghanaian economy began to suffer financial loses as a result of hikes in petroleum prices and bad weather conditions that hit the agriculture sector. This was accompanied by huge budget deficits. Deficits rose from 17 million cedis in 1971 to 781 million cedis in 1977 (Hutchful, 2002). The cause of the problem was attributed to policy failure, economic mismanagement and rising oil prices (Oquaye, 1980: 17-66).

The regime's action of repudiating the millions of debts owed to British companies, which was captured in the Twi word, "Yentua" (we shall not pay), did not help matters in the long run. Nor did the unilateral rescheduling of the country's debts for payment over fifty years; and the nationalization of all large foreign-owned companies was sufficient to restore the economy, though these measures were popular on the street (Oquaye, 1980; Herbst, 1993). In fact, Herbst (ibid: 24) described what he termed the "fast deterioration of the Ghanaian economy" as "disastrous" and levelled the blame on the mismanagement by the leaders.

According to Nyanteng (1997: 3), the economic deterioration in the 1970s was characteristic in varying intensity, marked by "high inflation, large budget deficits, declining production and exports, flourishing illegal economic activities, hoarding and profiteering, rent-seeking and political instability." Dzorgbo (2001) contends that one of the weaknesses of the NRC/SMC regime, which was crucial to its downfall, was its inability to demonstrate a rigorous understanding of Ghana's economic crises. He further contends that the NRC approach was populist and largely rode on the dissatisfaction of the people with the former Busia regime.

Hence, the challenge facing the Supreme Military Council was immense. Inflation spiralled with an increase in money supply to about 500 per cent (Hutchful, 2002). This marked the deterioration of the economy which Standbrook (1989), Asante (1991), Herbst (1993) and

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Meredith (2006), describe variously as tragic, precarious, disappointing and distressing. Herbst (1993) indicates that the economic decline and destruction of Ghana started soon after independence in 1959.

The failure of the Acheampong NRC, (which later became Supreme Military Council, (SMC), led to a change in leadership, and General Acheampong was replaced by General Akuffo in 1978 with the SMC part two. The successor regime (SMCII), led by General Akuffo, struggled to address the mounting developmental challenges of the country. Increased popular discontent led to the overthrow of the SMCII by the Armed Forces Revolutionary Council (AFRC), led by Flt. Lt. Jerry John Rawlings. The major policy direction of the AFRC was a national anti-corruption campaign which involved the use of military tribunals for prosecution of perceived *looters* of public funds (Oquaye, 1980).

5.10 Policy Response under the Obote II and Tito Okello administrations

Nabudere (1990) asserts that in 1981, Uganda was faced with a crisis in its economy following eight years of economic mismanagement under the military regime of Idi Amin and the war between Tanzania and Uganda which led to the overthrow of the Amin regime in 1979. The Obote government, unlike Amin's regime, was mindful of its international image and its need to develop. The regime, therefore, sought to secure foreign aid for the nation's economic recovery. The implementation of economic reforms was aimed at stabilisation and rehabilitation of the economy. It was also expected to remove structural distortions and restore confidence in the economy of the country (*ibid*).

Unlike Amin's regime, Obote had some external funding support from the West. According to Holmgren *et al*., (2000), the striking feature in the Amin regime is the low level of

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support from multilateral donors, especially, the World Bank; and the general absence of support from the Western countries, which was what Obote addressed. Factors that discouraged Western donors included the nature of the political regimes in Uganda, the tendency of the regimes to lean towards socialism, and poor macroeconomic management. The author observes that it was only after the fall of Idi Amin in 1979 that the World Bank and European bilateral donors stepped in to support Uganda's development efforts. The economy had at that time shrunk by more than 20 per cent from its peak value in 1970, and inflation had peaked an annual rate in excess of 240 per cent. Thus, the Obote government policy was to implement market friendly policies meant to restore the health of the economy.

However, the efforts of this regime were short-lived as the country relapsed into civil strife with extensive human rights abuses which had adverse effects on the economy. According to the World Bank Report (1994), Uganda's health status indicators were among the worst in the world; the infant mortality rate (IMR) stood at 120deaths per every 1,000 children, while the maternal mortality rate was 500 deaths for every 100,000 deliveries. During the period, life expectancy was at a low of only 47 years. According to Nabudere (*ibid*), these statistics reflected the socio-economic conditions of the time. Once again, the Ugandan economy had come to a halt with more failures than successes. The government was subsequently overthrown; and in the midst of military confrontations and conflicts, Yoweri Museveni and his NRM came into office.

5.11 Comparative Policy Outcome after Changes in Government

In Ghana, a change in government, from the NLC military regime to an elected civilian regime led by Dr Abrefa Busia, did not mark any significant shift in policy. The same policy approach of supporting the private sector was pursued albeit more vigorously. The regime relied

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on market instruments rather than the instrument of the state to address its immediate challenge of curbing inflation and stabilising interest rates. However, the change from the Busia regime to a military and state-controlled economy was a direct reversal of policy akin to the reversal that occurred in the overthrow of the first republic, (see discussions in part 5.5). The Busia regime reduced the direct influence on the state as the lead agency in enterprise and job creation; and the economy at the time recorded some modest growth of between 3 and 4 per cent (see discussions above). The Acheampong regime reversed these policies and had initial successes but failed to sustain these and ran the economy into a situation of disrepair.

On the other hand, in Uganda, the Obote II regime tried to depart from the Amin regime by restoring the economy and promoting structural changes. This, however, was short-lived as the regime was saddled with civil strife and resorted to high-handed brutality against its own country-men. The brutality and failure of the regime to attain any significant success was likened it to the Amin regime of destruction of human life and the economy. Amin was socialist in intention, ran a state-controlled economy, and introduced brutality in state affairs that eventually destroyed the economy.

Comparing the regime changes in Ghana and Uganda, it is evident that both had negative effects on the economic development of the state and perpetuated inconsistent development policy pursuits. However, the change in Uganda had a more serious economic impact and was rather wasteful because of the targeted destruction of life and property in the two regimes that whittled away every little achievement made. The civilian rule in both countries was more responsive to the development needs of the people and made some modicum strides in development success. The economy in Ghana under a new civilian administration was much more focused and achieved some significant growth in economic development. In Uganda,

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Obote's success in economic restructuring was successful only between 1981 and 1983 before everything collapsed in 1984 during the civil war. Both civilian governments of the two countries were overthrown by military coups. Nevertheless, the military regimes were largely a failure in development policy management.

There are several implications to policy response in these analyses. First is that a stable and focused regime with well-defined policy objectives will very likely achieve better success in development efforts than an unstable and turbulent regime. The length of time of the regime would not necessarily matter. In the combined years of Obote II and Amin, which spanned more than a decade, contribution to the economic development was almost zero in the end because of political disturbance and civil strife in each regime. In the two years of Busia, the economy grew and made some significant structural changes. But this was curtailed by the intervention of the military led by General Acheampong who ran the economy to a halt. In all these instances, governance was an issue. In the case of Obote and Idi Amin there was, undisputedly, bad governance practice that largely contributed to the failure of the regimes. Comparing the regimes of Busia and Acheampong, it can be asserted that Acheampong's rule was more successful, until it was destroyed by bad governance. But unlike the Obote and Idi Amin regimes, the Acheampong regime did not relapse into civil strife that led to violence and destruction of life and property. Peaceful political civilian administrations such as the two years of the Busia regime and the first two years of the Obote II regime stand out as being consistent with a sustained pursuit of development, and mark positive results. A collapse of these regimes only happened because of military interventions.

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5.12 NRM- Development Policy Direction and outcomes: 1986 - 1997

The 1985 coup that toppled Milton Obote was led by Tito Okello, who was himself overthrown by Yoweri Museveni in 1986. The assumption of office of Museveni brought a fresh dimension to development policy and to development trends in Uganda. The development policy direction defined by the NRM was captured in the regime's development goals that were pursued from 1986. These policy steps were steps taken to give meaning to the development expectation of the regime and to provide policy direction (Freeman, 2005).

The new government was determined to reform the economy and repair the damaged economy. This required macroeconomic and structural reforms. It is noteworthy that Museveni, with his socialist orientation, resisted IMF/World Bank policies, but finally had to cave in under pressure to revive his country's economy which had been devastated by years of civil conflict. These policy reforms were to have the effect of changing the development policy direction of the country. Warnock and Conway (1999) noted that the Museveni government announced its first economic programme in May 1987, capturing among others the Rehabilitation and Development Plan. This was designed to restore the production capacity and to rehabilitate economic and social infrastructure. According to Warnock and Conway (ibid), the plan called for a funding aid of $1.3 billion which was vigorously supported by the World Bank and the IMF with the resultant implementation of the structural adjustment programme.

According to Mubazi (2012),the development policy, initially based on state controls over the economy, had to give way when a three year Economic Recovery Programme (ERP) was launched under the auspices of the IMF and the World Bank. The main objectives of the ERP, as captured by Mubazi (ibid: 109), were to: 1. reduce the inflationary impact of the budget

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deficit by reducing government spending and improving tax administration; 2. improve the balance of payments by increasing producer prices; and 3. increase industrial output by liberalizing trade and directing foreign exchange to imported inputs.

Museveni's policy was geared towards building the country's infrastructure, particularly in the area of transportation and communications systems, which were destroyed by war and neglect. After agreement with the World Bank and IMF over its policy framework paper in 1987, the NRM government subsequently began implementing economic policies which were basically meant to restore price stability and improve the balance of payments sustainably, improve capacity utilization, restore infrastructure, institute producer incentives through realistic price policies, and increase resource mobilization and allocation in the public sector.[20]

According to Warnock and Conway (*ibid*), by 1990, these policies were beginning to produce results. Inflation, which ran at 240 per cent in 1987 and 42% in June 1992, was 3.4 per cent in 1994/95 and 5.4 per cent for the fiscal year 1995/96. At the same time, annual real GDP growth averaged 8 per cent. According to the World Bank report (1999), this outcome reflected the pursuit of prudent fiscal and monetary policies.

It is surprising that even as the World Bank was lauding Uganda for good performance and the development indices were reading good and encouraging progress, the country could be experiencing economic difficulties and sought debt forgiveness to avoid reversals in its efforts at improving the lives of its people. Like most other African countries, Uganda declared itself a highly indebted and poor country and begged for debt forgiveness. Torgny Holmegren *et al*., (1999) observe that Uganda became the first country to be declared eligible for assistance under the Heavily Indebted Poor Countries (HIPC) Debt Initiative. According to the author, Uganda reached the decision point in April 1997 and the completion point one year later, receiving relief

[20]. Seehttp://www.shsu.edu/~his_ncp/BNAfrica.html (accessed 27-08-2013).

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of close to US$ 650 million (US$350 million in net present value) from its external creditors. It showed one of two things; first, that behind the facade of good performance were development failures which could only be addressed by debt forgiveness, thus compelling one of the best performing economies to declare itself HIPC; and second, that declaring HIPC was a development strategy to buy time so as to enhance the gains of the reform strategy.

Saddled with increased poverty in the implementation of structural adjustment, the MRM launched the poverty reduction programme, termed Poverty Eradication Programme (PEP), in 1997, which later became the Poverty Eradication Action Plan (PEAP)[21],targeted at drastically cutting down on the population living in abject poverty to 10 per cent in 2017. In 2000, this was revised to incorporate new information generated from widened consultations and analyses. It also took into consideration the Enhanced Structural Adjustment Programme.

According to the Policy framework paper on the Enhanced Structural Adjustment facility for Uganda (1999-2001), the principal objective of the government's reform program was to sustain a broad-based economic growth in which the poor were able to participate. One fundamental issue the government development policy addressed was the need to eradicate poverty, given that nearly half of all Ugandans lived below the poverty line.

