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External Debt and Economic Growth in Ghana

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Abstract

This study analyses the effect of growth rate of external debt on the growth rate of GDP and finds out whether Ghana suffers from a debt overhang problem. The results from a Johansen multivariate cointegration method employed on our data showed that (i) there exists a stable long run relationship among GDP, labour force, investment, exports and external debt; and (ii) the long run effect of external debt on GDP has been positive and that Ghana is not suffering from any debt overhang problem. This means that importation of capital or reliance on external resources will help promote economic growth in Ghana. It is therefore recommended that every effort should be made by authorities to make Ghana much more attractive to external resources. The results of the study also indicate that military coups (political instability) have not been significant in explaining the growth rate of GDP in Ghana.

Background

In most economic development literature, the decades of the 1950s and 1960s are often described as "golden years" for developing countries because the rates of growth of these economies were not just high, but were mostly internally generated. In these decades, the less developed countries (LDCs) increased their investment with little reliance on external resources. In the 1970s, however, the inability of LDCs to generate sufficient domestic savings for capital formation to foster economic growth compelled them to rely on importation of capital. Hence, growth in the 1970s was "external debt-led" as these countries maintained persistent current account deficits, and borrowed heavily on the international capital market to finance the payment gap. Borrowing from abroad was highly favoured as a way of promoting economic growth. In the process, little attention was paid to the liabilities side of the current account deficit which increased the external indebtedness of these countries, until when Mexico, despite being an oil exporter, declared in August 1982, that it could not service her debts. Since then, the issue of external debt and its servicing has assumed critical importance and introduced a "debt crisis" debate.

Despite the tremendous improvement made in the debt situation of most middle-income debtor countries since the onset of the debts crises in 1982, a group of low income countries classified as Heavily Indebted Poor Countries (HIPC) has continued to experience serious relatively high stocks of external debt. Out of the 41 countries classified as HIPC, 33 (or 80%) including Ghana are in sub-Saharan Africa (SSA). The majority of these countries also fall under the existing classification of countries with low income and low human development.

In the last two decades, many LDCs have faced acute external debt servicing problems. There are varied reasons for this. Some debt problems have resulted mainly from the inefficient use and control of borrowed funds by debtor countries. But in most debtor countries, returns on investment had not even covered debt servicing cost, while in others, an inadequate policy framework for debt management has led to accumulation of external debt that has proved too excessive for the countries debt servicing capacity. In effect, many debtors have faced a much higher-than-anticipated growth in debt servicing repayments relative to the growth in the exports of goods and services (Essien and Onwiodwokit, 1998).

As at 31st December, 2004, Ghana's total external debts, including obligations to the IMF, was estimated at US \$6,426.8 million. Long and medium term debt stock at the end of 2004 stood at US \$6,086.0 million. In addition, debt stock owed to Paris Club creditors was estimated at US \$ 275.7 million. However, multilateral and commercial debt stock stood at US \$5,325.6 million and US \$347.4 million respectively (Bank of Ghana Annual Report 2004).

The external debt problem which has had a profound influence on the economy in the recent past can be traced to the early 1980s which was the aftermath of the occurrence of the oil price increases of the 1970s. Furthermore, the nation's inability to meet all its debt repayments constitutes one of the serious obstacles to the inflow of external resources into the economy. The accumulation of debt service arrears which is compounded with penalty interest has not permitted reduction in the debt stock, despite the fact that the government has been servicing its external

debt with US \$272.11 million since 1995. In 2003 alone, debt service was estimated at US \$126.14 million while the total external debt service arrears up to December 31, 2002 was estimated at US \$6,381.33 million. Thus, the cumulative total debt service requirement totaled US \$7,908.43 million by the end of 2003. The above statistics shows, on one hand, that there has been a considerable injection of foreign resources (capital) into the Ghanaian economy which should help promote accelerated growth of the economy. On the other hand, it reveals that there has been increased outflow of resources (in terms of debt servicing) leaving little to support domestic economic growth.

This study, therefore, sought to find out (i) what has been the impact of the external borrowing (debt) on the economic growth of Ghana since there is much controversy as to the relationship between external borrowing (debt) and economic growth; and (ii) whether Ghana suffers from a debt overhang problem. A study of this nature has the potential to influence debt and its management for sustainable growth of the economy.

Overview of Ghana's External Debt Profile

Even though the problems that led to Ghana's debt burden are not different from those that affected other developing countries, certain politico-economic points have been singled out. These comprise the following:

- i. Soon after independence Ghana embarked on a rapid industrialisation programme that resulted in huge spending, internal political instability and frequent changes of government through military coups, affecting continuity of developmental projects.

- ii. Political appointees were put into sensitive positions irrespective of their training skills and expertise and this led to mismanagement and a collapse of accountability. Scarce foreign exchange was spent on military software and ammunition instead of gearing it towards self liquidating projects and infrastructures that would induce investment, savings and employment. With this gross dissipation of internal and external financial resources since the attainment of independence in 1957, it is not surprising that Ghana, once a rich gold and cocoa producing country, should plummet into heavy external debt. Figure 1 shows trends and changes in Ghana's debt stock for period, 1970 – 2004. It can be gauged from the table that the external debt has been increasing continuously except in 2004 when it declined from \$8,034.57 the previous year to US\$6,426.77. Ghana's external debt reached a peak of US\$ 8,034.57 million in 2003 before falling by 20.00% in 2004 to \$6,426.77 million. This is due to the fact that in July 2004, Ghana reached the completion point of the Heavily Indebted Poor Country (HIPC) Initiative. With this development, a total amount of US\$ 3.5 billion of debt was earmarked for cancellation by the creditors. The country was expected to save an estimated US\$ 230 million annually in debt service. As a result of the debt cancellation, the stock of external debt declined from US\$ 8,043.6 million at the end of 2003 to US\$6,426.8 million at the end of 2004.

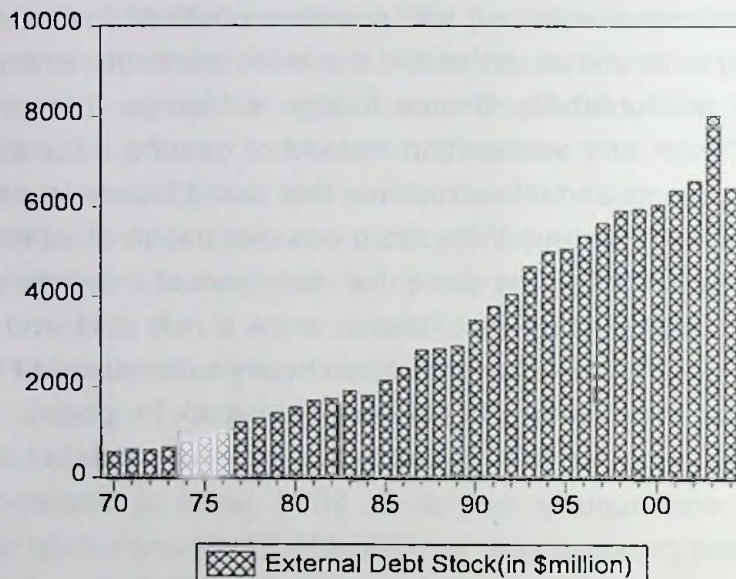


Figure 1: Ghana's External Debt Stock from 1970-2004 (in millions of dollars)

Source: The State of the Ghanaian Economy, various issues Bank of Ghana Annual Reports.

In spite of the continuous increase in total debt stock within the period of study, the total external debt as a percentage of GDP continued to fall; from a high of 157.3% in 2000 to 72.2% in 2004. This downward trend of external debt/GDP ratio is attributable to the debt relief enjoyed by Ghana as a result of Ghana reaching the completion point of the HIPC initiative.

Sources of External Debt

Ghana has contracted a number of debts from external sources. Some of them are discussed below:

Table 1: Distribution of Ghana's Short and Long Term External Debt By Major Sources (in US Million Dollars)

	1970	1971	1978	1979	1980	1983	1985
(A) short - term debt							
a) Arrears of current payment	na	na	123.6	292.3	221.3	358.2	124.4
b) Other arrears	na	na	163.8	136.0	137.1	54.4	29.3
c) Loans and overdrafts	na	na	40.6	50.5	63.8	12.3	29.0
Total (A)	64.4	46.8	321.0	478.8	422.2	424.9	182.7
(B) Long - term debt							
a) Bilateral	na	na	294.1	312.3	342.1	398.70	354.1
b) Multilateral	na	na	187.1	230.9	0	446.80	555.7
					320.3		
					0		
Total (B)	479.2*	509.4*	481.2	543.2	662.3	845.50	909.8

*includes medium term debt

1987	1990	1997	2000	2003	2004
59.8	0.00	0.00	0.00	0.00	0.00
0.00	53.83	0.00	0.00	0.00	0.00
0.00	0.00	287.00	275.00	474.77	330.30
90.1	53.83	287.00	275.00	474.77	330.00
444.0	466.60	1314.23	1592.06	2106.10	412.98
1,143.1	1,711.98	3,280.68	3812.28	4722.90	4858.71
1,587.1	2,178.58	4594.91	5,404.34	6,829.00	5,271.69

Source: Bank of Ghana Annual Reports

The Table 1 shows the sources by which Ghana's external debt is contracted in some selected years. Short term debts have been rising and falling since 1970. This trend has continued as a result of conditions that normally come with official loans. Some writers have called obtaining loans from the World Bank and its affiliates "the selling of sovereignty". This development of borrowing from abroad at stiffer rates and shorter maturities to finance unviable economic projects is one of the reasons attributed to the worsening debt situation of most less developed countries, including Ghana.

The short term external debt which was \$241.0 million in 1986 decreased by \$150.9million (62.6%) to \$90.1million in 1987. The fall was attributed to the full payment of short-term loans and overdrafts as well as reduction in arrears of current payments. During the year 1987, Bank of Ghana paid \$91.2million of its short-term loans and overdrafts and reduced its arrears on current payments from \$122.2million to \$59.8million. The summary shows that a dramatic decline in the short term debt was witnessed in 1990 where it was estimated at US\$ 53.83 million.

Long term loans accounted for the largest proportion of the total debt. Multilateral long-term loans form the largest proportionate share of the total external debts. The current structure of Ghana's debt is considered to be favourable for development efforts as over 82% of the debt is long term. The relative proportions of short-, medium-, and long-term debt in 2000 were 5%, 6% and 89% respectively. By 2005, this had changed to 8%, 10% and 82% (ISSER, 2005).

Theoretical Framework

The theoretical literature on the relationship between the stock of external debt and growth has largely focused on the adverse effects of "debt overhang." Krugman (1988) defines debt overhang as a situation in which the expected repayment on external debt falls short of the contractual value of debt. If a country's debt level is expected to exceed the country's repayment ability with

some probability in the future, expected debt service is likely to be an increasing function of the country's output level. Thus, some of the returns from investing in the domestic economy are effectively "taxed away" by existing foreign creditors, and investment by domestic and foreign investors—and thus economic growth—is discouraged. Under such circumstances, the debtor country shares only partially in any increase in output and exports because a fraction of that increase will be used to service the external debt. The theory implies that debt reduction will lead to increased investment and repayment capacity and, as a result, the portion of the debt outstanding becomes more likely to be repaid. When this effect is strong, the debtor is said to be on the "wrong" side of the debt Laffer curve. In this case, the debt Laffer curve refers to the relationship between the amount of debt repayment and size of debt. However, the idea of debt Laffer curve also implies that there is a limit at which debt accumulation stimulates growth (Elbadawi, et al., 1996). In reference to an aid Laffer curve, Lensink and White (2001) argue that there is a threshold at which more aid is detrimental to growth.

A number of macro-economic models have been constructed for the analysis of foreign debt and economic growth (see, for example, Eaton and Gersovitz, 1981; Reidel, 1983; Selowsky and Van Der Tak, 1986). All these models retain the fundamental structure of the debt – cum – growth hypothesis with little modifications. The Eaton and Gersovitz (1981) model for instance attributes the crisis to both external shock and inappropriate domestic policies. The debt stock is postulated to take cognisance of GDP, expected variability of export, population size and the rate of income growth. In other words, the model postulates that external borrowing is undertaken because of export revenue shortages, population growth and slow rate of income growth, that is, low savings ratio. The fundamental criticism of this model is the gloss-over of the simultaneity between economic growth and debt stock. It is true that growth of the economy influences the debt stock because debt accumulation implies that more resources would have to be used to service debt.