However, there was evidence that Uganda's development strategy was not yielding the appropriate results. This was seen in data from the Uganda Bureau of Statistics (UBOS) which showed the decreased share of agriculture over the years. The UBOS showed an estimated reduction in agriculture from 3 per cent to only 1.7 per cent. The share of agriculture in GDP followed the same trend, decreasing from 22.4 per cent in 2002 to 16.4 per cent in 2007. The

[21]. The Poverty Eradication Action Plan (PEAP) is issued in three Volumes: Vol.1-Strategic Policy Framework, Vol. II-Public Investment Plan and Vol. III-Principles for Improved Partnerships. These and all major publications by MFPED are available at the Website: www.finance.go.ug.

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industrial sector also decreased from 9.5 per cent in 2002 to 7.4 per cent in 2007 and its share in GDP decreased from 24.4 per cent in 2002 to 24.2 per cent in 2007.

5.13 Policy Orientation of the PNP

The People's National Party (PNP) was widely considered a "*reincarnation* of Nkrumahist tradition" (Oquaye, 1980). The party emerged victorious in the 1979 general elections successfully organised by the AFRC. Once again a pro-Nkrumah government was in power. Given the fact that the Ghanaian economy had been poorly managed, investment confidence was low and upon assuming office the new regime led by President Hilla Limann decided to boost investment in the economy. The PNP policy was thus to create an enabling environment for long term investment and to restore Ghana's image abroad. Hutchful (2002) reported that the regime's association with the IMF and its drift towards liberalism was a source of worry to the radicals in the PNP government and elements in the party started working against their own party. The deep division in the party plus public disaffection for the PNP regime culminated in a military take over on the 31st December 1981, after only 23 months in office (Dzorgbo, 2001).

5.14 The PNDC Regime: A Glimpse of Socialism and Economic Recovery

In the midst of the deteriorated economic conditions and with the determination of the PNP under Dr. Limann to address the problem, Jerry Rawlings took advantage of the division within the ruling PNP government to stage another coup d'état and set up the Provisional National Defence Council (PNDC) government. According to Herbst (1993), Jerry Rawlings described his coup as a revolution and he was initially opposed to any form of economic

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liberalism. Herbst (*ibid*) maintains that Jerry Rawlings and his followers were ardent supporters of the dependency theory and interpreted development along this theoretical framework.

Herbst (1993) further states that, by 1982-1983, it became clear that those who had left-wing dependency views could not adequately address the question of economic deterioration facing the country. This compelled the PNDC regime to begin to look elsewhere for solutions. Rawlings realized that it was not possible for Ghana to completely close its doors to the West. Similarly, the period between 1980-1983 was seen as a period of economic crises resulting from the cumulative effect of the downward economic spiral which began, particularly, in the early 1970s, and which was caused by the interactions of poor domestic economic policies, poor management of the economy and adverse external terms of trade shocks (Oquaye, 2004; Nugent, 1996).

Faced with the problem of putting the economy back in shape, the PNDC administration agreed to the prescriptions of the World Bank and the IMF in exchange for grants (Nugent, 1996). This paved the way for the adoption of economic stabilisation policies which were termed Economic Reform Programme (ERP). Some of the problems that required this policy option were the marked deterioration in social services, serious shortage of drugs and other basic hospital facilities, dilapidated public infrastructure, broken down office equipment and telephone systems and inaccessible road networks (Asamoa, 1997).

The policy objectives as captured in the 1987 revised version of the National Programme for Economic Development document[22] were thus outlined as follows:

(a) The arrest and reversal of over a decade of precipitous decline in production in all sectors of the economy, particularly in agriculture including cocoa.

[22]. National Programme for Economic Development, Provincial National Defense Council (PNDC), 1987, Accra.

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(b) The control of the factors fueling the fires of hyper-inflation in the economy (reaching 116% in 1977 and 1981) through the restoration of financial discipline;

(c) The rationalization of the interest rate in order to curb the consumption of luxuries and make the scarcity of foreign exchange a factor in its official pricing

(d) The improvement of the international image of Ghana in international finance circles through effective external debt and foreign exchange reserve management, thus restoring confidence in the economy from overseas banking and suppliers establishments;

(e) The rehabilitation of ruined productive and social infrastructure; and

(f) The mobilisation of the necessary domestic and external resources to restore the living level of the people including two million Ghanaians expelled from Nigeria, from the depths to which they had sunk as a result of disastrous economic performance and unprecedented drought and raging bush fires.

The policy was thus aimed at halting the long period of decline in production of goods and services. In Hutchful (2002) and Dordunoo and Nyanyeng (1997), the policy option was to rehabilitate the social and economic infrastructure and eliminate smuggling and black market activities in currency transaction so that the Ghana Cedi could be realigned with the major international currencies.

The policy thrust of the recovery programme ensured the revaluation of the Cedi from the unrealistic 2.75 cedis to one dollar to 90 cedis to a dollar by the end of the reform period (1983-1986). It also included the adjustment of administered prices, particularly cocoa producer price, petroleum, and utility tariffs. These policies also targeted the rehabilitation of the transport, energy, mining, timber and cocoa sub-sectors aimed at revamping and restructuring the economy. All this was supported by foreign aid made available by the IMF/World Bank.

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Between 1983- 1986, foreign aid to Ghana was at an all-time high. The IMF provided the largest source of support to the tune of US$ 750 million, whiles the World Bank provided four loans totalling US$212 million which were tied to various conditionalities (Asamoa, 1996: 102).

The ERP I was the initial stage to repair the economy. The ERP policy was based on the principles of structural adjustment and it chalked some unprecedented successes. There was a speedy rise in export volumes through the export of particular commodities such as timber, for which export rose from 117,000 cubic metres in 1983 to 493,000 and 545,800 cubic metres respectively in 1987 and 1988, an increase of over 300 per cent. The service sector grew at 7 per cent and accounted for 56 per cent of GDP growth in 1996. In the case of Agriculture, the sector suffered some reversals. The growth rate of 53 per cent to GDP in 1983 fell to 45 per cent in 1990 and further dropped to 40.6 per cent in 1998, Hutchful (ibid: 79 & 91). Additionally, real GDP grew at an average rate of 6.3 per cent annually between 1984 and 1986 while the rate of inflation dipped to 12-15 per cent down from the previous three-digit levels.

The post-1980 period saw a completely changed attitude towards development policy and planning. Even though the ERP remained the fundamental framework for managing the economy, it was no longer the focus as a plan. Thus, structural adjustment was pursued without any active manipulation of resource flows. Amin (2003) observes that in the course of implementing the ERP and SAP the Ghana government recognised the social cost of adjustment on the average Ghanaian.

In response to the challenges of increasing poverty in implementing the SAP, the government of Ghana launched the Programme of Action to Mitigate the Social cost of Adjustment (PAMSCAD) and, subsequently, the Ghana poverty Reduction Strategy (GPRS) in 1997.According to the Fourth Ghana Living Standards Survey (GLSS4), poverty was increasing

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in parts of the country. The survey reports that 52.5 per cent of Ghanaian families were living in mud houses. In the northern regions of Ghana where poverty is most severe, the figure was as high as 83.1 per cent. In the same survey, 6.0 per cent of households had flush toilets whiles 20.5 per cent had no toilet facilities at all. The Ghana poverty Reduction strategy was, therefore, formulated to address the endemic poverty of the citizenry despite the implementation of the SAP.

5.14.1 Jerry Rawlings and the National Democratic Congress (NDC) Regime

In 1992 the National Democratic Congress (NDC), under the leadership of Jerry John Rawlings won the general elections to mark the beginning of the Fourth Republic in Ghana. The PNDC military government then handed power over to the new NDC administration. As expected, the transition was with the same leadership and same liberal reform development policies. This meant that the new government continued with the economic reform policies which had ensured the return of funds from the IMF after several years of no contract with the Organization. Thus, Government of Ghana entered into several agreements with the World Bank and the IMF and several related financial arms for support and propping up of the economy which then required the government to meet certain conditionalities.

Fosu and Aryeetey (2008) observe that in 1993 Ghana set itself the target of becoming a middle income country by 2020, requiring an estimated GDP growth of about 8 per cent per annum. According to Hutchful (2002), after 1993, the objective shifted from 'economic recovery' to accelerated growth strategy (AGS), published in 1993, which emphasised sustainable development and poverty alleviation through private sector development. The AGS aimed at a growth rate of 8% per annum, and a reduction of the inflation rate to 5% by the year

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2000. Again the development policy stressed inter-sectoral linkages in agro-industry, leading to poverty reduction through labour intensive and high productivity activities. It also included helping the poor to access social services and aimed at achieving further progress in human resource development, particularly in primary education and health, capacity building and public sector management.

A major policy initiative by the Rawlings government was a policy blue print termed Vision 2020[23] with a long-term goal "to improve the social and economic status of all individuals and to eliminate extremes of deprivation by encouraging the creativity, enterprise and productivity of all citizens". In the framework for the first step (1996-2000), the focus of development policies was "to consolidate the foundations for accelerated development already laid by the economic recovery programme and to initiate the changes necessary for the ultimate long-term transformation of Ghana's economy and society, as envisaged under Ghana-Vision 2020" (p.3). The areas of concentration under Ghana Vision 2020 were classified as (a) Human Development, (b) Economic Growth, (c) Rural Development, (d) Urban Development and (e) An enabling Environment.

The vision document described the basic goal of economic policy in Ghana as an 'open and liberal market economy', capable of optimizing economic growth and ensuring the maximum welfare and material well-being of all Ghanaians, and spoke of transforming Ghana 'from a low-income to a middle-income country' within one generation through a growth rate in excess of 8% per annum.

According to Appiah Kubi (2008), the period between 1992 and 2000 witnessed the intermittent re-emergence of macro-economic imbalances that appeared to reverse the modest

[23]. Ghana – Vision 2020:Programme of Action for the First Medium-Term Development Plan (1997-2000), Worldwide Press Ltd, Accra, (1998).

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gains of the past. That the imbalances were compounded by international turbulence with respect to falling prices of Ghana's main export, cocoa and gold, in the face of rising prices of oil was also obvious. This portrayed the Ghanaian economy as small and yet fragile, and posed some serious social and economic challenges to the state. At this time, poverty reduction remained a fundamental policy issue as a little over 50% of the population was below the poverty line.

5.14.2 Ghana under President Agyekum Kufuor

In 2000, general elections were held in Ghana, and the NDC lost the elections to the opposition New Patriotic Party (NPP). The emergence of a new government, under an NPP administration with John Agyekum Kufuor as President in January 2001 saw a continuation of structural support from the World Bank and the IMF under a modified programme initially called the Ghana Poverty Reduction Strategy. This programme involved the government of Ghana submitting itself to the Highly Indebted Poor Country (HIPC) Programme of multilateral donor agencies. The HIPC Programme led to the cancellation of large amounts of multilateral debts as announced in 2005.

The New Patriotic Party (NPP) regime remained focused on the policy superstructure set up by the PNDC government. The development programme was to ensure a stable macro-economic environment and to launch the Ghana Poverty Reduction Strategy (GPRS) as a major policy direction. According to government in an annual partnership meeting with its development partners in July 2008, the GPRS I and II were the latest by way of national development programmes. It stated that, while not officially referred to as development plans, these strategies were generally regarded as such by the public.[24]

[24]. Annual Partnership Meeting with development Partners in Accra, July 2008.

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According to Government, the GPRS I was a comprehensive policy document to support growth and poverty reduction over a three-year period (2002/3–2004/5) encompassing the policies, programmes and projects that were needed to improve the development of the country on a sustainable basis mainly through wealth creation. The primary goal of the GPRS was to ensure that all Ghanaians have access to basic social services such as health care, quality education, potable drinking water, decent housing, security from crime and violence, as well as the ability to participate in decision making. It had five thematic areas, namely Macro-economy, Production and Gainful Employment, Human Resource Development and Basic Services, Vulnerability and Exclusion, and Governance.

GPRS II has been designed to attach greater importance to accelerated economic growth than was the case with GPRS I. The central goal of GPRS II is to *accelerate the growth of the economy* so that Ghana can achieve middle-income status within a measurable planning period. Even though the focus has been modified, it is envisaged that faster growth and structural diversification will themselves provide the resources to more than meet the MDGs. GPRS II has four main thematic areas: Continued macroeconomic stability, Accelerated private sector-led growth, Vigorous human resource development, Good governance and civic responsibility.

5.15 Comparative Policy Response: From State-Controlled to Neoliberal Economies

The two regimes, the Jerry Rawlings PNDC regime and the Yoweri Museveni NRM regime of Ghana and Uganda, respectively, started off with socialist inclinations being influenced by a dependency tradition. Though the regimes took office at different times, they both instituted state-controlled economies. Jerry Rawlings overthrew the Limann PNP which was a democratically elected government and sought to reverse the economic restructuring which the

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regime had started to implement under the guidance of the IMF/World Bank. From the discussion above, Rawlings' Socialist pursuits came to a dead end and necessitated a rethinking of the role of the state in development. This was not very different from the Museveni-led government.

Museveni overthrew Okello, who had just taken over power from a democratic government led by Milton Obote. Before Okello could settle down to work he was himself overthrown by Museveni and his NRM. This brought to a halt Obote's economic restructuring efforts, which, like the Limann administration, was supported by the International Monetary Fund (IMF). At this point, both Ghana and Uganda had some experience with the IMF as well as with structuralist or dependency development strategies. This presupposes that an emerging regime on either side would have some experience to rely on. Both Museveni and Jerry Rawlings were initially influenced by dependency thinking and introduced statist economic policies which were socialist. In this policy direction, the states took the lead in development pursuits, and maintained a central focus on economic policy decision without recourse to free market operations as would have operated in a neo-liberal system. To this end, both leaders started by opposing IMF and World Bank policy suggestions which were neo-liberal and vigorously opposed to state-controlled economies. This required taking the state off the operations of the economy so that the state, for example, would not control prices of goods and services or determine the exchange rate of the local currency to the dollar. Until both Ghana and Uganda were compelled by necessity of economic conditions to seek support from the Bretton Wood institutions, the two leaders stood against introducing neoliberal reforms that would shift focus from the state as pivotal in all economic decisions. In both Ghana and Uganda, the debate between neoliberal reformers and the socialist-inclined policy actors in driving the economy was

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won by the neoliberals, as the two leaders themselves got converted by the economic realities of the times.

Having together been converts of neoliberal policies, the two leaders then set on to implement structural adjustment policies as prescribed by the World Bank and the IMF, Ghana under Jerry Rawlings in 1982 and Uganda under Museveni in 1987. In implementing structural policies, the two leaders demonstrated strong political will and, were eventually, declared star reformers in the eyes of the donor institutions, (World Bank, 2007). In both Ghana and Uganda, the development strategy focused on maintaining macroeconomic stability; further liberalizing the economy to promote diversified, export-oriented growth; and undertaking structural and institutional reforms.

Under these two leaders, Ghana and Uganda have experienced sustainable growth and enjoyed political and economic stability over a long period of time. The two countries also introduced democracy and rule of law in their governance structure. Whiles in Ghana democracy appeared to be well entrenched with viable opposition parties that have won elections, in Uganda the NRM has been the dominant party in all the years it has been in power since 1986, with Museveni as President facing little opposition.

Despite the stability and modest gains structural adjustment reforms attained in Ghana and Uganda, several studies (Ferguson, 1994; Stigltz, 2003; Abrahamsen, 2000) have challenged the statistics of the IMF and the World Bank. Not only have the statistics been questioned but also the general perception is that the impressive development statistics often churned out by the advocates of neoliberalism are yet to manifest in the living standards of the general populace. The implication is that the formulations of development policies must as far as possible reflect objective reality and be devoid of ideological biases.

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Both countries, after implementing structural adjustment policies, recognised the need to address growing poverty after declaring themselves highly indebted and poor and unable to service their debts. Nothing depicts the dilemma of the underdevelopment of Africa more than these two case study countries, as they had to succumb to the offer of debt cancellation and announced their unmanageable poverty to the world after so much had been done to restore their economies. It was not just the irony of being poor after the structural adjustment years: they were *highly poor and indebted* countries.

5.16 Summary of Chapter

Since independence both Ghana and Uganda have experienced both socialist and capitalist approaches to policy definition and implementation with mixed fortunes. Considering the successes and failures of the various political regimes, both countries could be said to have made modest socio-economic progress. Nonetheless, the level of development so far attained by the two countries is not commensurate with the enormous natural and human resources of the two countries. Various policy interventions, informed by some theoretical bases, were experimented upon to deal with the gaping underdevelopment of the newly independent African states, but this was without significant gains. Major failures were precipitated by political instability or leadership failure; and the decision to accept the World Bank and IMF prescribed Adjustment Programme marked a turning point in policy direction from a socialist orientation to a neoliberal one.

The difficulty in development efforts, and the emerging paradox that occurred with apparent policy success but with retrogressive results, are part of the dilemma of the underdevelopment Africa faces. The fact about the impressive results of Ghana and Uganda's

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development efforts, very close to the period of the countries declaring themselves highly poor and indebted, because they could not service their debts, even while they still maintained their development pace, is the defining moment to understanding the two countries' lack of ability to develop independently. Going back to our operationalization of the concept of underdevelopment, we will find that both Ghana and Uganda fit in this category. Neither, at this point, could develop independently without external support; and this cut them out as underdeveloped states.

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CHAPTER SIX

COMPARATIVE POLICY OUTCOMES IN GHANA AND UGANDA

6.1 Introduction

This chapter looks at the performance of Ghana and Uganda using statistical data that measured the development outcomes of the two countries. Some key indicators used in the measurement are carefully selected in order to indicate clearly the impact of policy on development outcomes. Key indicators like the gross domestic product (GDP), life expectancy, and mortality rate as well as education attainments as measured by retention rates are important indicators that determine a country's development credentials. These indicators are end results of policy implementation and will be pointers as to how effective policies have been and are summarised compositely in the measurement of the human development index (HDI).

In order to understand the figures more closely, it was necessary to compare the performance of the two case study countries with other African countries which are 'good' performers. It was also necessary to bring in a third country, Malaysia. Malaysia is selected for this purpose because it has similar geographical features and gained her independence almost at the same time as Ghana; and it also had almost the same development statistics at independence. There are several works such as Dadzie (2013), and Asare and Wong (1999) that compare Ghana and Malaysia and establish this early similarity. Such a comparison with other countries will give a good picture of the development strides Ghana and Uganda have made so far in their fight against underdevelopment in relation to the external world.

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6.2 Ghana's and Uganda's Human Development Index

The human development index for Ghana and Uganda, as the indicator purports, will measure the average achievements of the two countries in three basic aspects of human development: longevity, knowledge, and a decent standard of living. The index is an indication of where a country is in terms of development. Longevity is measured by life expectancy at birth; knowledge is measured by a combination of the adult literacy rate and the combined primary, secondary, and tertiary gross enrolment ratio; and standard of living is measured by GDP per capita. All these sub-indicators are also measured to give a detailed understanding of the performance of the cases under study in the discussions in this chapter.

The index can take value between 0 and 1. Countries with an index of over 0.800 are part of the High Human Development group. Between 0.500 and 0.800, countries are part of the Medium Human Development group and below 0.500 they are part of the Low Human Development group.[25]

Ghana and Uganda recorded neither high nor medium HDIs. From the statistics captured in table 6, Ghana is not recording a low HDI though it is neither high nor medium. Uganda consistently recorded a low HDI, and, except for the year 2000, it recorded a lower HDI than the low score itself. This shows that Ghana has a healthier economy than that of Uganda, even though neither country measures up to the high or medium growth indicated. This also confirms the underdeveloped status of the two countries. For Uganda to score below the low HDI measure means that the country's economic performance in addressing the basic needs of health, education, etc., is below average. Ghana goes a little above the low score and indicates a country

[25]. Seehttp://glossary.econguru.com/economic-term/Human+Development+Index(accessed 27-08-2013).

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striving to reach a medium capacity in the provision of the basic needs as reflected by the core composite indicators that the HDI measure.

Table 6- Ghana's and Uganda's Human Development Index

HDI Rank	Country	1980	1990	2000	2005	2006	2007	2008	2009	2010	2011	2012
	High HDI	0.605	0.656	0.695	0.725	0.732	0.738	0.745	0.747	0.753	0.755	0.758
	Medium HDI	0.419	0.481	0.549	0.589	0.599	0.609	0.617	0.624	0.631	0.636	0.640
	Low HDI	0.315	0.350	0.385	0.424	0.432	0.442	0.448	0.455	0.461	0.464	0.466
135	**Ghana** HDI	0.39	0.42	0.46	0.49	0.49	0.50	0.52	0.53	0.54	0.55	0.558
161	**Uganda** HDI	0.30	0.37	0.40	0.40	0.41	0.42	0.43	0.4445	0.45	0.454	0.456

Source: *HDRO calculations based on data from UNDESA (2011), Barro and Lee (2011), UNESCO Institute for Statistics (2012), World Bank (2012) and IMF (2012).*
http://hdrstats.undp.org/en/indicators/103106.html

Subsequent discussions will capture a comparative insight into how the two countries perform in the areas of GDP, Life expectancy, Infant mortality, and literacy rate

6.3 GDP of Ghana and Uganda Compared

The measurement of the Gross domestic Product (GDP) of a country gives a good indicator of the general economic performance of that country and will serve as a good starting point to understanding how a country's economy performs. In looking at the two countries, the GDP and purchasing power parity (PPP) of Ghana and that of Uganda show a consistent difference. While both countries have been experiencing growth since 1983, the GDP/ PPP of Ghana has shown an edge over that of Uganda. Table 7 below illustrates clearly figures that represent more than twenty years of tracking the GDPs of the two countries.

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Table 7 GDP of Ghana and Uganda, 1983-2006

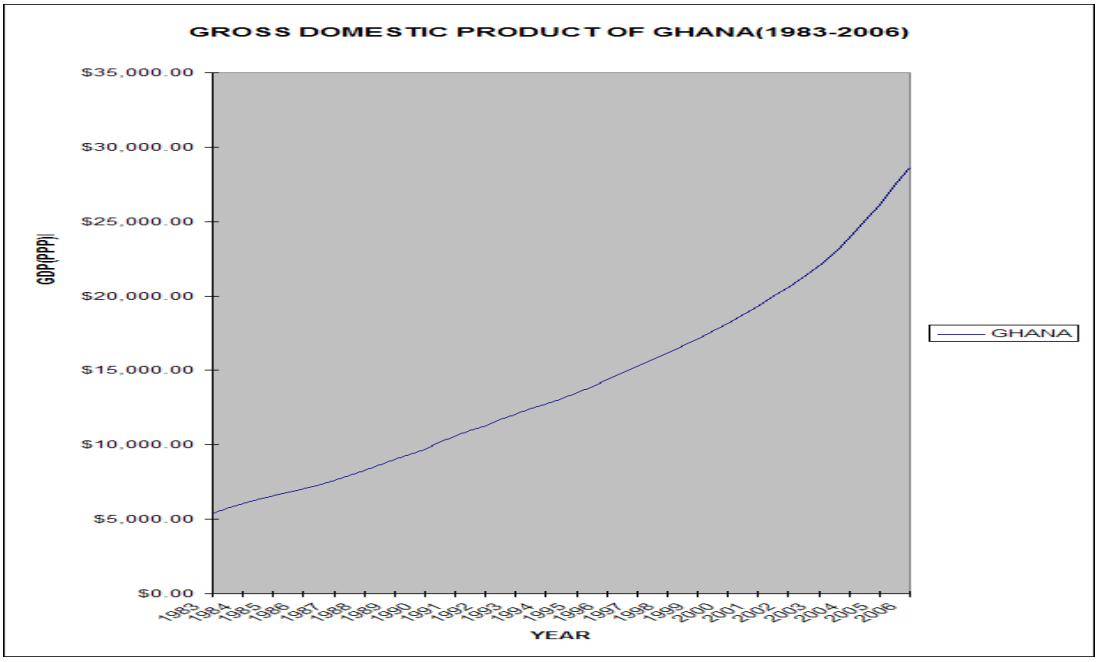
Year	Ghana (GDP PPP) $US	Uganda (GDP PPP) $US
1983	5370	4537
1984	6054	4691
1985	6557	4676
1986	7052	4798
1987	7594	5126
1988	8297	5740
1989	9049	6337
1990	9712	7009
1991	10583	7657
1992	11246	8101
1993	12063	8977
1994	12724	9753
1995	13517	11099
1996	14408	12336
1997	15624	13182
1998	16159	13982
1999	17113	15326
2000	18133	16543
2001	19313	17780
2002	20535	19249
2003	22063	20587
2004	23960	22320
2005	26141	24534
2006	28646	26692

Source: World Bank Development Indicators, 2009.