The modified Reidel model, on the other hand, examines how balance of payment influences the incurrence of external loans. The model analyses the demand and supply of new loans (external) rather than the debt stock. The flow of debt is related to various ratios including the reserve to imports ratio, debt service to exports ratio, government budget deficit and investment to national income ratio. It emphasises that deficit spending will raise domestic import thereby reducing the foreign exchange available for external debt servicing. Selowsky and Van Der Tak (1986) on their part take a more modern view of the debt problem. Their model recognises the fact that highly indebted countries have been servicing their debt largely by austerity measures such as import and investment squeeze to generate trade surpluses necessary to finance the debt, but at a higher cost in terms of foreign consumption and output. It provides a simple framework that identifies the critical variable influencing debt as the rate of domestic savings, population growth (need for more public facilities), the efficiency of investment, the real interest rate on foreign debt and the initial savings rate required for a successful outcome of a growth – oriented debt policy. They concluded that a higher rate of growth of GDP taking into account the debt repayment flows can bring about recovery of credit worthiness to highly indebted countries.

Empirical Literature Review

The empirical literature has found mixed support for the "debt overhang" hypothesis. Relatively few studies have econometrically assessed the direct effects of the debt stock on investment. In most studies, reduced-form equations for growth are employed, under which the stock of debt is presumed to affect growth both directly (by reducing the incentives to undertake structural reforms) and indirectly (via its effects on investment). In middle-income countries, Warner (1992) claims that the debt crisis does not depress investment, but this has been countered by several researchers including Greene and Villanueva (1991),

Elbadawi et al. (1997), Fosu (1999) and Chowdhury (2001) who have found some credence in the debt overhang hypothesis. In a study of 54 developing countries (including 14 HIPCs), Hansen (2001) observed that the inclusion of three additional explanatory variables (the budget balance, inflation, and openness) leads to rejection of any statistically significant negative effect of external debt on growth. Savvides (1992) had earlier found that the ratio of debt to GNP has no statistically significant effect on growth. Djikstra and Hermes (2001) reviewed a number of studies on the "debt overhang" hypothesis and concluded that the empirical evidence is inconclusive.

Generally, therefore, a few studies give a clear idea of the level of the debt-to-GDP ratio at which debt overhang effects come into play. Elbadawi et al. (1996) confirmed a debt overhang effect on growth using cross-section regression for 99 developing countries spanning Sub-Saharan Africa (SSA), Latin America, Asia and Middle East. They identified three direct channels in which indebtedness in SSA works against growth: current debt inflows as a ratio of GDP (which should stimulate growth), past debt accumulation (capturing debt overhang) and debt service ratio. They found that debt accumulation deters growth while debt stock spurs growth. Other studies worth mentioning are those that simply use simulation analysis to demonstrate the impact of debt burden indicators on economic growth under different scenarios (see Ajayi, 1991; Osei, 1995; Mbire and Atingi, 1997). Studies that have shown favourable effects of external debt are rare and include those by the World Bank (1988) for the period 1980- 86 and Chowdhury (1994) for Bangladesh, Indonesia and South Korea.

Chowdhury (2001) further contributes to the existing literature on the debt-growth nexus by analysing the relationship in two separate country groups— HIPC and non-HIPC— using extreme bounds analysis for sensitivity tests and the mixed, fixed, and random coefficient approach that allows for heterogeneity in the causal relationship between debt and growth. The extreme bounds analysis shows that the relationship between a debt measure and

economic growth is robust to changes in the conditioning set of information included in the regression equations. The mixed, fixed and random coefficient approach, on the other hand, shows a statistically significant negative causal impact running from each of the four debt measures to economic growth in both country groups.

Maghyreh and Omet (2002) examined the impact of external debt on the performance of the Jordanian economy and determined the optimal level of debt using new a econometric technique. The findings of the study indicate that the optimal level of external indebtedness is about 53 percent of GDP. In other words, when the level exceeds this level, its impact on the performance of the Jordanian economy becomes negative. In a similar vein, Schclarek (2004) empirically explores the relationship between debt and growth for a number of developing and industrial economies. For developing countries, the study finds that lower total external debt levels are associated with higher growth rates and that this negative relationship is driven by the incidence of public external debt and not by private external debt. The study does not find any support for an inverted U-shape relationship between external debt and growth. For industrial countries, the study does not find any significant relationship between gross government debt and economic growth.

Iyoha (1999) uses a simulation approach to investigate the impact of external debt on economic growth in sub-Saharan African countries using a small macroeconomic model estimated for 1970-1994. The study found the significance of debt overhang variables in the investment equation, suggesting that mounting external debt depresses investment through both a "disincentive" effect and a "crowding out" effect. Policy simulation was undertaken to investigate the impact of alternative debt stock scenarios (debt reduction packages of 5%, 10%, 20% and 50%), effective in 1986, on investment and economic growth in the subsequent years. It was found that debt stock reduction would have significantly increased investment and growth performance. A 20%

debt stock reduction would, on average, have increased investment by 18% and increased GDP growth by 1% during the 1987-1994 period.

Using econometric analysis and Sri Lankan data for the period 1952 to 2002, Wijeweera et al. (2005) investigate whether Sri Lanka faces a debt overhang problem. Long-run estimations rely on cointegration methodology whereas short-run analysis employs an error correction method. The results indicate that Sri Lanka does not have a debt overhang problem, probably because total external indebtedness is not too high.

Clements et al. (2003) examines the channels through which external debt affects growth in low-income countries. Our results suggest that the substantial reduction in the stock of external debt projected for highly indebted poor countries (HIPCs) would directly increase per capita income growth by about 1 percentage point per annum. Reductions in external debt service could also provide an indirect boost to growth through their effects on public investment. If half of all debt-service relief were channeled for such purposes without increasing the budget deficit, then growth could accelerate in some HIPCs by an additional 0.5 percentage point per annum.

Given resource constraints faced by most less developed countries, including Ghana, and the contrasting conclusion on the role of foreign capital in the process of growth, there is the need to probe the issue further as it affects the country.

Model Specification

The theoretical framework underpinning this study is the Solow's (1956) neoclassical growth model. The model is built upon an aggregate, constant-returns-to- scale production function that combines labour and capital, but with diminishing marginal returns in the production of commodities. The model also assumes exogenous labour supply and savings as a fixed fraction of output. Given $Y = A \cdot F(K, L)$ and $cY = A \cdot F(cK, cL)$ due to constant returns to scale, let $c = 1/L$, then

$$(1/L)Y = A \cdot F((1/L)K, (1/L)L)$$

$$Y/L = A \cdot F(K/L, L/L)$$

$$y = A \cdot f(k, 1)$$

$$y = A \cdot f(k)$$

where y = output per unit of labour (Y/L), k = capital labour ratio (K/L), A = index of technology.

Following Feder (1983) and other researchers, the common variables that enter the growth model are growth rates of labour, exports and investment-GDP ratio (i.e. capital). The regression model used in this study is an extension (modification) of the Solow-type neo-classical growth model of the following specific forms:

$$\ln Y = \alpha_0 + \alpha_1 \ln L + \alpha_2 \ln(I/Y) + \alpha_3 \ln EX + \alpha_4 \ln ED$$

where $\ln Y$ is the natural log of GDP;

$\ln L$ is the natural log of labour force;

$\ln(I/Y)$ is the total investment-output ratio;

$\ln EX$ is the natural log of exports;

$\ln ED$ is the natural log of external debt;

The equation above is our long-run equation which is a neo-classical growth model expanded to include exports and external debt. The export coefficient in the model relates to output elasticity of exports and the variable reflects the degree of "openness" of the country. According to Edwards (1998) exports positively affect economic growth through increases in total factor productivity after including human capital and institutional factors. It is already clear from the above that the effect of external debt on economic growth is mixed with some studies finding evidence in support of the debt overhang hypothesis (i.e. negative effect) while others show a positive effect. The theoretical predictions for the model, therefore, are that $\alpha_1 > 0$, $\alpha_2 > 0$, $\alpha_3 > 0$, $\alpha_4 > / < 0$.

Econometric Procedure

Our first strategy is to test for the stationarity of the series since time-series data have been used. Macroeconomists have become aware that many macroeconomic time series are not stationary in their levels and that many time series are most adequately represented by first differences (Dickey, Jansen and Thornton, 1991)⁴. In this study, the augmented Dickey-Fuller tests have been used. The Johansen multivariate cointegration test has been utilized to test for the existence of a long run equilibrium relationship among the variables. The short run dynamics have been examined by means of an error-correction model which has been specified as:

$$\Delta y_t = \alpha + \delta \omega_{t-1} + \gamma_1 \Delta y_{t-1} + \gamma_2 \Delta y_{t-2} + \dots + \gamma_{p-1} \Delta y_{t-p+1} + \beta_t x_t + \varepsilon_t$$

where vector $y_t = [Y, L, I/Y, EX, ED]$, exogenous vector x_t includes the dummy variable, DV, employed to capture the effect of military coups (political instability), taking the value of one (1) for the period of military rule or zero (0) otherwise. It is argued that political instability affects economic growth through several channels. Ghana's experience of military coups can affect economic growth directly by disrupting production and indirectly through decreased investment in physical and human capital. Moreover, poor economic performance can have a destabilising effect on the nation; thus political instability has a negative effect on economic growth because it prevents the adoption of growth-enhancing economic reforms (see also Edwards and Tabellini, 1991). ω_t is the error correction term. Under the long run equilibrium, error correction term (ω_t) equals zero. However, if the system deviates from its long run equilibrium, the error term differs from zero and the vector y_t partially adjusts to return to its equilibrium. Thus the parameter δ indicates the speed of adjustment. Also, α is the constant term while ε_t is white-noise disturbance term. Lag length is selected by AIC (Akaike

⁴ That is, formal statistical tests often can not reject the null hypothesis of a unit root. The presence of unit roots can give rise to the possibility of a spurious relationship among the levels of the economic variables. Also, parameter estimate from a regression of one such variable on others are inconsistent unless the variables are cointegrated (Dickey, Jansen and Thornton, 1991: 58-78)

information criterion). The error correction series generated were used to estimate an over-parameterised vector error correction model that was later simplified into a more interpretable and more parsimonious model. A generalized impulse responsefunction is estimated to investigate the response of the growth rate of output to a shock from the growth rate of external debt.

Sources of Data

Annual data covering the period 1970 to 2005 were used for the analysis. The data were obtained mainly from the IMF's International Financial Statistics (on-line version), World Tables (various issues), The State of the Ghanaian Economy (various issues), Bank of Ghana Annual Reports and UNCTAD Annual Reports.

Empirical Results

Unit Root Test

The time series plot shown in Appendices 1 and 2 provide some idea about whether the trend is stationary or not. It is clear all the logs of the variables in levels show trend over time and none seems to be stationary. However, the first differences of the variables show no trend. Thus, a quick examination of the series plot seems to suggest some amount of stationarity in first difference. Notwithstanding this, a more formal test was carried out to establish whether the variables are integrated of order one, $I(1)$ or otherwise for the variables in levels. The Augmented Dickey-Fuller tests suggest that the series are all integrated of order one, $I(1)$. Since the t-values of the lagged level of the variables are less than their critical values, we fail to reject the hypothesis that the series are $I(1)$ (see Appendix 3). In other words, the series are non-stationary in levels.

Cointegration Test

The Johansen Cointegration test rejected the hypothesis of no cointegrating equation in favour of at most one cointegrating equation at 5% significance level (See Appendix 4). In other words, there is only one significant cointegrating vector that spans the variables in the system, where $\ln Y$, $\ln L$, $\ln(I/Y)$, $\ln EX$ and $\ln ED$ form a stationary linear combination. The estimated long run economic growth function is given as:

$$\ln Y = -32.5737 + 3.7863 \cdot \ln L + 0.1952 \cdot \ln(I/Y) + 0.1377 \cdot \ln EX + 0.3889 \cdot \ln ED$$

The error correction term is derived as:

$$ECM = \ln Y + 32.5737 - 3.7863 \cdot \ln L - 0.1952 \cdot \ln(I/Y) - 0.1377 \cdot \ln EX - 0.3889 \cdot \ln ED$$

An examination of the long run output equation reveals that labour force, total investment-output ratio (capital) and exports have positive effect on output as expected. External debt also, has a positive effect meaning that 100% increase in borrowing (debt) will result in approximately 39% increase in output in the long run. The result is consistent with the results of the studies by World Bank (1988); and Chowdhury (1994) for Bangladesh, Indonesia and South Korea. The result also suggests that Ghana, like Sri Lanka in the study by Wijeweera et al. (2005), is not suffering from debt overhang problem probably because total external indebtedness is not that too high, or probably Ghana has not reached that threshold at which more debt will be detrimental to growth.

Vector Error Correction Model

An over-parameterised model, which incorporated all the differenced variables and the error correction term (lagged once), was reduced to a more parsimonious model. Variable deletion was used to come up to the final dynamic equation presented in the table below.

Table 3: Results of Parsimonious VEC model for GDP Growth

Variable	Coefficient	Std. Error	t-value	t-prob
Constant	-19.3489	4.813	-4.02	0.0011
DlnY_2	0.3778	0.1710	2.21	0.0431
DlnY_3	0.5411	0.1557	3.48	0.0034
DlnY_4	0.5049	0.1938	2.61	0.0199
DlnL_1	10.2564	3.771	2.72	0.0158
Dln(I/Y)	-0.5230	0.1067	-4.90	0.0002
Dln(I/Y)_1	-0.2691	0.0986	-2.73	0.0155
Dln(I/Y)_4	0.4090	0.0835	4.90	0.0002
DlnEX_1	-0.2646	0.0927	-2.85	0.0121
DlnEX_2	-0.1624	0.0932	-1.74	0.1019
DlnEX_3	-0.1837	0.0669	-2.75	0.0150
DlnEX_4	-0.1311	0.0592	-2.21	0.0427
DlnED	0.4203	0.0675	6.22	0.0000
DlnED_1	0.2565	0.0782	3.28	0.0051
DlnED_2	0.1991	0.0842	2.36	0.0320
ECM_1	-0.5797	0.1434	-4.04	0.0011
Diagnostic Test Result				
AR 1-2 test:	F(2,13)	=	0.95181	[0.4114]
ARCH 1-1 test:	F(1,13)	=	1.8370	[0.1984]
Normality test:	Chi ² (2)	=	0.71892	[0.6981]
RESET test:	F(1,14)	=	4.2438	[0.0585]

With regard to the statistical attributes of the parsimonious equation for the GDP growth, the various diagnostic tests applied were insignificant. A wide range of alternative specification tests was considered to give the parsimonious equation some reasonable level of validity and credibility. With the AR test for auto-correlated residuals, the results confirm the absence of serial or residual correlation. The Jacque-Bera normality test for the distribution of the residual indicates that the residual terms are white noise. There is no evidence from the RESET test that the equation is mis-specified.

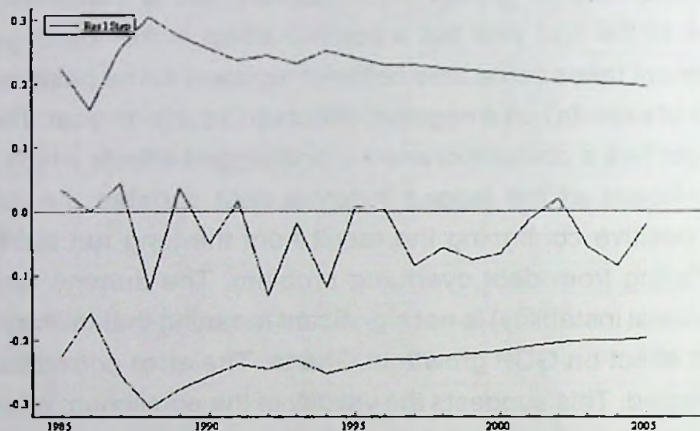
The results of the VEC model for the GDP growth show that the rate of growth of GDP in the second, third and fourth years have feedback effects which

are positive. The growth rate of labour force has a positive effect on GDP growth in the first year. The rate of growth of investment has a contemporaneous negative effect up to the first year but a positive effect in the fourth year. This shows that investment takes some time before it registers some positive returns. The rate of growth of exports has a negative effect up to the fourth year. The growth rate of external debt has a contemporaneous and lagged effects which are both positive. The coefficient of the lagged external debt variable (i.e. past debt accumulation) is positive confirming the result from the long run analysis that Ghana is not suffering from debt overhang problem. The dummy variable for military coups (political instability) is not significant meaning that military rule has had no significant effect on GDP growth in Ghana. The error correction term is significant as expected. This suggests the validity of the equilibrium relationship; indicating the existence of market forces that operate to restore long run equilibrium after a short run shock. The coefficient indicates a speed of adjustment of about 58% from actual growth in the previous year to equilibrium rate of economic growth. This shows all errors/deviations are not corrected within one year.

Stability Test

As can be seen from Figure 2, there is no evidence of parameter instability since the one-step residual plot (centred) stays within the critical bands. This means that the long run coefficients (proxied by ECM_1 as their linear combination) and short run coefficients (coefficients estimates of the first differenced variables) are very much stable.

Figure 2: Stability Test Results



Granger Causality Tests

In order to examine the predictability of growth rate of external debt on the growth rate of GDP, Granger causality approach is applied. The results of the Granger causality tests are illustrated in Table 4. The null hypothesis in each case can be rejected. The results clearly suggest that causation relation is from both sides, that is, there is bidirectional relation between growth rate of GDP and the growth rate of external debt. In other words, the data on external debt may be informative, to certain extent, in predicting Ghana's economic growth and vice versa.

Table 4: Granger Causality Tests Results

Null Hypothesis	Obs	F-Statistics	Probability
lnED does not Granger Cause lnY	34	3.35298	0.04898
lnY does not Granger Cause lnED		9.40118	0.00071

The Generalized Impulse Response Function

Having established that a long-term relationship exists between the growth rate of GDP and external debt, we proceed to examine the dynamic responses in more detail by generating the generalized impulse response function showing the response of the growth rate of GDP to one-standard deviation innovation in the growth rate of external debt and trace out the possible effects. A graphical representation of the generalized impulse response function presented in Appendix 6 above shows that within the first ten years, the effect of the growth rate of external debt on the growth rate of GDP has been positive. This confirms the earlier results from the cointegration test and also, from the VEC model. As can be seen from the fifth figure, in response to the external shock, economic growth rate increases between the first and third year, and there is a sharp downward movement ending in the fourth year. This is followed by upward and downward movements until output finally recovers from the initial shock to the external debt by the tenth year. A one standard error shock to the external debt leads to an increase in economic growth by approximately 0.09% within three years before it adjusts back to its potential level by the tenth year. The accumulated response of the growth rate of GDP to the growth rate of external debt shown in the seventh figure of Appendix 6 depicts an increasing response up to the ninth year before reaching its potential level. This shows that the long run effect of the growth rate of external debt on growth rate of GDP is favourable. It also means that importation of capital or reliance on external resources is beneficial to the economy of Ghana, in terms of promoting economic growth.

Impulse responses of the external debt to its own shock are found in the sixth figure. In response to own shock, the external debt decreases over time and there is a temporary increase between second and third years; after that the external debt reverts back to its potential level.

Concluding Remarks

Using the Johansen multivariate cointegration method and vector error correction (VEC) model, this study examined the effect of growth rate of external debt on the growth rate of GDP and found out whether Ghana suffers from debt overhang problem. The main conclusions of the study are: (i) there exists a stable long run relationship among the growth rates of GDP, labour force, investment, exports and external debt; and (ii) the long run effect of growth rate of external debt on GDP growth rate has been positive and that Ghana is not suffering from debt overhang problem. This means that importation of capital or reliance on external resources will help promote economic growth in Ghana. It is therefore recommended that every effort should be made by authorities to make Ghana very attractive to external resources.

The results of the study also indicate that military coups (political instability) have not been significant in explaining the growth rate of GDP in Ghana.

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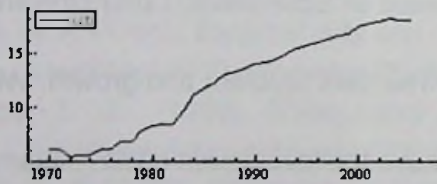
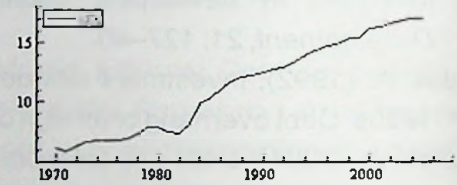
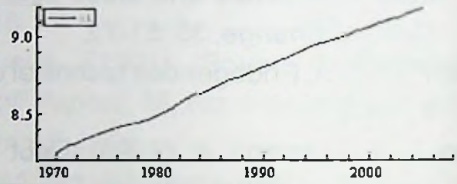
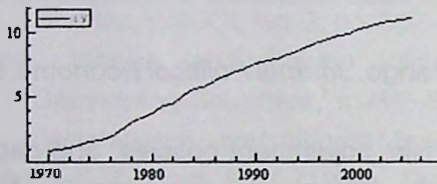
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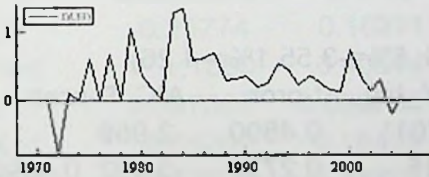
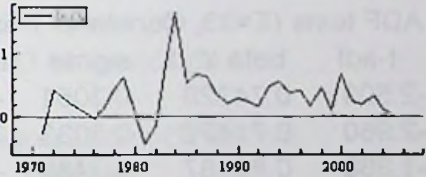
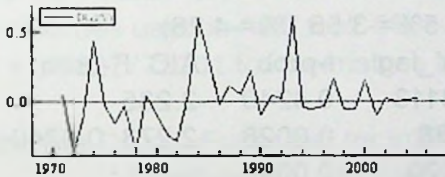
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Appendix 1 Data Plot of Variables in Levels



Appendix 2 Data Plot of Variables in First Differences



Appendix 3
Results of Unit Root Test

InY: ADF tests (T=33, Constant+Trend; 5%=-3.55 1%=-4.26)

D-lag	t-ADF	beta Y ₋₁	sigma	t-DY _{lag}	t-prob	AIC	F-prob
2	-0.09456	0.99215	0.1443	0.2592	0.7974	-3.733	
1	-0.007746	0.99940	0.1419	0.8627	0.3954	-3.792	0.7974
0	0.3641	1.0256	0.1413	-3.827	0.6782		

InEX: ADF tests (T=33, Constant+Trend; 5%=-3.55 1%=-4.26)

D-lag	t-ADF	beta Y ₋₁	sigma	t-DY _{lag}	t-prob	AIC	F-prob
2	-2.509	0.74226	0.3051	-0.8113	0.4240	-2.235	
1	-2.960	0.71472	0.3033	3.268	0.0028	-2.273	0.4240
0	-1.868	0.80087	0.3489	-2.020	0.0090		

In(I/Y): ADF tests (T=33, Constant+Trend; 5%=-3.55 1%=-4.26)

D-lag	t-ADF	beta Y ₋₁	sigma	t-DY _{lag}	t-prob	AIC	F-prob
2	-1.811	0.80127	0.2125	-0.7011	0.4890	-2.959	
1	-2.094	0.78055	0.2106	1.115	0.2739	-3.002	0.4890
0	-1.902	0.80398	0.2115	-3.021	0.4354		

InL: ADF tests (T=33, Constant+Trend; 5%=-3.55 1%=-4.26)

D-lag	t-ADF	beta Y ₋₁	sigma	t-DY _{lag}	t-prob	AIC	F-prob
2	-2.448	0.86049	0.004003	-0.2801	0.7814	-10.90	
1	-3.090	0.85217	0.003939	6.939	0.0000	-10.96	0.7814
0	-0.8438	0.93743	0.006316	-10.04	0.0000		