From Table 7 above, it can be seen that there has been a sustained rise in the GDP for both Uganda and Ghana. The resultant curve chart shows the difference between the two countries in terms of GDP per head. It also illustrates the relative difference between the two developing countries. Whiles there is obvious improvement in the performance of the two countries, the increase does not appear sufficiently significant to improve the development drive of the country. It is for this reason that the HDI is below the needed levels that will make each of these countries move to either a medium or high score. Indeed, it is the overall capacity of the economy that will determine its ability to deal with issues of health and knowledge base of the population and so on. In comparing the two countries, it is evident that Ghana has a better potential to respond to the challenge of addressing its development needs than Uganda does, as illustrated in the graphical presentation.

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Figure 4 Gross Domestic Product of Ghana, 1983-2006



Source: World Bank Development Indicators, 2009.

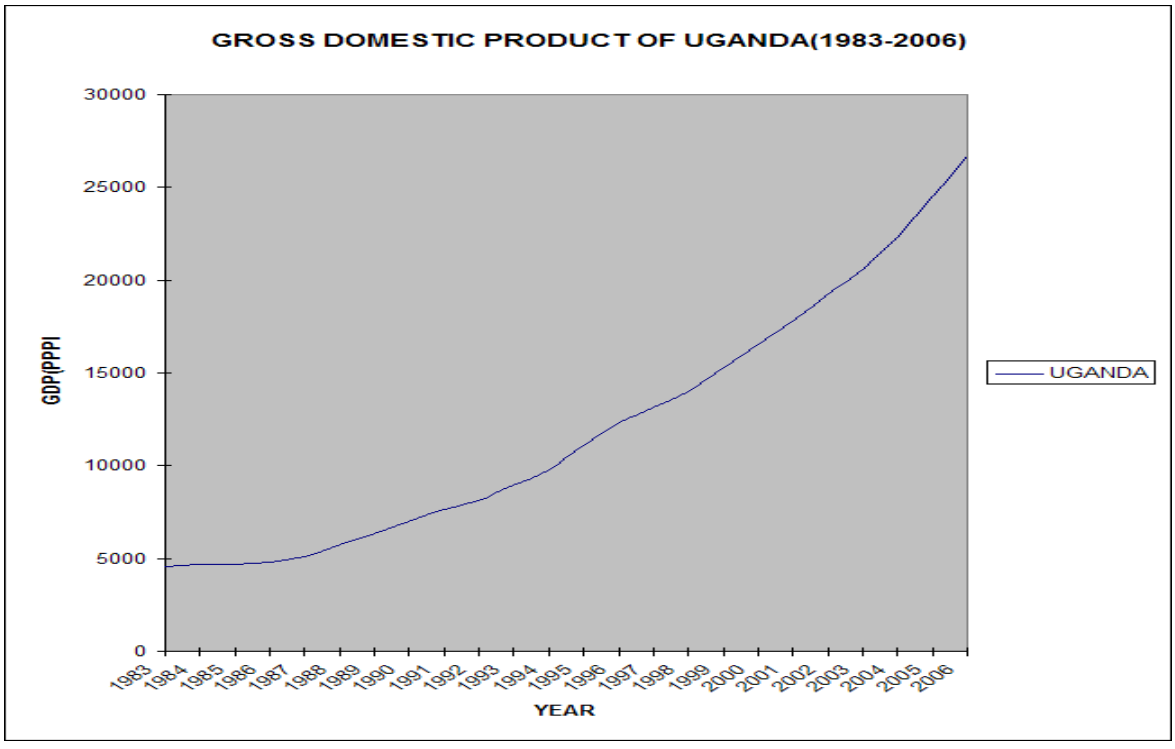
For example, in 1999 Ghana had a GDP/ PPP of US $17,113 compared to that of Uganda which was at US $15,326, and this trend continued throughout the period as illustrated above in the curve. While the rate of growth remains an important indicator of development, it is imperative to note that the GDP rate alone cannot provide a comprehensive understanding of development realities in the two countries. What the rate of growth will show in discussions below is the direct effects of policy on development. Policy largely responds to political and economic conditions; and an analysis of statistics is, often, a good measure of such outcomes. However, the sustained growth in GDP is a positive indicator that the economies of the two countries are experiencing development. What is noticeable is the slow growth which suggests a weak economic environment. For both countries growth has been consistent, even if not in large increases. The structural adjustment years show initial difficulties, with growth increasing only slightly initially but picking up in subsequent years, thus indicating some level of stabilisation of

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the economies. Without any new thinking apart from structural adjustment, GDP growth is consistent but remains slow.

Since the beginning of reforms in 1983, Ghana's GDP responded to the structural changes in the economy much more strongly than that of Uganda; and it was not until 1987 that Uganda embarked on structural and market reform. Figure 6.2 shows that in Uganda, the four years before the reform started were difficult years with very insignificant rises in GDP. In both countries, the reform periods witnessed an increase in foreign aid and higher levels of government expenditure on health care, education and investment in physical infrastructure. These investments translated into higher GDP growth as illustrated in Figure 5 below.

Figure 5: Gross Domestic Product of Uganda, 1983-2006



Source: World Bank Development Indicators, 2009.

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However, there was no significant improvement in the Human Development Index as shown in Table 5. After thirty years of reform, Ghana ranked hundred and fifty second on the global Human Development Index while Uganda ranked hundred and fifty seventh.

6.4 Life Expectancy

A discussion of the life expectancy of Ghana and Uganda may not give enough indication as to how each of the nations fared in its development strides. What it points out clearly, however, is that a good environment that ensures good health, food security and good sanitation will normally point at sustainable development. For both Ghana and Uganda, life expectancy is low in relation to the rest of the world; but it is relatively good in Africa. According to the World Health Organisation rankings, the overall life expectancy for Ghana in the world ranking is 143 at 64years in 2011, while Uganda ranks 171 at 56. In Africa, Ghana ranks 7 while Uganda ranks 29. WHO (2011)

Table 8 Life Expectancy at birth for Ghana and Uganda

Year	Uganda	Ghana
1980	50	53.1
1981	50	53.4
1982	49.9	53.7
1983	49.9	53.9
1984	49.9	54.2
1985	49.9	54.5
1986	49.7	55
1987	49.4	55.5
1988	49	56
1989	48.5	56.7
1990	47.9	57.3
1991	47.3	57.9
1992	46.6	58.5
1993	46.1	58.8
1994	45.6	59.1
1995	45.3	59.1
1996	45.2	59
1997	45.2	58.8
1998	45.9	58.6
1999	45.8	58.2

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2000	46.2	57.9
2001	46.9	57.6
2002	47.6	57.2
2003	48.5	56.9
2004	49.3	56.7
2005	50.2	56.5
2006	51	56.5
2007	51.9	56.5
2008	52.7	56.6

Source: World Bank Development Indicators, 2009

In relation to Table 8 above, it must be stated that between 1980 and 1992, a combination of factors may have been responsible for the reduction in Uganda's life expectancy. Two notable factors would be Uganda's HIV/AIDS afflictions and its civil war plagues, both of which have had dire consequences in the health status of the people. A positive correlation can be observed between GDP per capita and the human development index as well as the life expectancy in the two countries. The life expectancy at birth gives an indication of the average life span of a new born and serves as an indicator of the overall health of a country. Life expectancy at birth among Ghanaians and Ugandans has not significantly changed over the years (between 1980 and 2008) and thus still remains relatively low, as compared to the World's average. In 1999, Ghana had a life expectancy at birth of 58.2 years, contrasting with Ugandan's 45.8 years. A variety of other factors may also contribute to these differences. These include access to quality and affordable health care, access to clean water, and adequate sanitation. The performance of the two countries in the human development rankings is more meaningful when compared with the rest of Africa as discussed below, looking at the national economy.

6.5 Key indicators for Ghana and Uganda and Five other Countries

Table 9 below illustrates key statistical figures expressed in percentages for Ghana and Uganda as they performed among selected African countries and this includes periods prior to

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the implementation of the reforms and periods after reforms had taken place. The Table compared GDP growth and population growth, the incidence of poverty and adult literacy. These are important indicators that measure and establish the development strides of any country. Even though there was a higher population growth in Uganda than in Ghana from 1975 until 2000, and a higher annual average rate of GDP growth in the decade between 1990–2000, by 2000 Ghana recorded a higher average GDP growth than Uganda did.

However, what is particular about the performance of Ghana and Uganda is the consistency in good performance in comparative terms. Table 9 shows a marked good performance of Ghana and Uganda in GDP per capita and in Human Development Index ranking relative to the rest of the listed African countries. The positive performance of the two countries in the two key indicators in GDP and GDP per capita is significant in assessing how well or how badly the two countries fared over the years. Compared to the rest of the African countries listed below both countries had stronger growth experience in post structural adjustment experience. Thus, it proves true that, in Africa, Ghana and Uganda have shown distinctive performances in the structural adjustment years borne out of the statistical figures as captured in table 9.

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Table 9: Population, GDP, incidences of poverty and adult literacy of seven African countries

	Ethiopia	Ghana	Malawi	Nigeria	United Republic of Tanzania	Uganda	Zambia
Total population (millions) 2000[1]	63	19	11	114	35	23	10
Average annual growth rate in population(%) 1975 - 2000[1]	2.6	2.7	3.1	2.9	3.1	3.1	2.9
GDP per capita US$ (PPP US$) 2000[1]	668	1 964	615	896	523	1 208	780
Average annual growth rate in total GDP(%) 1990 - 2000[2]	4.7	4.3	3.8	2.4	2.9	7.0	0.5
Average annual growth in per capita GDP(%) 1990 - 2000[1]	2.4	1.8	1.8	-0.4	0.1	3.8	-2.1
Incidence of poverty (% population below US$1 a day (1993 PPP US$) 1983 - 2000[1], [3]	31	45	65	70	20	no data	64
Adult literacy rate (aged 15 and above) 2000[1]	39	72	60	64	75	67	78
Country ranking by HDI, 2002 (out of 173 countries)[1]	168	129	163	148	151	150	153

Notes: PPP = purchasing power parity
Sources: UNDP (2002); World Bank (2002); National Statistical Office (1998).

6.6 Infant Mortality

Another indicator that points to the development strides of a country is the infant mortality rate which measures the number of recorded deaths per every 1000 births. In the last twenty-eight years since the 1980s when the two countries came out of crises to implement structural policies, Ghana consistently recorded an improvement in its infant mortality rate. In 1980, the number of deaths stood at 93 while in 2008, the number of deaths per a thousand births stood at 51 indicating a huge reduction by 42 deaths, during the period, and representing 39.06 per cent (see Table 10). It is also true of Uganda as shown in the Table 10 below, there they has been a reduction in infant mortality.