InED: ADF tests (T=33, Constant+Trend; 5%=-3.55 1%=-4.26)

D-lag	t-ADF	beta Y ₋₁	sigma	t-DY _{lag}	t-prob	AIC	F-prob
2	-1.010	0.90114	0.3500	1.252	0.2208	-1.961	
1	-0.7333	0.92949	0.3534	1.261	0.2174	-1.967	0.2208
0	-0.3804	0.96465	0.3569	-1.974	0.2208		

Augmented Dickey-Fuller test for $\ln Y$; regression of $D\ln Y$ on:

	Coefficient	Std.Error	t-value
$\ln Y_1$	-0.0078502	0.083020	-0.094558
Constant	0.34705	0.11629	2.9844
Trend	-0.0027115	0.027998	-0.096846
$D\ln Y_1$	0.15956	0.19418	0.82171
$D\ln Y_2$	0.048785	0.18819	0.25923

$\sigma = 0.144269$ DW = 2.099 DW- $\ln Y = 0.01167$ ADF- $\ln Y = -0.09456$

Critical values used in ADF test: 5%=-3.551, 1%=-4.26

RSS = 0.5827772301 for 5 variables and 33 observations

Augmented Dickey-Fuller test for $\ln EX$; regression of $D\ln EX$ on:

	Coefficient	Std.Error	t-value
$\ln EX_1$	-0.25774	0.10271	-2.5093
Constant	1.1860	0.40644	2.9179
Trend	0.097607	0.038727	2.5203
$D\ln EX_1$	0.55202	0.16489	3.3478
$D\ln EX_2$	-0.13636	0.16807	-0.81133

$\sigma = 0.305131$ DW = 1.981 DW- $\ln EX = 0.01715$ ADF- $\ln EX = -2.509$

Critical values used in ADF test: 5%=-3.551, 1%=-4.26

RSS = 2.606935833 for 5 variables and 33 observations

Augmented Dickey-Fuller test for $\ln(I/Y)$; regression of $D\ln(I/Y)$ on:

	Coefficient	Std.Error	t-value
$\ln(I/Y)_1$	-0.19873	0.10977	-1.8105
Constant	-0.59853	0.34003	-1.7602
Trend	0.010272	0.0061694	1.6650
$D\ln(I/Y)_1$	0.19306	0.17015	1.1347
$D\ln(I/Y)_2$	-0.12175	0.17367	-0.70107

sigma = 0.212493 DW = 1.977 DW-In(I/Y) = 0.1429 ADF-In(I/Y) = -1.811
Critical values used in ADF test: 5%=-3.551, 1%=-4.26
RSS = 1.264293252 for 5 variables and 33 observations

Augmented Dickey-Fuller test for InL; regression of DInL on:

	Coefficient	Std.Error	t-value
InL_1	-0.13951	0.056979	-2.4484
Constant	1.1487	0.46491	2.4708
Trend	0.0038280	0.0015841	2.4166
DInL_1	0.83435	0.15137	5.5120
DInL_2	-0.044183	0.15773	-0.28011

sigma = 0.00400288 DW = 1.795 DW-InL = 0.0105 ADF-InL = -2.448
Critical values used in ADF test: 5%=-3.551, 1%=-4.26
RSS = 0.0004486455807 for 5 variables and 33 observations

**Augmented Dickey-Fuller test for InED; regression of DlnED on:
Coefficient Std.Error t-value**

Sample: 1970 2005				
Test assumption: Linear deterministic trend in the data				
Series: lnY lnL ln(I/Y) lnEx lnED				
Lags interval: 1 to 1				
Eigenvalue	Likelihood Ratio	5 percent Critical value	1 percent Critical value	Hypothesized No. of CE(s)
0.729287	85.16144	68.52	76.07	None**
0.433818	40.73373	47.21	54.46	At most 1
0.261288	21.39320	29.68	35.65	At most 2
0.186680	11.09641	15.41	20.04	At most 3
0.112844	4.070980	3.76	6.65	At most 4
*(**) denotes rejection of the hypothesis at 5%(1%) significance level				
L.R. test indicates 1 cointegrating equation(s) at 5% significance level				
Unnormalized Cointegrating Coefficients:				
lnY	lnL	ln(I/Y)	lnEX	lnED
-0.682837	2.585398	0.133274	0.093995	0.265573
0.995729	-12.59681	-0.092747	0.927107	-0.732605
-1.312129	6.036452	-1.211422	0.116262	0.633311
-0.475237	0.252237	-0.422332	0.281127	-0.166647
-0.722551	8.391309	-0.201109	-0.008077	0.080319
Normalized Cointegrating Coefficients: 1 Cointegrating Equation(s)				
lnY	lnL	ln(I/Y)	lnEX	lnED
C				
1.000000	-3.786258	-0.195176	-0.137653	-0.388926
32.57368				

InED_1	-0.098862	0.097887	-1.0100
Constant	0.75446	0.34272	2.2014
Trend	0.034733	0.043521	0.79806
DlnED_1	0.17461	0.16084	1.0856
DlnED_2	0.20598	0.16446	1.2525

sigma = 0.350031 DW = 2.022 DW-InED = 0.01503 ADF-InED = -1.01

Critical values used in ADF test: 5%=-3.551, 1%=-4.26

RSS = 3.430617221 for 5 variables and 33 observations

Appendix 4

Results of Johansen Cointegration Test

Appendix 5

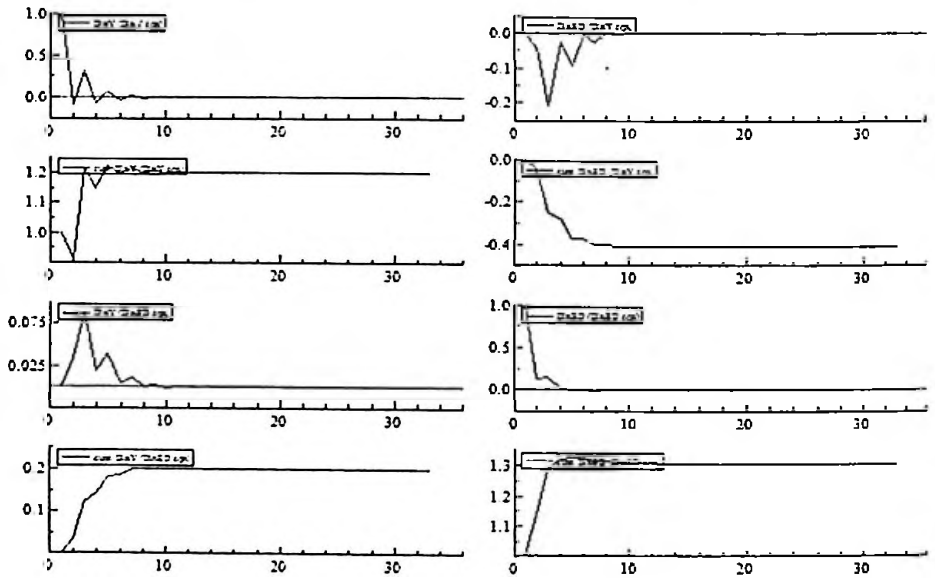
Overparameterised VEC Model

Modelling DlnY by OLS

	Coefficient	Std.Error	t-value	t-prob
DlnY_1	0.346109	0.4276	0.809	0.4636
DlnY_2	0.769806	0.5796	1.33	0.2549
DlnY_3	0.745904	0.4367	1.71	0.1628
DlnY_4	0.715267	0.5253	1.36	0.2450
Constant	-1.32836	0.8039	-1.65	0.1738
DlnL	17.0217	14.33	1.19	0.3006
DlnL_1	14.7004	18.08	0.813	0.4618
DlnL_2	-7.44871	14.32	-0.520	0.6303
DlnL_3	2.86328	12.26	0.234	0.8268

DlnL_4	3.24435	10.09	0.322	0.7639
Dln(I/Y)	-0.467044	0.1617	-2.89	0.0447
Dln(I/Y)_1	-0.599902	0.3154	-1.90	0.1299
Dln(I/Y)_2	-0.367281	0.3192	-1.15	0.3139
Dln(I/Y)_3	-0.173399	0.2554	-0.679	0.5345
Dln(I/Y)_4	0.299386	0.1716	1.74	0.1560
DlnEX	0.191647	0.3399	0.564	0.6030
DlnEX_1	-0.320039	0.1995	-1.60	0.1839
DlnEX_2	-0.230988	0.1555	-1.49	0.2116
DlnEX_3	-0.305991	0.1993	-1.54	0.1995
DlnEX_4	-0.225701	0.1529	-1.48	0.2139
DlnED	0.424954	0.2460	1.73	0.1591
DlnED_1	0.228730	0.2219	1.03	0.3609
DlnED_2	0.259769	0.2118	1.23	0.2872
DlnED_3	0.120468	0.2452	0.491	0.6489
DlnED_4	0.0754014	0.1895	0.398	0.7110
ECM_1	-1.43548	0.7434	-1.93	0.1257
dMilitary	0.00118962	0.08322	0.0143	0.9893
sigma	0.0870294	RSS	0.0302	964368
R ²	0.956799	F(26,4) =	3.407	[0.120]
Log-likelihood	63.4389	DW		2.41
no. of observations	31	no. of parameters		27
mean(DlnY)	0.309297	var(DlnY)		0.0226221
ARCH 1-1 test:	F(1,2) = 0.72597 [0.4839]			
Normality test:	Chi ² (2) = 2.9281 [0.2313]			
Hetero test:	not enough observations			
RESET test:	F(1,3) = 9.9988 [0.0508]			

Appendix 6 Impulse Response Functions



**The Metro Mass Transportation Scheme in GHANA: Issues,
Challenges and the Way Forward**

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Abstract

For many authorities in Ghana's metropolitan areas, public transport provision is increasingly becoming problematic as daily trips of city dwellers tend to cover numerous suburbs or even satellite settlements, thereby increasing travel costs in terms of time, money and comfort. Rather than reducing travel times, enhancing economic activities and productivity of commuters as well as ensuring the safety and comfort of city dwellers, the public transport systems in developing cities such as Accra, Kumasi and Tamale in Ghana have become uncomfortable, risky and generally inconvenient. This paper focuses on the activities of the Metro Mass Transit Limited in Ghana since its inception in 2003. The paper first reviews the various processes that led to the introduction of yet another version of the defunct Omnibus Services Authority (OSA) Transport Company. This is followed by an outline of major challenges likely to confront the Company's operations. Employing selected features of a management model by Cummings and Worley (1997), the paper then proposes possible strategies to address the challenges. For purposes of clarity some references are made to the defunct OSA Transport Company as well as other private operators such as the Ghana Private Road Transport Union (GPRTU), Kingdom Transport and the State Transport Company (STC). The paper ends with suggestions for the training and education of operators of the MMTL designed to enhance their capacities to effectively manage the buses.

Introduction

In cities where mass transportation is available and operates efficiently, the challenges of movement are easily addressed and people are able to cope with the traffic situation. However, in many of the cities in African countries, transport facilities are either inadequate to match demand or are adequate but poorly planned, and therefore, ineffective in addressing the needs of residents. Added to this is the fact that for various reasons, including maintaining personal comfort and status, a substantial proportion of city dwellers with private cars prefer to drive to work.

For metropolitan areas like Accra and Kumasi in Ghana, such decisions coupled with the concentration of most socio-economic activities in the central business districts (CBDs), have led to serious congestions in the streets (see Abane 1993, 2004). Buses, small cars, wooden trucks (trotros), push carts, pedal- and motor-cycles and pedestrians compete for the same road space. The rapid growth and sprawling of these cities have further imposed enormous challenges to people as travel practices become more and more difficult to predict and plan for. Daily trips within the cities tend to cover numerous suburbs, sometimes even towns, making the residents of these cities belong to 'several territories at once' (Millot 2004: 207).

In metropolitan areas where mass transportation is the focal point of most travel, the literature suggests enormous benefits, especially when the trips are carefully and properly planned and executed. Among the benefits are a reduction in travel time, savings on reduced energy consumption as people park their cars and board buses, reduction in air and noise pollution in the cities and increased productivity as workers are now able to arrive at workplaces on time to perform their tasks (see, for example, Salter 1989; Loukopoulos, Garling and Vilhemeson, 2005). But things are not always as rosy as observed above and urban bus services in particular have sometimes proved very problematic in developing countries. Various performance indicator analysis of bus transit operations in several cities across the world have reported them as being

characterized by over-crowdedness, excessive waiting times, long and inconsistent travel times, and poor and unreliable services (Adarkwa 1991; Peiser 2001). Reports on bus operations in Ghana are no different: long waiting times, poor ventilation and reckless driving leading to declining patronage and profits. In one of such studies, Abane (2004) observed not only irregular bus scheduling of especially OSA Transport Company which mostly delayed journeys but also the fact that some passengers said the buses were so dirty that they left stains on the dresses of clients. These and many other reasons have compelled some commuters with cars to drive to work. It is not surprising that the Mobility 2001 Report of the World Business Council for Sustainable Development (<http://www.sustainablemobility.org>) indicates that public transit systems including bus services in the world's major cities are losing between 0.3 and 1.2 per cent of their customers each year as a result of the inability to provide the required services.

In spite of the problems indicated above, the perceived benefits of using buses for city rides still far outweigh the losses. This might have motivated various governments in Ghana since independence to continue to encourage intra-city bus operations, especially through the Omnibus Services Authority (OSA) and later the City Express Services (CES). Although both OSA and CES were never as successful as expected, Ghanaians will particularly remember the former for its services in rural communities when it had to expand to those areas because of competition from the Ghana Private Road Transport Union (GPRTU) and other companies, which made working in city centres financially unattractive. It was obvious that even where the GPRTU vehicles could not reach, OSA buses did and offered vital services to people without alternative means of motorised travel.

Planning for Metro Mass Transit

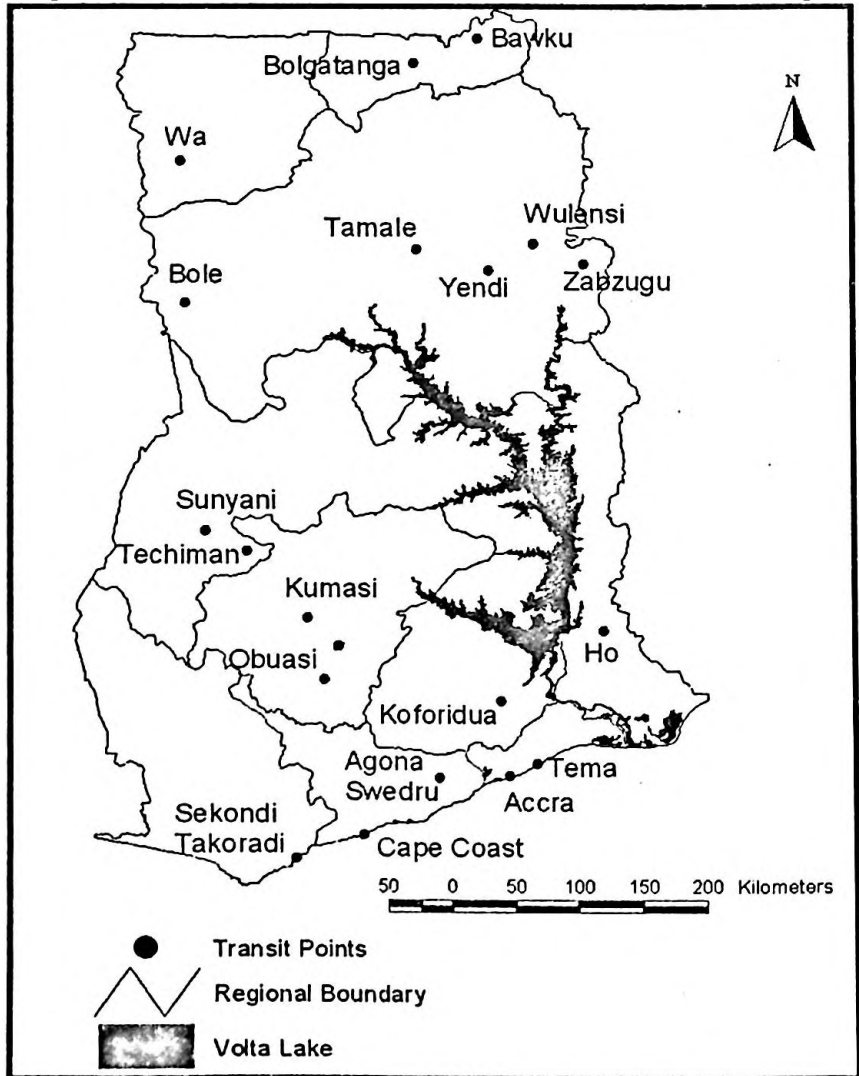
On assuming power in January 2001 the New Patriotic Party (NPP) Government immediately put together some measures through the Ministry of Roads and

Transport to re-vamp the collapsing government-supported mass transportation scheme in the country. The Government first reversed the decision to put OSA Transport Company Limited under divestiture, thereby freeing it to become a nucleus for a re-designed mass transport system. Secondly, discussions were held between the Ministry of Roads and Transport on the one hand and Management and the Board of Directors of OSA Transport Company on the other to work out strategies to re-engineer mass transportation in Accra on a pilot basis and later implement the scheme in the key cities (Ministry of Roads and Transport 2005). Thirdly, local and international workshops were organized, bringing together both private and public sector experts to share experiences and come out with best practices in mass transportation. In one of such workshops, discussions focused on sub-regional mass transport as well as education and training programmes for implementers of public transportation policies¹. It was in this workshop that the then Vice President, Alhaji Aliu Mahama, re-echoed his Government's commitment to revive OSA and make it a viable mass transporter. He lamented that even though taxis and low occupancy vehicles dominated vehicular transport in the country, yet the services provided are generally irregular, unreliable and of poor quality (Proceedings of International Workshop 2003). Fourthly, the Department of Urban Roads together with personnel from OSA and the Ministry itself were charged with the responsibility of selecting and re-engineering routes to be designated as 'bus-alone lanes'. In addition to this, they were to work out modalities for procurement of buses to augment those from OSA for the pilot exercise. Fifthly, to ensure public acceptance and ultimate participation in the scheme, public education using both the print and electronic media was undertaken, even though it was not as intense as one would have expected. Finally, Government saw the entire exercise as part of its projected design to provide improved transport infrastructure and facilities in urban centres as well as ensure a reduction in transport costs for commuters.

An international workshop on mass transportation in the West African subregion was held in Accra from – to discuss implementation of mass transportation in countries in the subregion

Thus, with refurbished buses from the UK and Italy, the latter being a donation to the Government, Metro Mass Transit Limited replaced OSA Transport Company Limited in October 2003, becoming officially incorporated with the Government of Ghana holding 45% shares while the other 55% shares went to the State Insurance Company (SIC), National Investment Bank (NIB), Ghana Oil Company Limited, Agricultural Development Bank (ADB) and Social Security and National Insurance Trust (SSNIT). Since the introduction of the scheme, all the regional capitals of the country as well as other fairly large urban settlements have been served (Fig 1). Presently, MMTL has a fleet of 1,311 buses including 400 Yaxing, 284 Fiat Iveco, 90 TATA, 249 UDL Neoplan, 75 DAF Neoplan and 213 DVL Joncheere, with a projection to increase the number to 1,500 before the close of 2008 in order to facilitate the extension of services to even smaller settlements in the country (MMTL, Accra Office, 2008).

Fig 1: Ghana: Metro Mass Transit Coverage



Source: MMTL Office, Accra, 2007

Almost eight years into its operations, there is the need to begin to seriously discuss the MMTL scheme as it affects city dwellers, in terms of identifying the challenges facing it as well as suggesting strategies for enhancing the quality of services. Such an exercise is necessary because of the possibility of the challenges overwhelming the Company and derailing what should be considered as an important national project (MMTL 2008). Two issues which are particularly crucial for the success of the mass transportation scheme are (1) how to sustain the scheme given the hostile attitude of the private sector, especially the Ghana Private Roads Transport Union (GPRTU), towards the defunct OSA which partly nurtured its non-performance and eventual collapse in the cities; and (2) the type of education and training to be given to the drivers and management to ensure that they run the Company in a more professional manner than those before it. Indeed, a report in *The Independent*, a privately owned newspaper, captioned "Kufuor's buses in danger" (No. 026, March 12, 2007, p. 1) had already alerted officials of MMTL of eminent financial crisis if nothing is done to check drivers who drain part of the fuel for sale and abuse the ticketing system. These and other issues likely to negatively affect the operations of the MMTL are the focus of this paper. Specifically, the paper sought to outline the main challenges likely to confront MMTL and suggest strategies to address the challenges with a view to making the company competitive in the fast expanding hostile commuter transport market in the country.

Data and methods

Data for the paper were obtained from three main sources. Firstly, information was collected from the offices of the defunct OSA Transport Company on the main problems that made it difficult for that company to compete with GPRTU and other private operators. Some of the issues relate to safety, training and education. Secondly, discussions were held with key personnel of the MMTL with respect to their operations, challenges and the way forward. Issues on coverage,



safety and routing systems were also discussed. The rest of the information was through library research and official documents from transport and related departments and ministries. Generally, the data collected were those that supported the discussions about the operations of MMTL as well as the major challenges currently confronting the company.

It has to be said that officials of MMTL failed to disclose information on some of the issues raised, particularly those relating to revenue generated over time, number of accident cases recorded and strategies to stay in business. This handicap was expected. As a company in its infancy, there is the tendency to guard against possible leakage of its business strategies which could give advantage to its competitors. Besides, many business enterprises do not take kindly to researchers prying into their operations and would always try to find a way to avoid answering what they consider to be sensitive questions. Despite these pitfalls, enough information was gathered to support the preparation of the paper as the core issues are on challenges and the way forward using a management model.

Major challenges

Like all commercial commuter companies in a fast developing market, MMTL is bound to encounter challenges that potentially threaten its viability as a business entity. Unfortunately for the company, inheriting the defunct OSA Transport Company, which had become unpopular with the private road transport sector, particularly the Ghana Private Road Transport Union (GPRTU) and Kingdom Transport Company meant also inheriting the problems that beset that Company. A discussion of the challenges and the way forward for the Company make up the rest of the paper.

Marketing MMTL

Among the major challenges of MMTL is how to market itself as a viable alternative to the other numerous private transport companies operating in the

towns and cities. Although the MMTL is still trying to establish branches across the country and consolidate areas it has been able to make entry, its performance so far can be described as quite remarkable. For instance, it conveyed 40 million passengers in 2005 covering over 12 million passenger kilometres. Indeed, by mid-June 2006, it had already carried more than 28 million passengers excluding over three million school children who enjoyed free rides (MMTL, Accra Office, 2007). Given its current workforce of over 2,500, there is every possibility that the Company would be able to live up to its responsibility and sustain its business in the country. However, this will depend upon how management is able to sell it to Ghanaians by making MMTL look very different from the defunct OSA which was unfortunately ignorantly perceived to be non-performing and wasteful with a corrupt management, in spite of the very credible achievements of that Company under very trying conditions. For example, even though OSA Company controlled less than 2% of the traveling public in the country, it managed to reach the remotest areas where GPRTU, with 95 per cent of the market, could not. For MMTL to market itself and avoid similar negative labels as were conferred on the defunct OSA Company, it has to constantly remind the traveling public through advertisements as well as its performance on the ground that MMTL is here to serve the ordinary travelers – workers, traders, carpenters, school children, and the elderly. Reserving seats for elderly clients and busing people over 70 years old free of charge as part of market promotions and corporate obligations during certain parts of the year could also make the company popular.