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In 1980, Uganda recorded a whopping 110 infant deaths per 1000 births, and, after twenty-eight years, in 2008 the number dropped to 85 with a difference of 25 from the previous 110 deaths. This represents a 23 per cent drop in infant mortality. The statistics show that Ghana is doing better than Uganda. However, compared with Malaysia, the two countries have performed poorly.

Table 10: Mortality rate infant (per 1000 live births)

Number	Year	Ghana	Uganda	Malaysia
1	1980	93	110	26
2	1985	90	112	20
3	1990	75	114	16
4	1995	70	107	12
5	2000	71	98	9
6	2005	58	89	7
7	2008	51	85	6

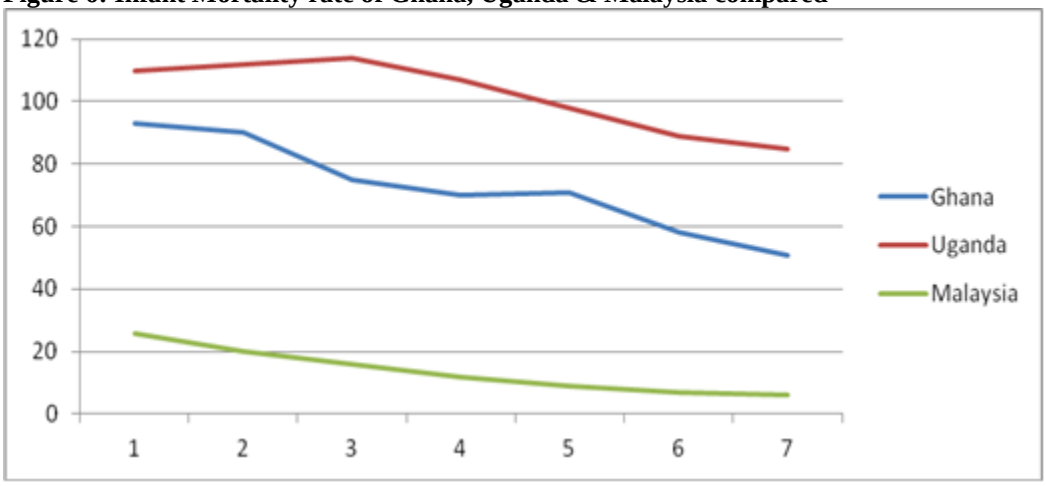
Source: Harmonized estimates, World Bank Indicators/World Health Organization- 2009

In 1980, the infant mortality rate in Malaysia stood at 26 and, at the end of the stated period in 2008, the number dropped to 6 with a difference of 20 representing a percentage drop of 77 per cent as shown in Table 10. Thus, even though Ghana and Uganda were able to reduce their infant mortality rates over the years, they did not achieve as much as to significantly reduce the rate to such levels as Malaysia was able to achieve. In Figure 6below, the comparison shows a vast difference amongst the three countries. Ghana highlighted in blue, shows a fall in infant mortality from 93 to 51 between 1980 and 2008, far less impressive than the performance of Malaysia which fell from 26 to 6 and showed a greater percentage of fall. This leaves Uganda's performance, shown in the red highlight and climbing down from over a hundred deaths per thousand to a mere 85, even far less remarkable. This shows Uganda's extremely poor health status within the study period and more than two decades after the implementation of structural

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adjustment policies. It also shows an ineffective policy response to addressing this important development indicator.

Figure 6: Infant Mortality rate of Ghana, Uganda & Malaysia compared



Source: World Bank Indicators/World Health Organization, 2009

6.7 Rate of Completion of Primary School

Education is fundamental to human development in all societies. Adult literacy according to the UN Development report (2008) is the percentage of those aged 15 years and above who are able to read and write a short, simple, statement in their everyday life. The effect of this social handicap, however, differs significantly from one group to another. Literacy makes it possible for people to cross barriers from the informal to the formal economy, for example.

Since the return to democratic government in Ghana and Uganda, several important steps have been taken by policy makers to address blatant exclusionary practices, in particular access to basic education. Some of these have led to policy and legal reforms, yet clear instances of exclusion still remain pervasive in Ghana and Uganda as compared to Malaysia with 96.4 per cent of students completing their last year of primary school (in 2007). This is against the

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background of the fact that MDG 2 requires children everywhere to complete primary education. Since 2004, access to basic education has improved considerably in both countries, as compared to previous years (see Table 5).

Table 11: Primary completion rate total (% of relevant age group)

Number	Year	Ghana	Uganda	Malaysia
1	1980	62.4	40.1	92.8
2	1991	63.7	-	91
3	1999	66.5	-	94
4	2000	69.5	-	-
5	2001	65.9	58.2	-
6	2002	68.2	60.2	91.9
7	2003	68.2	60.5	91.5
8	2004	67.3	56.3	95.1
9	2005	73.2	55.2	98.3
10	2006	69.9	-	96.4
11	2007	77.7	51.3	-
12	2008	79.2	56.1	-

Source: World Bank Development Indicators, 2009.

Figure 6: Primary completion rate of Ghana, Uganda & Malaysia
Source: World Bank Development Indicators, 2009.

In Ghana there has been a steady rise in school enrolment from 1980 to 2008 (see Table 11); however, the situation in Uganda is different. In Uganda, there was a rise in enrolment until 2003 when enrolment began to fall drastically. In the case of Malaysia, in all cases in the period under review, there was more than a 90 per cent enrolment record with only a small drop in total enrolment along the period. Compared with Malaysia, both Ghana and Uganda will have to do more in policy response to increasing enrolments that eventually determine the literacy rate of their countries.

Assessment of Ghana's progress towards the achievement of the targets of the MDGs as at the mid-point mark in July 2007 revealed that the relatively high increase in universal primary education from 2005 to 2006 could be partly due to the introduction of the capitation grant and the school feeding programme (Institute of Economic Affairs, 2008). The capitation grant

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provided schools with additional funds for enrolment of more school children based on a fixed amount of cash grant per child. Despite the apparent high increase in net enrolment and completion from 2005 to 2006, the attainment of 100 per cent universal primary education has still not been achieved yet. Certainly, this will require more public resources in terms of teachers, classrooms and other educational infrastructure. In the case of Uganda, since the introduction of the Universal Primary Education policy in 1997, the country has steadily increased its share of budget support to primary schools through the construction of new school classrooms using the School Facility Grant (SFG) scheme. The government has also provided assistance to communities and private schools, in a bid to improve the school-learning environment and to attract and retain children in schools (UNDP Report, 2008). This resulted in a steady increase in enrolment in primary schools over the years from 6.6 million in 2000 to 7.3 million in 2005 (see Table 10).

This notwithstanding, there is no clear explanation for the drop in enrolment between 2003 and 2005, a period which recorded a total reduction in enrolment by over 400,000 pupils. Only a very small proportion of children who are enrolled in primary one in the basic school system remain in school, a fact that affects the literacy levels and the overall enrolment in Uganda. The key reasons advanced for the high dropout rate include, among others, the cost of education (other than what is covered by the UPE programme), indifference/lack of interest to attend school, and sickness like HIV/AIDS of children and /or parents. In general, almost two thirds of pupils who enrolled in primary one are unlikely to complete primary seven in Uganda, (UNDP Report 2008).

In response to the difficulties which translated into poor life expectancy, Uganda and Ghana have developed various social intervention programmes and policies designed to improve

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their development landscape. Governments in these two countries have shown a commitment towards the implementation of various development policies aimed at achieving the Millennium Development Goals. A look at the performance of the two countries on progress towards the MDG will help to put the performance of the two countries into better perspective. The MDG performance indices of Ghana and Uganda are captured along the performance of three other African countries in table 12below.

According to the Guardian Report, since 2010, 49 poor countries have improved their overall MDG scores, 17 have declined, and 10 have stayed the same. This, according to the report, is a reflection of the general trend of accelerated progress although there are some obvious difficulties. Ghana and Uganda are part of the progress made in this general accelerated progress as shown in Table 12 below. The average performance of the two countries is above the average of low income and middle income countries. This shows their marked commitment in addressing the MDGs. It also shows that the policies put in place are appropriately responding to the challenges of meeting the MDGs.

Table 12 The MDG performance index for five African countries

	2013	**2012**	**2011**	**2010**	**2010 – 13**
Low income countries	3.88	3.87	3.28	3.2	0.68
Middle income Countries	3.96	4.02	3.72	3.84	0.12
Ghana	**5.5**	**5.5**	**5**	**5**	**0.5**
Uganda	**5.5**	**5.5**	**5**	**5**	**0.5**
Nigeria	3	3	2.5	1.5	1.5
Ethiopia	5.5	6	4.5	5	0.5
Tanzania	2.5	3	1.5	1	1.5

Source: The Guardian - *Guardianhttp://www.theguardian.com/global-development/poverty-matters/2013/may/29/millennium-development-goal-progress-data*

The striking thing about the performances of Ghana and Uganda is the photocopy similarity in their MDG performance indices. Compared to the other African countries the two

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countries have done well. This shows policy responses to development needs in practical terms. Real development challenges are posed in trying to address the MDGs; and to address them and achieve results is a mark of policy achievement in specific terms.

6.8 Changing role of agriculture in Ghana and Uganda

Table 13 below presents the changing role of agriculture in selected African countries. As it is well known, the agricultural sector received a lot of emphasis in both Ghana and Uganda in the immediate post-independence era. However, the significance of the sector varies considerably among the selected countries, as shown in the Table. In Ethiopia, Malawi, Uganda and the United Republic of Tanzania, agriculture is still the backbone of the economy, accounting for more than 35 per cent of GDP and employing more than 80 per cent of the workforce, with at least 70 per cent of the population living in rural areas. In contrast, in Ghana and Nigeria, though agriculture is still significant, it is no longer the dominant sector; and it generated only one-third of GDP and employed less than 60 per cent of the workforce. This is even more marked for Zambia where agriculture contributed only 17 per cent of GDP but employed 80 per cent of the workforce. Over all, the dominant role that agriculture played in both Ghana and Uganda at independence has considerably waned in Ghana while it is still significantly high in Uganda.

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Table 13 the contribution of Agriculture and its changing role in the national economy

	Ethiopia	Ghana	Malawi	Nigeria	United Republic of Tanzania	Uganda	Zambia
Contribution by agriculture to GDP (% total GDP) 1998[1]	50	35	36	32	46	45	17
Average annual growth rate in agriculture GDP (%) 1980 - 1990[2]	0.2	1.0	2.0	3.3	no data	2.1	3.6
Average annual growth rate in agriculture GDP (%) 1990 - 2000[2]	2.1	3.4	7.6	3.5	3.2	3.7	3.9
Percentage of workforce engaged in agriculture[3]	83	57	84	35	81	81	70
Population residing in rural areas (% total population) 2000[2]	82	62	85	56	72	86	56
Population residing in urban areas (% total population) 2000[2]	18	38	15	44	28	14	44
Rural population density (people per km^2 of arable land)[2]	520	325	458	250	640	368	105

Sources: World Bank (2000); World Bank (2002); FAO (2001)

6.9 Policy Failure

The outcome indicators discussed above are pointers to the difficulties Ghana and Uganda still face in managing their various economies to improve the lives of their people. This suggests policy failure and a dilemma which is expressly manifest here in two areas of practice. The first response is that despite a huge potential in natural resource endowments, the two countries are unable to translate that in real terms into positive outcomes in development. Food security, infant mortality, poor enrolment in school, and low life expectancy are still insurmountable issues.

The second issue contributing to the dilemma is that attempts at policy initiatives over the years since independence of the two countries do not appear to yield the targeted results. Not even external financing and policy prescription were enough to make a significant difference

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relative to the rest of the world outside Africa. A comparison with Malaysia in development indices as captured in this chapter has revealed the state of development of the two countries. This, however, should not give an indication that nothing is achieved by the two countries over the years in terms of development outcomes. Indeed, as can be found in this chapter a modicum level of success has been achieved. What remains a dilemma, though, is the apparent failure of development policies to reflect expected outcomes in terms of increased healthcare, food security, improvement of education, and increase in life expectancy.

6.10 Summary of Chapter

Ghana and Uganda made modest gains over the years of policy implementation, especially from implementing structural adjustment policies. Two types of comparison bring out two different pieces of relevant information. First, in comparing the performance of Ghana and Uganda to selected African countries, the two countries stand out among the best performers. It confirms, even if not completely, the fact of the World Bank reference to Ghana and Uganda as lead reformers in the structural adjustment years. But it also reinforces the raison d'état for the choice of the two countries, distance and location notwithstanding, as interesting case studies to help in understanding development policy responses to the challenge of underdevelopment in Africa. A second type of comparison is between the two best performing economies, on the one hand, and Malaysia, on the other hand, using selected indicators. In this comparison, the Malaysian performance is far better. This shows that what is represented as best performing in Africa, may not be best performing everywhere in comparative terms. Indeed, the two countries fared so badly when compared to Malaysia.

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This is amply confirmed by the inability of the two nations to stand on their own feet several decades after structural adjustment. They are still trapped in funding their budget through foreign aid under conditions they must abide by. Indeed the statistical presentation of the development performance of the two countries vis-à-vis Malaysia and their subscription to the HIPC initiative show that Uganda and Ghana might not be flawless examples of what neoliberalism has achieved in Africa, given that the economies of the two countries continue to rely on traditional primary exports with heavy dependence on multinational and bilateral donor support initiatives.

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CHAPTER SEVEN

ANALYSIS, CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

Throughout this work, the interpretation of development from a theoretical standpoint on how policy is understood and implemented has been key to understanding how Ghana and Uganda viewed their development policies. Policy was either understood to be state-driven from the dependency perspective or to be market-driven from the neoclassical perspective. Also a major reason for political struggle resulting in military coup d'états in these two countries was to change the interpretation of how policy and development should look like. This contributed significantly to the political instability in Africa for more than two decades after independence. A fundamental change that occurred and put to a stop the back and forth wrangling about the influence of theory in development policy was the new interpretation of the neoclassical theory that gave new meaning to policy definition. The donor community introduced the neoclassical counterrevolutionary theory, which became the overarching basis of conditional donor support and policy guidance in development practice in both Ghana and Uganda.

However, there were several other considerations that perpetuated political instability and ensured Africa's underdevelopment. Even though a nexus has been shown between political instability and underdevelopment in Africa (Collier, 2006), the development challenges cannot be solely attributable to the lack of political stability. Development crises in the continent, as revealed by the case study of Ghana and Uganda, have shown that the phenomenon is far more complex than it is often assumed to be. A combination of factors could offer a more nuanced explanation than the mono-causal perspectives. Broadly speaking, the following variables can be

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considered among the major factors that have shaped the policy direction and policy outcomes in Ghana and Uganda: Political Instability; Excessive adherence to ideology; Impact of donor conditionalities cum external interference; the quest for domestic political support; the level and genuineness of the commitment of political regimes.

7.2 The State and the Struggle against Underdevelopment

The central role of the new African states was to ensure that Africa was pulled out of its underdeveloped state. To achieve this, the state was pivotal in policy-making and in the execution of policy. All throughout the period under consideration in this study, the role of the state represented by its leadership has been paramount in interpreting development and development policy. In effect, leadership choices of a development path were a crucial element in the development process. For example, in both Ghana and Uganda the leadership at independence was largely influenced by the dependency theory and so development and development policy were pitched around the state. Thus, at independence state-led development was the acceptable development agenda for both Ghana and Uganda. Until the 1980s, the struggle about how development should be interpreted was a subject of all the struggles that went on as governments were toppled and new policies came into play and gave new interpretation to the development agenda. Thus, it was obvious at each change of government in Ghana, for example, that there was a change also in development policy direction either from a state-controlled or from a free market system.

The state was a crucial factor in all this and the aim was to control the state and then institute a system of development approaches. For state-controlled policies, nationalising private enterprises as was done in both countries, or establishing state-owned companies did not provide

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the right type of development atmosphere. In Uganda, Obote's decision to nationalise British companies for example created antagonism and led the British to support Idi Amin's most unproductive intervention. Besides, state-established enterprises were not yielding the needed fruits. In Ghana, investment in state enterprises was counterproductive as was seen in chapter four. However, selling these enterprises and laying off workers provided serious discomfort for the government. In Ghana, Busia's attempt to sell off state enterprises and lay off workers was met with street protests and eventually led to his losing power through a military coup. So the critical element was whether it should be the state or the private enterprise and this dominated the political and economic struggles in all the fight for development.

The eventual failure of the state to maintain a conducive political and economic environment for development and the need to have external influence in state affairs is consistent with the position espoused by Malima (2001) and Standbrook (1989)[26]. It also supports Schire's (2006) rejection of assumptions that the state is neutral and that it has the technical capability to promote development. This has created its own dilemma. The failure of the state to maintain a conducive atmosphere to ensure development serves as one explanation why Africa has always lagged behind in development practice. From independence until the structural adjustment years there has not been a decade of a consistent and sustainable development path for any of the two case study countries. This is revealing enough to conclude that a weak state would not support sustainable policy and would compete with external influences for control.

7.3 The Dilemma of Development Failure

The study found that the high expectation at the dawn of independence that kept the optimism of the people of the newly independent nations and the international community high

[26] See chapter 3 on literature review.

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was only short-lived. Ghana and Uganda were considered among the elite sub-Saharan African states with enormous socio-economic potential partly because of the natural and human resource endowments of the two countries. The first few years of development efforts after independence showed a positive correlation between expectations and development outcomes. The two countries performed quite well. However, by the mid-1970s both countries were counted among the least developed nations of the world with worrying signs that the countries would sink further into underdevelopment. Indeed, this came to pass when the two economies sank into uncontrolled political instability which halted development progress.

The assumption is that it was the concern of all governments in Ghana and Uganda, perhaps apart from the Idi Amin administration, to promote development and pull their countries out of underdevelopment. In all the efforts that went into this idea the underlying phenomenon was failure. None of the governments that were part of this study was able to make a dent significant enough to offset the image of underdevelopment tagged on Africa. The argument could simply be that they did not have enough time to carry out their visions of development. But what kind of vision could a leader like Idi Amin bring to the table after eight years in office marked by brutalities and unprecedented mismanagement of state affairs? Having questioned this blanket statement, it is still important to agree that some governments could have done well given the opportunity of longevity of office.

One could argue that the Limann and Busia regimes in Ghana or the Obote II regime in Uganda were very short-lived but could have done well if there had been a national consensus on the development programme of the countries and given their posturing prior to the military intervention. In later years, the Jerry Rawlings and Yoweri Museveni governments came to stabilize the development process and ended political disturbances resulting from military

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interventions. Development partners led by the IMF and World Bank found in the two leaders an opportunity to help develop the two countries. For more than two decades these support agencies have worked with the two countries.

After more than a quarter of a century of support and of applying all needed reforms, the two countries are recording more failures than successes. There are no signs that they can stand on their own feet to develop as equal partners. Instead, they have come to declare that they are highly poor and indebted and cannot service their debts and need debt cancellation in exchange for more support from the developed world. For the rest of the continent, the launch of the NEPAD initiative is an admission of failure of the African state because it shows that even at independence African countries do not have the capacity to develop without aid and the conditions attached to giving it. NEPAD, which is the latest of Africa's attempts to own its development policy, is hinged on Africa ensuring some standard of development conduct of the individual states so that they can benefit from aid from the developed West.

Thus, two strands of failure to develop were discovered in this study. First was when African states gained independence and were on their own to pursue development. The individual countries failed in various attempts to develop on their own. In the other strand, the West came in with structural reform policies meant to repair the economies and to lift the countries out of failure. So far, this has not been successful inferring from the examination of the development trends of the two case study countries. Structural adjustment has not met the development expectations of Ghana and Uganda. These countries still remain underdeveloped, dependent and poor. This is an important aspect of the story of Africa's underdevelopment. If colonialism was counterproductive and being decolonised cannot produce expected results even when aid and policies were brought from without the continent, what then will succeed in lifting

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Africa from the doldrums of underdevelopment? It is the dilemma we came to recognise in this study, even though such a question is already resolved as part of the findings in the study.

7.4 Political Instability

Notwithstanding the fact that political instability cannot provide a mono-causal explanation of the state of development in the two countries, it is worth noting that it contributed immensely to inconsistent policy direction and poor policy outcomes. A central assumption in this work has been that political instability is one of the causes of policy failure in Africa and development failures perpetuate underdevelopment, especially in the two countries studied. The finding in this study has supported this assumption. Indeed, the extent of political instability in both countries correlated with their development indices. The higher the number of internal conflicts the poorer the human development index.

The marked feature for both Ghana and Uganda are the frequent military take-overs which often shortened the life of governments. Not only did this disrupt any particular development agenda but it also resulted in truncating it altogether, irrespective of the potential outcomes of such policies at improving the lives of the people. The findings show that each time a regime was disrupted; the development trend was also curtailed. It appeared that some of the governments that assumed power did not have the required sense of urgency for national development. This was very clear in the Idi Amin regime in Uganda and the SMC II regime in Ghana. But a particular trend that emerged in this study is that emerging leaders tended to be more interested in political office than in the commitment to serve. Both military and constitutional regimes have been culpable in this practice. Ake's (2003) conclusion that the struggle for power in Africa was prioritised above the quest for development could be

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understood in the above context. Ghana, for instance, since 1957, has had four military coup d'états that overthrew three democratic republican administrations. Uganda, since its independence in 1962, has experienced three military takeovers that overthrew two constitutional governments.

In all these instances of military intervention to seize power, except for one or two situations, (for example the coup that toppled Kwame Nkrumah of Ghana and the military ouster of Idi Amin), the desire to satisfy a quest for power was stronger than the desire to push a development agenda. This underlines the difficulty of Africa to adequately address its perennial underdevelopment. Essentially, there have been policy disruptions all throughout the political history of Ghana and Uganda until after the mid-1980s when political stability and popular choice in governance took shape. The change was influenced by the new thinking of the Western donors that now redefined the traditional neoliberal interventions[27]. In the brief moments when each country experienced consistency of office in civilian regimes there were successful development outcomes. This was the case, for example, in the two years of the Busia regime and in the first two years of Obote's rule.

It appeared as though democratically elected governments turned out to be more committed in responding to the development needs of the people. Even though length of time in office matters, what was found to be most critical was for leaders to be focused about a particular policy direction and to commit to implementing it. Both Nkrumah and Obote, initially, had focused policy directions and in the early 1960s they chalked some significant successes until they each relapsed into political instability and fizzled out of relevance in the development process.

What was particularly intriguing was the willingness to take up arms to fight to

[27] See discussions in the theoretical framework.

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overthrow a government in the case of Uganda, where civil war broke out in the course of three regimes. In Ghana, this translated into military coup d'états only. This research found two key reasons for such a state of affairs. Firstly, those policies were not implemented as expected and resulted in development failures which then attracted some form of intervention. Secondly, that leadership was seen as an important part of running a government and the citizens, backed by the military, wanted to be part of it for its own sake.

Take-overs because of policy or development failure

It was found out that in all the regimes where there was a change of government by force of arms, development expectations were not being met. In both Ghana and Uganda, the prospects for development were very good and expectations were high soon after independence. The logical thing for the leadership was to have been successful in delivering development. To the contrary, the economies were not doing well after initial successes. This was enough motivation for the military to cash in on and cease power, with the masses of people readily offering support. Ake's (1996) position that leadership after independence recognised development as a critical component to replace the nationalist struggle against the colonialist was a reflection of what was real in the development discourse. With the failure of this development ideology the government was bound to collapse. So, essentially, the failure of regimes to deliver development attracted the military into action who then took over power by force of arms and, in some instances, causing a relapse into full blown out war as in the case of Uganda.