A related challenge is how to make a difference in the delivery of services to the public. With very keen competition from traditional transport companies such as the GPRTU, Kingdom Transport, City Express Services and PROTOA, MMTL has to devise excellent management strategies to stay ahead of all competitors. In particular, it should make travelling in places like Accra and Kumasi which are virtually choked, more reliable, comfortable and cheaper than it is with its competitors. It is important to remind management of MMTL that the

urban transport system in the country is perceived to be characterised by congestion, poor quality of service including long delays and waiting times, poor environmental standards and high exposure to road traffic accidents (Jorgensen and Abane 1999). One therefore expects MMTL to improve upon its routing system and make buses available for boarding every 15-20 minutes in order to reduce waiting times and make conditions on board the buses attractive.

There is also the need to maintain discipline among the drivers and conductors. At no time should drivers and conductors show disrespect to passengers nor should they refuse to give back change when it comes to payment of fares. The perception that drivers and conductors of commuter transport operators cheat passengers and shareholders by offering them half tickets and refusing to give correct change should be addressed as they have the potential to backfire and financially cripple the company.

During a field exercise recently, confrontations between passengers and drivers/conductors of MMTL were observed. Many of the passengers expressed dissatisfaction with the conduct of drivers and conductors for intentionally ignoring the need to give them change and tickets for fares paid. There were also instances where some passengers gave out tickets to people about to board the buses, thus enabling them to travel without paying fares. The recent dismissal of over 400 drivers from MMTL workers for corrupt practices is evidence that some action is being taken to ensure that frontline staff perform their activities in honesty, integrity and reliability². Perhaps management should seriously consider introducing electronic ticketing as this offers them the opportunity to monitor daily sales.

In addition to the issues mentioned above, MMTL will have to forge cordial relations with not only the public but even its competitors. The latter is relevant because of the recent unfriendly incidents visited on drivers as well as buses

²In ... MMTL management dismissed ... of its workers the action precipitated court action against the company by the victims. As at the time of writing the case was being discussed extensively in the Ghanaian media.

belonging to MMTL by some members of the GPRTU at some market centres. It is important for management of MMTL to put up a positive image and let the other competitors understand that all of them are playing complementary roles as far as easing the transport needs of Ghanaians is concerned and that all can do business without being hostile to one another.

Resist temptation to spread thin

The obvious failure of the defunct OSA Transport Company and also City Express Service was their inability to stay focused and implement their main mandates of providing intra-city services. Unable to compete with the GPRTU who mostly operate with minibuses, especially with respect to turn around time in the cities, OSA and CES were forced to reduce the scale of their intra-city services and shift to inter-city and rural services. This defeated their original mandates and rendered their services in the cities relatively insignificant. The lack of focus meant city dwellers could no longer trust these transport operators to meet their acute travel needs. Thus, in spite of the poor services provided by GPRTU, it became clear that city dwellers had no option but to rely on its buses for their travel. Given the circumstances, there was little doubt that government would not continue to subsidise OSA when it could not fulfil its obligations to city dwellers.

MMTL has to recognise this issue as one of its major challenges. Already there is some evidence of the company beginning to shift focus by spreading itself thinly on the ground with its introduction of inter-city services. The decision to spread out has already generated hostility from the GPRTU members in some towns who see their entry into those places as a threat and potential to erode their market share. While in the short term officials of MMTL may be receiving messages of welcome from residents of these towns and villages, it is also the case that the strategy could gradually harm their operations and provoke bitter memories of OSA and CES which failed to make the necessary impact and eventually fizzled out sooner than they entered the intra- and inter-city travel market.

Maintaining political neutrality

A fourth challenge to MMTL is how to create a balance between fulfilling the demands of Government as a majority shareholder while at the same time resisting temptations to 'dance to the tune of the piper' (Government). In a developing country such as Ghana, state-owned or part state-owned assets such as MMTL can sometimes be manipulated to the advantage of politicians. In the 1996 and 2000 presidential and parliamentary elections, for example, OSA buses were used to transport supporters of some political parties virtually free, with management made to understand that the company was making its contribution to the campaigns. Amounts running into hundreds of millions of cedis were lost as a result of these activities and interferences by politicians. Strangely, the same politicians accused the company of non-performance and placed it under divestiture. While working on this paper, MMTL buses were engaged in transporting supporters of the ruling party to rallies and one wonders whether the benefits of incumbency were not also at play. Given that large buses find it difficult to stay competitive in congested urban centres without subsidies (Glaister 1985) and government 'manipulation' of fares because they do not want public outcry over charging competitive rates, MMTL has a daunting task sustaining itself in the cities. Expansion of the routes in line with the growth of cities and towns such as Accra, Kumasi and Tamale means that MMTL buses now cover longer distances than was the case in the 1980s and 1990s.

If MMTL is to succeed in meeting its mission as a commuter transport service provider, the fares must be in line with the increasing distances, prices and inflation rates. MMTL must resist the temptation to compel it to charge uncompetitive fares; it is the responsibility of governments and not commercial transport operators to assist the poor. Where resistance is difficult, then Government must be made to pay for any extra costs incurred. An example is the free rides given to school children; there is the need for Government to pay some form of subsidy to sustain and expand the scheme. Welfarism beyond expected social obligations cannot be imposed on a company designed to operate and pay dividends to its shareholders.

A must succeed venture

A fundamental challenge for MMTL is that it must not fail as it basically emerged through a political promise. Insofar as the New Patriotic Party (NPP) continues to vie for political power in the country, it will always look to its achievements in all the sectors including public transport. Any failure to meet minimum standards will provide ammunition to opponents of the Government to quiz its ability to introduce and sustain projects. If, on the other hand, MMTL is performing creditably, the Government will point to its successes and ask for re-election. In the 1996 and 2000 Presidential and Parliamentary elections, the National Democratic Congress (NDC) Government pointed to its achievements in the roads and education sectors and asked Ghanaians to re-elect the Party to continue with the good work. The same was replayed in the 2004 and 2008 elections when the NPP Government also mentioned education, construction of major arterial roads, introduction of mass transportation and the health insurance schemes as achievements which Ghanaians should use to re-elect it. MMTL has to contend with such a dilemma of being tossed about by politicians and needs to stay focused and stick to its programme as a mass commuter transport provider. That a section of the supporters of a political party should have course to harass its drivers even before the actual declaration of the presidential run-off in December 2008 seems to suggest that some Ghanaians perceive the company to be championing the course of the NPP. This could be an issue for management to address.

Terminals for buses/passengers

Another serious problem which a substantial number of passengers mentioned is about the availability of terminals where buses stop for people to either board or alight or for potential passengers to rest while waiting for buses. Apart from Accra where there were some terminals, the other cities had none. In Tamale MMTL buses shared terminals with those from GPRTU whereas in Sekondi-Takoradi the terminal is so far removed from the city centre that passengers rarely used it. For those who would not want to make long walks to the terminal, taxis become the option.

Ensuring the safety of clients

Road traffic accidents have become a topical issue in the country. Available data show that Ghana is the second highest road traffic accident prone country with 73 deaths to 10,000 accidents. Indeed, the National Road Safety Commission (NRSC) has observed that about six persons die daily from road traffic accidents in the country (NRSC 2004). A substantial proportion of the drivers involved in these accidents operate commercial vehicles (see Abane, 1994, 2004). MMTL has to recognise the existence of this all important threat not only to the safety of its clients but its entire survival. The drivers have to maintain discipline on the road and act very professionally so as to avoid killing and maiming passengers. An assurance that people are safe on MMTL buses would be an important condition for people getting attracted to the company's buses and thus enabling it to increase its market share.

The myriad of challenges outlined are not insurmountable. MMTL can address them and become a successful transport company if it adopts the right managerial strategies to transform the challenges into opportunities for change. The rest of the paper suggests the way forward drawing from an organizational development model by Cummings and Worley (1993). The issue here is that MMTL can make a difference if they adopt the principles outlined in the model as a business roadmap to address the challenges and achieve its vision which is to 'build a dominant, reliable, efficient, safe and affordable yet an economically sustainable mass transit public bus company in Ghana' (MMTL, 2003).

Model for efficient mass transportation management

Given the type of challenges mentioned, MMTL would have to adopt a workable management strategy to minimize the potential damage to its business and to make it stay ahead of competitors. In the opinion of this author, such a strategy can be based on the ideas of Cummings and Worley (1997). In their desire to contribute to effective management of change using organization development (OD) tools, Cummings and Worley proposed five sets of activities to be implemented. These are (1) motivating change, (2) creating a vision, (3)

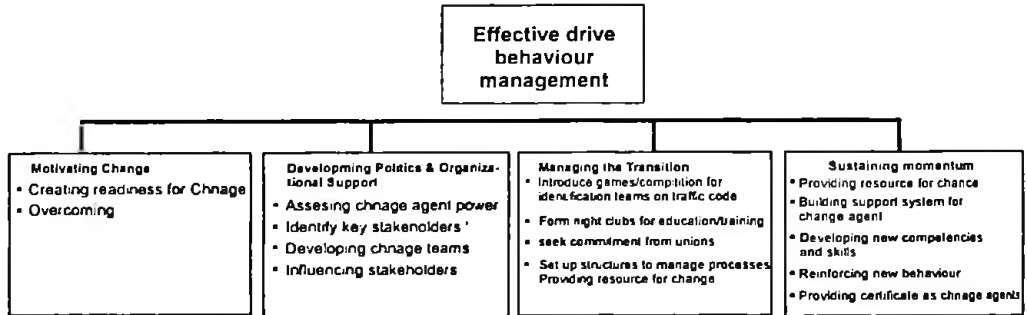
developing political support, (4) managing the transition, and (5) sustaining momentum (Fig 2). In the first set of activities, it is expected that the subjects of change will be made to 'want to' and believe in the need for change. They should be prepared for the change since change calls for commitment by those affected to abandon their present and previous ways of doing things. Cummings and Worley went further to propose three methods for achieving this first phase, namely (1) sensitising subjects about the need/reasons for change; (2) demonstrating evidence of the current state of affairs (undesirable) and proposed future state (desirable); and (3) providing positive and realistic expectations to clients about the merits of the change. The second set of activities is on how to overcome resistance to the proposed change. This is also achieved through implementing another three sets of strategies, namely (1) dealing empathetically with feelings of loss and anxiety; (2) providing extensive communication on the efforts made in addressing the change; and (3) encouraging the change. Indeed, Cummings and Worley emphasised that among 'the oldest and most effective strategies for overcoming resistance is to involve organizational members directly in planning and implementing change' (p.148). The next step, which is creating a vision, actually indicates the future situation and shows how subjects and individuals and groups could fit into that future. In order to accomplish this, there is the need for a well-defined vision since (1) that will reduce uncertainty, (2) serve as goals to mould behaviour; (3) demonstrate that the future will be beneficial; and (4) show that it is attainable. The mission, valued outcomes and valued conditions as shown in the diagram provide tangible goals which members/subjects will direct their energies to.

Motivating change

Firstly, motivating change will require tact and skill on the part of management to bring on board all the workers. To begin the process, management should hold fora (durbars) with the different segments of the workforce using the human resource unit to facilitate the activities. Each segment should be encouraged to hold brainstorming sessions with a view to identifying their perceived challenges

and how these challenges should be addressed to make MMTL grow. The issues likely to emerge will cover incentives, discipline, inputs and other working conditions. Management should study the issues, set up a small body to further discuss them and present a more consolidated report for further consideration. The report should then become a framework for a workshop involving representatives of all segments of labour and management. Once this has been achieved, a new report on the outcome of the workshop can then be used as a policy document for initiating the change process.

Figure 2: Effective driver behaviour change management model



Source: Adapted from Cummings and Worley (1997)

In effecting the change, there is the need to seek political support, without which not much will be achieved. Thus, Cummings and Worley suggest that powerful individuals and groups should be encouraged to give total support to the change process. The rest of the steps involve managing the transition and sustaining the momentum in the change. Managing the transition stage could involve three sets of activities, the first of which is activity planning requiring one to specify the sequence of events and milestone to accomplish. The plan should be as good as a road map for members and a checklist to measure progress. The

second is commitment planning which involves seeking support and commitment of all key actors including their leadership, resources and energy. The third relates to management structures and this requires the setting up of parallel learning structures to initiate, lead, monitor and facilitate the change. The final activity is about how to sustain the momentum generated by the change. To achieve this, a number of strategies have also been proposed in the model such as making resources available, building support systems for change agents, developing new competencies and skills, and reinforcing a new mode of behaviour arising from the change. The second set of activities is on how to overcome resistance to the proposed change. This is also achieved through implementing another three sets of strategies, namely (1) dealing empathetically with feelings of loss and anxiety; (2) providing extensive communication on the efforts made in addressing the change; and (3) encouraging the change. Indeed, Cummings and Worley emphasised that among 'the oldest and most effective strategies for overcoming resistance is to involve organizational members directly in planning and implementing change' (p.148). The next step, which is creating a vision, actually indicates the future situation and shows how subjects and individuals and groups could fit into that future. In order to accomplish this, there is the need for a well-defined vision since (1) that will reduce uncertainty, (2) serve as goals to mould behaviour; (3) demonstrate that the future will be beneficial; and (4) show that it is attainable. The mission, valued outcomes and valued conditions as shown in the diagram provide tangible goals which members/subjects will direct their energies to.

Effecting and sustaining change at MMTL

Implementing the change model described above requires absolute acceptance by the Board of Directors and Management of MMTL that there is the need for change. That need must be clearly stated and discussed extensively with shareholders and all stakeholders who will participate in the change process. For

instance, MMTL should be convinced that there is still fraud, cheating, laziness and *aban dia* (belong to Government) attitude among the workers, making it difficult for the Company to achieve its stated targets each year. The objective of the change and the challenges outlined earlier should therefore form the overall basis for the change. Once that is done, the activities in each of the cells should then be implemented as religiously as possible.

It is expected that at the end of the processes outlined above, most of the workforce would have come to terms with the need for a change. They would have understood that any form of change will affect all of them as well as see the need to be part of the change process. Once it is observed that internal change is imminent, that should give management the opportunity to begin to identify and consult key stakeholders who could be either direct or indirect agents of the change process. This is because the next three activities will require the input of all these people.

While not necessarily undertaking another strategic plan, it is important that management overviews the vision and mission statements of the company as part of the process of motivating change. What is important here is to ensure that all the workers are well educated on the relevance of the vision and mission statements. The following questions would be helpful in the discussions: (1) Where were we when we started? (2) What was our road map? (3) Where are we now? (4) Where do we go from here? (5) What specific road map do we want to adopt? Discussing these issues together and finding answers to them would make people claim ownership of whatever decisions emerge. It is important to state that the vision and mission statements ought to be in line with the expected change. This implies that the discussions arrive at conclusions that call for a new set of values and organisational culture very different from the one they are about to depart from.

Political and organizational support

The component dealing with political and organisational support is as crucial as is creating conditions for the change. At this level, management has to implement two very sensitive activities. First, management will identify people in or close to Government and other powerful political forces to support their course. This should be done as professionally as possible else the Company could easily be made to dance to the tune of these groups. The independence of the Company must as much as possible be maintained. Therefore, those identified should not be allowed to assume unnecessary power which they can wield around the corridors of the Company. At the same time, management should ensure that they meet their social and other responsibilities so that politicians will not find them wanting and try to influence decisions. The support, if obtained, should be directed at implementing the change. Those identified will ensure that policy issues are successfully adopted by Government and that any decisions taken by MMTL are not at variance with Government's development agenda. If this author is to suggest some stakeholders for this segment, then one would be dealing with authorities of Ministries whose functions have to do with transport such as Ministry of Transport, Ministry of Ports, Harbours and Railways, Ministry of Tourism and Diasporan Relations and Ministry of Women and Children's Affairs as well as members of parliament on committees relating to transport, and finally, executive members of GPRTU, STC, City Express and Kingdom Transport. It would be useful also to invite eminent business persons, planners, administrators and selected members of the travelling public to participate in the exercise. In addition to the fora suggested, management should begin to build teams using these key stakeholders. This writer is aware that MMTL has tried a few of these activities over the last two-three years. For instance, MMTL has held meetings with some of its competitors to discuss how they can work together without the rancour and bitterness between them. However, it is also the case that these meetings did not aim at a change of behaviour among workers at

MMTL itself. This is where the segment becomes very relevant and consistent with the objective of initiating change.

Managing the transition

The strategy outlined above should be tied closely to this phase, which is on how to manage the transition. Apart from aiming at sustaining whatever activities are instituted, there is also the need to carefully handle the transition so that it does not derail along the line. To achieve this, management should organise friendly games with the identified stakeholder groups. It is suggested that the games be organised on regular basis and should include both indoor and out-of-door activities such as ludo, draught, cards, tennis and soccer. MMTL should raise teams for the competitions. It will be useful even to involve clientele communities in the competitions. Communities where MMTL drivers/conductors have clashed with GPRTU drivers/mates should be the first option. The idea is to let the people begin to see the friendly relations between MMTL workers on the one hand and the other bus operators on the other. Overall, it is expected that the public will appreciate that something new is emerging.

Sustaining the process

In order to sustain the momentum, another set of activities relating to those suggested in the model should be implemented. For instance, a body should be set up to oversee the games. MMTL should make available adequate resources in terms of money, materials and equipment for the competitions. The stakeholder teams should be used as part of the support system for the company. Any new lessons emerging from either the meetings or discussions during the games should be critically reviewed and the useful parts included in MMTL's policy. More importantly, it is necessary for management to do all that is necessary to consolidate the new positive behaviours of its workers. One thing that is vital and must be part of the activities is to reward not only winners of the

games but use those opportunities to announce the best well-behaved worker of MMTL within a specific period. The reward could be in the form of certificates or equipment such as television set, refrigerator or a set of furniture. The body instituted to manage the games should be charged with the responsibility of identifying the best worker.

New policy for MMTL

Finally, there is the phase of policy change. The component has to take care of documentation of all the activities. The information gathered should now form a basis for a new policy on MMTL. The information should also be used together with the government sympathisers to influence a change in the national policy on mass transportation in general and MMTL transport in particular.

Issues on training and education

In addition to implementing elements of the Cummings and Worley model, management of MMTL should also recognize the dual role of education and training in any road transport management and safety. This is important for transport workers in Ghana where there is so much indiscipline on the roads. Education is required to re-mould attitudes and behaviour of road users, both drivers and pedestrians alike. Drivers would have to be educated on how to cope with the new environment of working strictly according to scheduled times. They would need to be tailored to give premium to the safety of passengers. They would have to be educated to understand that the success of their operations depends mainly on passenger satisfaction. Providing quality service would have to be the main ingredient of their operations.

Managing this kind of education and training requires the recruitment of a certain blend of experts. Mass transportation in its functional state is multi-faceted and this should reflect in the recruitment of staff for the public education. Engineers would be needed; so also would be sociologists, counselors, transport practitioners, geographers, planners and administrators. There is no doubt,

however, that people with background in education would be extremely useful in the attempt to 'transform' the current crop of drivers into the kind of disciplined drivers expected to manage the buses. A substantial number of the drivers in most of the transport agencies in the country who have found their way into MMTL including those from the defunct OSA Transport Company and City Express are simply 'hazards' on the road. They would need to be 'socially re-engineered' to play their new role.

The training and education should not be limited to teaching people rules, road markings and signs and the art of driving even though these are very important. The scope should be broadened to cover such areas as needs and skills assessment, operations management, financial accounting, safety and security, understanding the road environment, maintenance routine, and driver and pedestrian behaviour. After going through the training, it is expected that one should feel quite comfortable on the road and less likely to get involved in avoidable accidents.

Management must not delude itself that all members of staff will automatically change for the better. The objective should be to target as much as 80-90 per cent of the staff embracing the change process. Some would not change irrespective of education and level of incentives given to them. Others could have sufficient information to make them drive well but decide to be deviant on the road (see, for example, Hagerstrand 1967; Pred 1967). The best thing for such people is to be gradually phased out of the system and replaced by more change-conscious persons. There is no room for laziness, deviancy and a 'father Christmas' attitude in a competitive transport business else the business will collapse faster than it began services.

Conclusion

There is the need for an effective public transport system for every country, given the expansion of urban centres with the attendant long travel distances for

working populations. People need to get to activity points on schedule and also to return home safely and on time. The private-public transport mix in the country is yet to meet the expectations of Ghanaian travelers. MMTL has begun fairly well and needs to be encouraged to stay clear of the difficult challenges that crippled the efforts of the defunct OSA Company and other previous public transport companies.

Adopting and diligently implementing the Cummings and Worley's (1997) model has the potential to ensure change in MMTL so that it can achieve its vision of becoming a leader in the commuter transport services sector by providing to the traveling public an enhanced transport system at a reasonable cost. It is recommended that MMTL should challenge itself to provide comfortable, reliable and friendly services to the public, aiming at attracting to it a substantial proportion of the market share of travelers in the towns and cities. Only through that will it sustain its presence in the market.

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**Customary Land Tenure, Investments and Livelihood Adaptation
in Northern Ghana**

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Abstract

The land tenure practice of any place is important for the economic well-being of its citizenry. This article assesses the investments of farmers on different categories of lands deemed to have less or more security in order to inform the debate on the relationship between tenure security and investments. We also delineate the changing livelihood portfolios of families resulting from changing access forms to land via livelihood adaptation. Quantitative data from a national survey conducted by the Institute of Statistical Social and Economic Research in addition to qualitative information from nine villages is used as evidence for the study. Investments in land tend to be constrained by a host of motivations and factors rather than just security. Poverty was the most important factor which prevented farmers from investing in a wide range of land improvements necessary for increasing productivity. As a result of pressure on land resources and scarcity of farmland in urban and peri-urban areas many, people are diversifying from agriculture to non-farm activities. In the rural areas, this pressure on land has led to migration by the youth to the cities and changes in land relations between land owners and other land users. The economic mix of northern Ghana is becoming complicated and in tune with global trends. The deagrarianisation trend does not automatically lead to improvement in people's livelihoods but is contingent on social, economic and environmental factors.

Introduction

Land tenure may be defined as the terms and conditions on which land is held, used and transacted. Livelihoods of many depend on the availability, user rights and level of security in holding a piece of land. The scarcity or abundance of land determines the ease of acquisition of land by the poor. The types of user rights embedded in the exchange affect the profits expected from the use of the land. The level of security or the risk of losing the land or experiencing arbitrary changes in contract with landlords affects the way land is used, and ultimately livelihood outcomes and environmental health. Land is no longer easily available because of the gradual intensification of the commodification of land arising from several factors whose sources are both internal and external to the Ghanaian economy.

Customary land tenure systems are fast evolving especially in peri-urban communities where residential needs compete with agricultural purposes. In low density rural communities with abundance of fairly good natural resources the pressures of monetisation is likely to be lower than in high density areas where competing needs for land lead to higher values and consequently the conversion of token customary gifts for land acquisition into monetary payments or higher exactions in the form of livestock and cash. The principle of communal ownership, with elders and chiefs holding land in trust for their populace is under severe attack by the forces of modernisation that is transforming traditional society to a capitalist one linked to global markets.

Changes in the Ghanaian economy mandated by colonialism moved in tandem with changes in tenure systems and social relations. Benneh traces the commodification and individualisation of land among the Akan to the introduction of cash crops, especially cocoa. This trend is said to have destroyed the solidarity of clan members inherent in the traditional land tenure system. Northern Ghana's history of ethnic conflicts has land being the principal cause for their occurrence which raises issues of wider security concerns.

Increasing population growth and migration from both rural areas and other parts of Ghana has led to a rising urban population. The rising level of demand for food and other natural resources also increases the demand for land in rural areas thereby causing changes in the customary tenure system. It is argued that these trends bring about insecurity in land ownership and affects the degree of investments in land. Inability to access land and embedded insecurities and complexities in land tenure arrangements is regarded as a land crisis. Also, we contend that since land is becoming a scarce commodity, people would seek a livelihood outside farming. Land tenure problems should therefore be seen as integral to the livelihood adaptation revolution in Africa rather than the current stress on the opportunities or pull factors being stressed in the literature. This article attempts to probe the prescribed links that exist between land tenure security and investments in land by farmers. We then examine the emerging trend of livelihood adaptation, teasing out the motives, drivers and aspirations of people affected by the land crisis.