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Importance of Leadership and Lack of involvement

Leadership was a crucial deciding factor in all the regimes where political disturbances were pronounced and resulted in the overthrow of the regimes. After independence, the appetite to play leadership roles became high among the people for both Ghana and Uganda. For the two, leaders, (Nkrumah and Obote), in both Ghana and Uganda respectively, to proscribe the original constitution and declare a one-party state was to exclude the many others who were in the wings hoping to come into leadership positions. In effect, Governance was an issue. A one party state was only to attract a reaction that threatened the very foundation of the state and a move to challenge the status-quo. The absence of participatory democracy in most regimes was therefore a recipe for development failure.

7.5 Some Similarities in Ghana and Uganda

The study found some striking similarities in the development processes of both Ghana and Uganda. The two countries were found to have similar patterns of geographical features with a drier northern part and a wetter southern part. The two countries produced almost the same food crops; maize, sorghum, cassava, plantain, banana, millet etc. The two countries also started off after independence with statist views about development and made the state to take the lead in development. They were both, basically, socialist inclined. They both gained independence from Great Britain. Nine years after each country gained her independence there was a military intervention that toppled the government. Subsequently, each country experienced five military style take-overs. Also ten years after the last military take-over each of the two governments introduced a new constitution that democratised their countries.

For each of these countries, the last military take-over was led by a leader who went on to

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win the first democratic elections (after the introduction of the new constitution) and pursued a neoclassical development agenda after shedding off their socialist posture, largely influenced by dependency perspectives. Political instability was a marked feature for both countries from less than a decade after independence until the 1980s when, in Ghana, Jerry Rawlings took power and, in Uganda, Yoweri Museveni did same.

Two theoretical perspectives informed the policy views of the two countries and these were the dependency perspective that influenced state-controlled development and the neoclassical perspective that advocated free market operations. These two perspectives formed the theoretical underpinnings of policy decisions in the two countries and one of these perspectives was seen influencing policy interpretation each time a new government came into power.

Jerry Rawlings' coup that brought him to power came in 1981 and Museveni's in 1986. They both worked with the IMF and World Bank to implement structural adjustment programmes for their respective countries, Ghana in 1983 and Uganda in 1987, one year after each first took over power. The difference is that whiles Jerry Rawlings allowed the working of the new constitution put in place and bowed out of office after the two mandatory terms of office allowed by the constitution, Yoweri Museveni got the constitution amended to allow him to contest and stay in office beyond the two terms the constitution had previously stipulated. This, plus his high-handed and repressive acts against the opposition, may come back to haunt him one day. Essentially, the emergence of the two leaders marked the turning point in a definitive development policy direction of their countries and ensured sustainable economic growth.

As indicated in previous chapters and at the beginning of this chapter, ideological base on theoretical considerations were found to be a major determinant of policy direction in Ghana and

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Uganda. This finding is consistent with assumptions in the problem statement that development policy is driven largely by ideological understandings. Indeed, while the influence of ideology on policy is a global phenomenon, the case of Africa as exemplified by Ghana and Uganda can be said to be peculiar. In the case of the two countries, almost every regime change tended to be accompanied by fundamental changes in policy direction informed by a particular ideological or theoretical view.

7.6 Theoretical Underpinnings in Policy Choices

As was observed in chapter three, African leaders who emerged after independence sought to break from the colonial past by accepting a neo-Marxist or dependency theory which interprets development along the structuralist perspective. The findings show that for both Ghana and Uganda this was the pronounced line of thought at independence. The two most influential ideological pursuits that informed development policy for these two countries were socialist principles and capitalist persuasions. Adherence to these lines of thinking was to a fault as policies could be jettisoned only because they took their source from these persuasions. This phenomenon largely contributed to the inconsistency in the approach to development. The case of Ghana, where successive regimes abandoned the policies of preceding governments, on ideological grounds, offers a typical example.

Obviously, any policy requires some time to yield its expected outcome through consistent implementation and monitoring. It is logical to posit that in the Western countries the capitalist system has yielded an appreciable level of economic growth and development, partly due to the consistency or duration it has endured. To some extent, the relatively longer duration of capitalism in the West provided the opportunity for Europe and North America to learn from

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its initial shortcomings. This learning experience, with its accompanying adjustments over time, is critical for the successful outcome of any policy irrespective of its ideological undertones.

In the study, we found that citizens, acting on the strength of the military, were too impatient, in some instances, to wait for results and this resulted in some military interventions, such as the Busia and Limann regimes in Ghana, which both lasted barely twenty four months each; and the Obote II regime in Uganda, which endured barely three years. In all this, interpretation of development policy through a theoretical frame was a key reason for a military take-over. However, theoretical experiments and beliefs are not just tested for a few months for effect, especially when they inform policy.

For example, it took the Western nations several centuries to develop through capitalist-oriented policies and liberal democratic initiatives. Even the current neoliberal development framework is the outcome of the experiences and modifications of the earlier phase of capitalism. In the light of the foregoing analysis, it would not be less accurate to maintain that neither the state nor the market remained intrinsically good or bad. In principle, the specific circumstances in a particular state or region ought to determine the particular policy intervention needed. It has repeatedly been emphasized that even the most developed liberal economies such as the United States employed state interventions in various stages of their development history. These include President Harry Truman's 1949 "Fair Deal" and the Franklin Roosevelt's "New Deal" during the great depression (Leon, 1984).

More recently it has also been acknowledged that the South Eastern Asian countries like China, Taiwan, Malaysia and Singapore did not develop solely through the free market system. As noted by Mkandawire (2012, 2001), subsequent analysis has shown that the success story of state intervention was down-played in the reports on the economic growth and development of

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the "Asian tigers." The implication is that neither the state nor the markets should be held as ubiquitous panacea for development. The overall effect of the frequent changes of theoretical basis of policy which eventually terminated the development direction is that it kept the two countries behind progress. At each change in policy orientation the development trend is lost and the country retrogresses and remains fundamentally underdeveloped.

7.7 Donor Conditionalities and Neo-classical Counterrevolution Theory

In a significant number of cases, since independence, policy initiatives in Africa have been determined by conditions imposed by donors and external partners, particularly the World Bank and IMF. This can be buttressed by the case of Ghana and Uganda. In both countries, the acceptance of structural adjustment programmes as conditions for financial assistance has determined the policy orientation since the mid-1980s. It was evident from the study that the superstructure upon which the structural adjustment programme was built was the neoclassical counterrevolution theory which is the theoretical framework for this study. The theory prescribes not only market reforms based on neoliberal policies but also political reforms that ensured good governance. The findings were clear that both Ghana and Uganda walked this path of reform which restructured their economies and reformed their political systems. Once these policy steps were taken, the two economies were stabilised and grew more consistently. This presupposes that the economies had been growing, albeit inconsistently. Ake's (2003, 1996) contention that the development in Africa did not get started because of foreign control over the development process could be understood in this context

Earlier policy decisions did not take into consideration the need to have good governance emanating from public choice perspectives and the fact that people, including the state, would act

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on the basis of self-interest. From the 1980s when structural adjustment policies were implemented by the two countries, these features were landmark policy decisions which enabled a complete transformation of not only the two economies but also the political terrain of the two countries.

The study also found out that apart from structural adjustment, the decision to accept the HIPC initiative was largely also due to conditionalities imposed by multilateral and bilateral donors in return for debt relief. While countries were at liberty to either reject or accept donor prescribed policies, in reality Ghana and Uganda tended to accept the prescriptive measures of the international financial institutions when the crisis in which they were embroiled had gone so deep that they had no option than to accept the conditions imposed by their external benefactors[28]. This also involved the history of bad governance practices which became endemic and sometimes were cited as reasons for military interventions in Ghana and Uganda.

This, indeed, has defined the whole gamut of political change and economic transformation that have been witnessed in much of Africa, especially in sub-Saharan Africa, following conditional aid by mainly Western countries. Managing foreign aid effectively and ensuring corrupt-free regimes for countries to eventually wean themselves off dependency were leadership questions. It does presuppose that a large part of the blame of Africa's underdevelopment is due to the African leadership itself. This agrees with the assertions of Mills (2010) and Calderisi (2007) as captured in the introduction and in the discussions on literature review in this work. The conduct of Idi Amin, for example, could not have been blamed on any outside interference. It reinforces the view that the dependency perspective was not adequate in explaining the reason for Africa's underdevelopment nor could solutions of economic recovery and success be based on it.

[28] See discussions in Chapter 5.

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7.8 The Quest for Domestic Political Support

The study also found out that the quest for domestic political support cannot be discounted among the factors that have continued to shape policy direction in Ghana, Uganda and Africa as a whole. Bearing in mind the critical consideration of national sentiments in policy initiatives as a universal practical reality, it was clear that many of the policy actions taken by the leaders were simply to court the support of the people.

In Ghana, for instance, key policies such as Acheampong's revaluation of the local currency in the early1970s and his repudiation of foreign debt were partly based on the NRC/SMCI regime's desire to court domestic support which was crucial to the survival of the military regime. Earlier, Prime Minister K. A. Busia's decision to repatriate nationals from other West African states in 1970, a policy which particularly affected Nigerian nationals living in Ghana was also partly orchestrated to court domestic political support. This is also true in the case of Uganda when General Amin deported Ugandan Asians and other foreigners largely to impress Ugandans and to court domestic political support. This suggests that some actions by state actors in the two countries in the study period were based on self-interest to preserve the life of the state. This gives credence to the analysis of the theoretical frame which stressed the element of self-interest in policy-making and implementation. Thus, apart from the impact of ideology and donor conditionalities, the dynamics of local politics were found to also influence policy decision and outcomes in the two countries, and by inference, in the majority of African states.

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7.9 The Genuineness of Commitment of the Political Regimes

It is equally relevant to indicate that contrary to the views espoused by Ake (1996) and Ferguson (1994), that development as a concept was never on the table and was only used as an ideology to replace national ideological struggles, there was evidence as shown in chapter five that despite the several instances of corruption and abuse of incumbency, there were political regimes with a genuine motivation to improve the welfare of their people (Mkandawire, 2012; 2001; Olukoshi, 1998). From the discussions in chapter three, there was an assumption that policy-making in general required certain technical competencies and specialized knowledge throughout all the stages of the policy making process. The finding in this study has proven that the political regimes sometimes lacked commitment to the design, implementation and assessment of policies and programmes.

Nevertheless, despite their shortcomings and criticisms of their opponents, the Nkrumah regime can be said to have exhibited a significant level of commitment to Ghana's development. The Rawlings and Busia administrations also showed some genuine commitments towards development despite their shortcomings. In Uganda, Museveni also demonstrated a similar commitment. To some extent, the genuineness of the aforementioned regimes could be deduced from their willingness to be pragmatic in carrying out policy decisions while sticking to needed development considerations.

At various points in time, Nkrumah had to shun his regime's socialist orientation for a pragmatic alliance with the West to realize key development objectives such as the Akosombo Dam. Similarly, Rawlings backtracked from the PNDC initial communist rhetoric for structural adjustment in the wake of the crisis of the early 1980s, while Kufuor pursued pro-socialist policies like the National Health Insurance, the National Youth Employment Programme,

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Capitation Grant cum School Feeding Programme and a host of other policies, despite the NPP's capitalist ideological orientation.[29] Under Museveni, Uganda has also witnessed similar commitment. Thus, policy direction and outcomes in both countries have also been shaped by some level of genuine commitment of the political regime seven though they might not have succeeded (Mkandawire, 2012; 2001; Olukoshi, 1998).

7.10 Extraneous Variables

Apart from policy failures due to human factors the study found out that there were some other factors that were responsible for the underdevelopment of Africa. In the 1970s, Africa was struck by a series of calamities which included a prolonged drought between 1968 and 1973. Both Ghana and Uganda suffered this fate at various times. In the case of Ghana, there was another drought in 1983 during which the nation's cocoa farms got burnt. Food production was also reduced. This largely affected the agricultural sector which remained the back bone of the economy. In newly independent Africa, including even well-established economies, this dire situation was enough threat to throw any development policy to the winds. It has also been observed that in both Ghana and Uganda, conflict and military interventions invariably retarded development.

These revelations make it almost impossible to assign Africa's underdevelopment to mono-causal factors such as exploitation of the developed West or economic mismanagement. What this finding brings out is that in objectively analysing the development challenges Africa faces, it would be important to move beyond mono-causal explanations.

Of course, it is true that in many instances of development failure in sub-Saharan Africa, there was accompanying leadership failure which has a direct negative effect on the outcomes of

[29] See Chapter Four.

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development policy. As may have occurred in other African states, in nearly three decades after Ghana and Uganda gained their independence there were scenarios of leadership failure due to lack of good governance. Indeed, this study has shown that with improved governance, the two countries experienced some relative stability as well as some modest growth in development, though the potential effect of extraneous factors cannot be discounted.

7.11 The Human Capacity Factor

In the study it was found that in both Ghana and Uganda there was not enough capacity to develop policy beyond what was prescribed through donor influence. This is problematic, especially for countries seeking to own and drive policy. The policy-making institutions that were discussed earlier only existed to examine policy proposals but none seemed capable of originating and putting forth convincing policy alternatives to the prevailing situations the countries found themselves in. Not even one situation, in the least, was seen in which a technocratic body, through research, challenged the status quo in policy-making and delivery. This was basically because the government did not have such research institutions nor did they adopt the existing ones in which policies could be subjected to scrutiny by capable technocrats. This lack of institutional and human resource capability in policy-making is a bane to the efforts at fighting Africa's underdevelopment.

7.12 Summary of Findings

This study dealt with the challenges of development in Africa, with Ghana and Uganda as case studies. Qualitative data were collected from both countries, and analysed. The study found several similarities between the two countries. Nonetheless, there were also some differences. A

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strong correlation was established between the extent of political stability and the level of socio-economic development attained by the two states. In both countries, repeated, unplanned and unconstitutional changes of government or irresponsible military leadership did not allow for policies to be implemented to their logical conclusions. Not only was that the case, but there was also a perceived lack of urgency in the political regimes that emerged to address the problem of underdevelopment.

Despite this situation, it has also been indicated that, notwithstanding the perceived corruption and general mismanagement that characterised most of the regimes and their leadership, some political regimes demonstrated genuine commitment towards national development even though they might not have succeeded (Mkandawire, 2012, 2001; Olukoshi, 1998). Contrary to the sceptics views shared by Ake (1996) and Herbst (1989) that development in Africa has been a tool for political control, the available evidence in this study shows that this cannot be a sweeping statement. It shows in the regimes of Jerry Rawlings and Yoweri Museveni for example that some leaders can be committed in delivering development.

Besides, the policy direction of the two countries was found to have been influenced mainly by the ideological disposition of incumbent regimes as well as by conditions imposed by international financial institutions and other external partners that granted financial assistance to the two states. The quest for domestic political support also influenced the policy choices of incumbent regimes while there were extraneous variables such as drought and other natural disasters which affected the agricultural sector, the backbone of the two economies.

Using the neo-classical counter revolution theory as the framework for analysis helped in looking at policy impact from two different dimensions: 1. the dimension of the donor point of view that sees development as efforts to change political and economic frameworks and 2. The

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dimension which compelled the two countries to shift from established beliefs to act in compliance with donor prescriptions. This theoretical analytical framework proved to be the most veritable framework though its intentions were never meant to solely interpret development to the advantage of the beneficiary of donor support.

7.13 Recommendations

7.13.1Ensuring Effective Policy Machinery

As an important measure, the two countries must develop effective policy machinery within the context of their internal and external challenges. To do this, the policy process must be clear, streamlined and devoid of the kind of assumptions that has dominated policy-making in Africa throughout the period of structural adjustment. For example, policies about development must not be made with a narrow target as with the assumption that Africa is poor and the target would be to reduce poverty. Nor should policies be driven by an external influence that would presume to understand Africa's development challenges more than the Africans themselves who experience these challenges. The approach to policy during the implementation of the SAP was to prescribe a set of policy directives and hand them over for conditional implementation.

To avoid this, policies should have a targeted understanding of the problem they seek to address, and this must be done with stakeholders' involvement. In this regard, policy must be placed in its proper context and with the need to recognise that outcomes are not always directly correlated with the policy pursued as we see in the discussions. If policy is clearly defined to address particular development challenges its implementation can easily be monitored with effect.

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7.13.2 Democratization of the Policy-Making Process

Given the history of policy-making of the two countries (Ghana and Uganda), it is important that policy making be defined more in the interest of the nation than to the dictates of individuals or interest groups. This calls for a democratisation of policy-making in which the people for which the policy is being made share in the process of making it.

Even though most of the initial policy changes that occurred in the early days of structural adjustment were the result of strong leadership, they took place with little or no involvement of, nor consultation with the people. It is recommended that there must be involvement through consensus building in policy-making to ensure sustainability. The processes discussed in chapter four in which key policy actors are involved must be sustained and deepened for effect. A policy, once built through democratic means, would generally be accepted and has a chance of greater success than one imposed from without. This is the terrain in which Africa should now find itself. As much as possible, democratic means of consensus-building must be applied in policy initiative, policy making and implementation as well as in monitoring and evaluation.

7.13.3 Ownership of Policy

It is important that policies, once they are developed on consensus, are owned by the countries pursuing them. Development policies, in whatever form, need local ownership through formulation, implementation, and monitoring processes. This is crucial for Ghana and Uganda to wean themselves away from perpetual external imposition of policy directives which are largely detached from the population.

There are two major reasons why the two countries should emphasize ownership as a

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necessary input in policy-making. The first is that civil society and the private sector including government agents themselves need such ownership to be able to confidently invest their time and resources with certainty. The second is that ownership matters in the success of economic policies and other development programmes. In ownership, the country is able to carry its citizens along in the formulation and acceptance of full responsibility for the outcome of the development programme that emanates from policy.

Ownership of development policy ensures that the country's commitment to policy implementation is stronger. This will enable African countries to go beyond the commitments they exercise in implementing IMF/World Bank policy prescriptions to practically working on their own policy initiatives more forcefully.

Also importantly, taking ownership of the changed situation will help Africa internalize the policy initiatives that serve as best practice and a framework of change and progress. This is a necessary step to take for Ghana and Uganda which have made some positive progress in the past, implementing structural adjustment and reform programmes.

Again, policy ownership will ensure that the gains African countries have made in the adjustment and stabilization years are not reversed but are enhanced as experiences that have changed the political and economic development landscape positively. For Ghana and Uganda, the experiences and best practices should be put together to build useful capacity for defining their policy approaches. This will be aimed towards addressing the age-long vulnerability of the Ghanaian and Ugandan economies which are subjected to external shocks and internal disruptions such as crop failure and adverse weather conditions. A more prudent approach to economic development should be to prop up private investment, and for private public cooperation in development practices. It must, however, be acknowledged that policy ownership

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by the ordinary Ghanaians and Ugandans would be very challenging in the interim, since the countries are stilled tied to various conditionalities already imposed in return for loans and grants required to cushion the perennial budget deficits. However, in the long run, the direction to go is for Africa to wean itself off the stranglehold of donor support and conditionalities and to develop environmentally friendly policies in the development ecosystem.

7.13.4 A Critique of Policy Ownership and What to do

The recommendation for policy ownership is important as discussed above but it is easier said than done. There are two reasons for this state of affairs. First is the inevitable drift of both Ghana and Uganda towards the IMF/World Bank for financial assistance, having found their economies in precarious conditions emerging out of crises of various descriptions.[30] Both Ghana and Uganda had to repudiate their earlier socialist rhetoric and radical stance in order to accept conservative neoliberal policy prescriptions to address their dire economic challenges. This showed the hopelessness of earlier attempts by the two countries to get themselves out of the economic mess in which they found themselves using socialist methods. In this situation, they had no choice but to welcome external support which came as a package of policy prescription and financial support.

The second is that, given the huge interest of the donor community in policy-making and implementation processes as an ideological tool, as discussed in chapter four, African countries have little chance to originate and own policy. Taking structural adjustment as a clear example, neither the President of Uganda nor that of Ghana had a chance to define the tenets of the policy process, not to speak of going ahead to localise and own it. This also goes with the policy to accept the HIPC initiative which enabled the two countries to work along with the donor partners

[30] See discussions in Chapters Three and Five.

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to have their debts forgiven. Ghana and Uganda merely accepted the broad proposals, referred to as the decision points. This, therefore, poses a real challenge to owning a policy which is developed, financed, and supervised from without for reasons which have desirable implications to the sponsoring agency/state.

However, the recommendation is that, policies, wherever they come from and however they come to be must be understood to have far-reaching consequences on the lives of the people and must be localised for effective implementation. This means that such policies must be studied with keen interest and analysed in relation to the local situation. In the process, aspects of the policy will emerge as corresponding to the particular needs of the country and leadership would stress on that and carry them out to the fullest. Here leadership commitment to good governance practices is key and should guide the policy process. In these endeavours it will be important to get the people involved through consultations and discussions to the point of implementation of the policy. Thus a fundamental requirement is to take policy however it comes about, (whether through self-made or imposed by conditions) and localise it through involvement of its beneficiaries, for the ultimate benefit of the people

7.14 Non-Policy Recommendations

7.14.1 Ensuring Political Stability and Good Governance

From the preceding analysis one major contributory factor to the success in reform for both Ghana and Uganda was the significant correlation between political stability and sustainable economic growth. Where there was a secured tenure of office there was relative success. From the democratic experience of the two countries, it is recommended that leadership, be built on democracy and consensus to ensure political stability. The political reforms that accompany the

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structural adjustment programme must therefore be sustained throughout Africa.

Again constitutional provisions that guarantee freedom and justice to the people must be upheld and guarded. The leadership must not be bigger than the people, and so, through democratic means, leaders must at all times be subjected to the will of the people.

In this regard, it will be important for both Ghana and Uganda, and for that matter Africa, to allow a smooth operation of their constitutions and the rule of law. This will multiply the positive development effect, as it shows clearly that economic and political policy formulation and stability greatly impacted on the practical outcome of development policy. Various research studies confirm the findings that policy formulation and success depend primarily on domestic political-economic factors (Rodrik, 1996; van de Walle and Johnston, 1996).

7.15 Recommendations for Future Research

7.15.1 Citizen Involvement and Responses

The gravity of the underdevelopment situation in Africa is herculean and demands more extensive research. It will be important as a future research area to look at weighted responses of the populations of the two countries about the making of and the outcome of development policy and the extent to which citizens are involved or wish to be involved in the policy process. This will help understand the kind of influence the population has or will want to have on the policy-making and implementation. This is important because it will help streamline policy and promote transparency and accountability in the policy process.

According to Olukoshi (2005), increasing citizen protest in Africa constitutes an important dimension of change which addresses the core of the political system, including the process of the constitution and the legitimacy of the state. The potential for political conflict in

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the two countries and the manifestation of it in the past suggest that the population might just be reacting to the kind of leadership and quality of services the society is served, as well as to the tardy development pace the African continent is known for. This calls for more thorough research and analysis at two levels:

1. The analysis of the direct human influence in retarding development policy drive. This will look at the general apparent fatalistic acceptance of the state of Africa by the African, as if to suggest that it is normal for Africa to be underdeveloped, poor and needing help which must come from somewhere else other than from within.
2. The mind-set that leaders in Africa carry into the leadership of their countries, their desire to extend their influence beyond their legitimate period of leadership and their inability to reflect on their failings, also needs to be researched into. Most leaders seem satisfied that they have praise singers who keep telling them they do well even when they are failing. It will be important to unearth the depth of failure in all the layers of half-truths and lies about the true state of African nations as they trudge along to address their development challenges in a highly competitive world.

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