Land Tenure In/Security and Land Investment

The discourse on the relationship between land tenure security and land investment can be traced to the polarization of positions regarding the in/security of rights of customary land tenure systems in Africa. Policy on customary land tenure may be understood in terms of two principal viewpoints . One position held by the World Bank and recently renewed by de Soto characterized customary land tenure as ambiguous and blames this for low productivity-enhancing investment on land. According to this viewpoint, customary land rights cannot be used as collateral against loans, and that land held under customary tenure is 'dead capital' . Proponents of this view argue that a fully-fledged private property right enhances investment incentives due to 'assurance, realisability, and collateralisations effects' associated with security of land rights.

The second position calls for the recognition and reinforcement of customary rights to land, and generally opposes land title registration, particularly individual title. Proponents of this position argue that land title registration favours the wealthy, and is against women, tenants and secondary rights holders, and that the realisability and collateralisation effects, claimed to be associated with registration of title cannot be supported by empirical evidence in Africa. Instead, they believe that development of land market results in distress sale of land by the poor in times of hardships, thus leading to social differentiation and landlessness among the poor. Finally, they argue that titling generally excludes secondary or seasonal rights that are likely to be important safety-net rights for the poor under customary tenure.

In a bid to support claims of their respective positions, many studies in Africa try to empirically establish the actual relationship between land rights and productivity, security of tenure and productivity, security of tenure and investment in different contexts.

In estimating the effect of tenure security on agricultural investment, the World Bank research on Ghana concluded that, tenure security has a clearly positive impact on investment in the region of Anloga, but less noticeable impact in Wassa and no impact at all in Ejura –. In Anloga, the ability to freely transfer land was positively related to investment in drainage or excavation improvements. In Wassa, tree crops were less likely to be planted on parcels on which farmers had only limited transfer right, yet the result was not significant.

Another study in Ghana by Twerefuor et al on tenure security, investment and the environment, using a national survey data gathered by ISSER, finds that investment in farmlands in Ghana is low and appear not to enhance tenure security, and that the reverse causation of tenure security enhancing investment seems non-existent. This implies that agricultural investment in the country is not security-induced and that investment is not an important determinant of tenure security. However, tenure security appears to be an incentive for investment in

that when they did not control for endogeneity, tenure security had a positive and significant impact on investment though the result is not robust. This implies that farmers with security of tenure are more likely to invest in their lands, which may eventually lead to higher productivity (Tweefuor et al, 2007).

A study by Goldstein et al (2006) in Akwapim in Ghana using fallow as investment, shows that individuals who hold powerful positions in a local political hierarchy have more secure tenure rights, and that as a consequence they invest more in land fertility and have substantially higher output. The intensity of investments on different plots cultivated by a given individual correspond to that individual's security of tenure over those specific plots, and in turn to the individual's position in the political hierarchy relevant to those specific plots (Goldstein and Udry, 2006).

Besley, re-working the data collected by the World Bank, and controlling for endogeneity, reached a conclusion that is opposite to that of Migot Adhola's (1994) study. He finds that, better land rights facilitated investment in Wassa but not in Anloga. These results were supported by a recent study in Uganda that concluded that investment enhances tenure security, yet the converse relationship is not true.

Another study by Brasselle et al also controlled for the endogeneity of land rights while assessing their impact on investment behaviour in a sample of villages in Western Burkina Faso. The result obtained by them, indicates that land tenure security is, indeed, strongly influenced by investment; and once this endogeneity bias is properly controlled for, increased land rights do not appear to stimulate investment. The same conclusion was reached by Baland et al when they applied the same methodology to their study of Central Uganda.

It is clear from the above discussions that there is no clear evidence of unidirectional relationship between tenure security and investment. The relationship appears to be bidirectional. It is an indication that, it is a difficult task to try establishing the impact of tenure security on investment behaviour

empirically. As a result of the varied conclusions arrived at by different studies, it is impossible to establish a universally accepted model linking tenure security and investment. To arrive at a universally accepted model there must first and foremost be a universally accepted definition of tenure security and investment, while at the same time, following a methodology that effectively controls for endogeneity of land rights, before any conclusion can be reached.

Land tenure changes and livelihood adaptation

The evolving land tenure practices in northern Ghana have deeper implications for the livelihood options people use. Changing rules of usage of rural lands affect the way land is used and whether people continue with farming or not. Similarly, dwindling agricultural lands in urban areas means that farmers have to assume new occupations to make a living. Conversion of farmlands to residential and urban use also comes with its social and economic consequences. The process whereby farmers are assuming new occupations is termed deagrarianisation. Bryceson defines deagrarianisation as a long-term process of occupational adjustment, income-earning reorientation, social identification and spatial relocation of rural dwellers away from strictly peasant modes of livelihood. Her book, *Farewell to Farms*, is about people who in one way or another are easing away from a strictly agrarian existence in Africa.

The multi-active nature of peasants reflects adjustments to socio-political-economic and environmental forces as shown by the space of vulnerability. Several forces account for why people move from farming to non-farm activities, but the role of dwindling farmlands in urban areas is paramount. In rural areas, a combination of changes in rules regarding the use of land is a notable constraint in productivity. Where land is getting fragmented, constraining norms emerge that make people diversify the portfolio of family activities. Livelihood diversification is not a new phenomenon, but an age-old practice reflecting peasant ingenuity faced with adversity and opportunities. According to Ellis,

livelihood diversification is a process by which rural families construct a diverse portfolio of activities and social support capabilities in their struggles for survival, and in order to improve their standard of living. Diversification of one's livelihood could therefore be an indication of failure of previous livelihood strategies or a path to accumulation and investment in the future. Households and individuals diversify assets, incomes and activities in response to what Barrett et al. call 'push and pull factors'. In the case of land-induced diversification or deagrarianisation, push factors are of overriding importance. However, increasing urbanisation itself is a self-propulsive growth system that creates opportunities for livelihoods. Since many peasants are flexible in terms of training for new skills, they adapt to the new socio-economic realities facing them.

Push and pull factors are synonymous with Davies' (1996) survival and choice denoting necessity and choice. These two categories of explanation postulate risk management and coping strategies as responses. Risk management strategies, or insurance mechanisms, deal with *ex ante* processes, which are deliberate household strategies to anticipate failures in individual income streams by maintaining a spread of activities. Coping strategies, on the other hand, are responses to *ex post* shocks.

The rapid rate of land sales in peri-urban areas is bound to lead in the short run to the use of *ex post* strategies such as commuting to distant villages for farming. However, in the long term it is expected that farmers would have reasoned and understood the realities confronting them and made rational choices involving livelihood activities which they deem appropriate to increase their material well-being. Similarly, in rural areas, population pressure would introduce new mechanisms of land borrowing, share-cropping and monetary tendencies. The social system is not expected to remain intact as several studies already demonstrate that social capital in rural communities is on the decline as hardships emanating from structural adjustment and environmental stress turn kin to strangers.

Sources of data

The focus of the study is the administrative regions with special focus on the rural, urban and peri-urban locations in northern Ghana. The data for the study were extracted from the Land Tenure and Policy Research Project (LPRP) of the Institute of Statistical, Social and Economic Research (ISSER), which was sponsored by the United State Agency for International Development (USAID). The LPRP data as a whole consisted of: a national survey data, focus group discussion reports, in-depth interview reports and institutional survey reports. These data were collected from rural, urban and peri-urban locations in selected districts in each of the ten regions of Ghana. In addition to these data, a supplementary qualitative data was collected by the researchers from selected communities in the three northern regions.

The purpose of the qualitative data was to generate contextual data and gain deeper understanding of processes, institutions and mechanisms from the perspectives of land users and affected parties. Nine communities were involved in the qualitative data collection, namely Bamaahu, Kpaguri and Tabiesi in the Upper West Region, Gisonayili, Kpilo and Mashelgu in the Northern Region and Kajelo, Chiana, and Navrongo in the Upper East Region. In-depth investigations, employing focus group discussions and individual interviews with clan leaders, women, and the destitute/ultra-poor were conducted in each community. We conducted one focus group discussion in each community, both as an exploratory research tool for the purpose of exploring the community's thoughts, and a delineation of the nature of the land tenure systems. These discussions were useful in gaining a rapid understanding of key issues of controversy to be elaborated during the in-depth interviews.

Land Tenure Practices and Investment Patterns in Northern Ghana

As explained in the literature, secure rights to land are argued to bring productivity and environmental benefits through higher investments in land. The

picture in the study area is far from clear. The survey showed that a higher percentage of landowners compared to tenants invested in capital assets on their plots (see Table 1). This is logical in that landowners need to protect their land by having visible investments that prevent a communal outcry for sharing. This is especially true in the Upper East and Upper West Regions where land ownership is fragmented among several clans and families. Also, the land hunger emerging in these regions increases the incentive to secure landownership titles with elaborate investments in capital assets such as farm houses, access roads, irrigation, storage and rehabilitation.

It is useful to categorise land investments to enable us to ascertain the differential investment types engaged in by different people with differential security over the lands they use. We have (1) high capital fixed investments such as farmhouses, wells and access roads, and (2) fluid productivity enhancing investments such as inputs/technology, cash crops and trees. Landowners tend to dominate in both types of investment categories. There is, however, a relationship between wealth and capital investments. Wealth is related to land ownership, which in turn is determined by power and political position occupied within the community and household.

Table 1: Investments on land by different land rights categories in Northern Ghana

Region	Status in relation to plots of land use	Made major capital investments on land		
		Yes	No	Total
Northern	Land owner	13	30	43
	Tenant	10	57	67
	Using lineage land	4	20	24
	Both tenant and landowner	0	6	6
	Using lineage land and tenant	0	5	5
	Land owner, tenant and using lineage land	0	2	2
	Land owner and using lineage land	0	1	1
	Caretaker	0	1	1
	Total	27	122	149
Upper East	Land owner	28	142	170
	Tenant	2	14	16
	Using lineage land	3	21	24
	Both tenant and landowner	2	4	6
	Using lineage land and tenant	0	1	1
	Total	35	182	217
Upper West	Land owner	14	102	116
	Tenant	7	61	68
	Using lineage land	4	27	31
	Both tenant and landowner	1	7	8
	Using lineage land and tenant	0	1	1
	Land owner and using lineage land	1	5	6
	Total	27	203	230
Source: LPRP Survey 2005				

Table 2 shows that majority of tenants explain their low investments in capital assets on their lands as resulting from poverty rather than insecurity of land ownership which the literature conceptualises. The fact that Upper East Region which is the second poorest in Ghana had many landowners not investing in capital assets stresses the dominating effect of poverty in explaining patterns of investments in northern Ghana rather than tenure insecurity. Less than 12% of respondents cited tenure security as reason for not making capital investments.

It is important to note that the label landowners in the survey is mixed up since people in rural Northern Region, compared with the two other regions, claim to own the lands they cultivate until it is alienated by chiefs. There is therefore interchange of terminology with regards to rights to land with time.

While in Northern Region each rural household owns the farmlands inherited and would therefore invest in these, as time passes by and these lands acquire a commercial value, they become users, which suddenly increase insecurity of tenure and hence of land investments. But usually, such investments are transferred to new locations where farmers migrate. Farmers from Gisonayili have migrated or commute to new farms in Bemani where though they do not have ownership rights, feel secure enough to invest in farm sheds, access roads, storage, technology and means of transport (focus group discussion in Gisonayili). This is because land for agriculture is not sold and the rights to these lands are highly secure in Northern Region as long as they are bush lands in the frontier areas which would take decades before urban development reaches there. Also because these farmers are viewed as first settlers on those farmlands, they have owner-like rights, which can only be abrogated by the chief when the land is in demand by the state or capitalist interests. It is not possible for the chief to give it out to another farmer.

Table 2: Reasons for not making capital investments in land

Region	Status in relation to plots used	Could not afford	Reasons for not making investments			Locational insecurity	Others	Total
			Insecure land tenure	Short term farm	Not Interested			
Northern	Land owner	26		1	1	2		30
	Tenant	48	6	1			1	56
	Using lineage land	19	1					20
	Both tenant and landowner	4	1					5
	Using lineage land and tenant	4	1					5
	Land owner, tenant and lineage land	2						2
	Land owner and lineage land	1						1
	Caretaker	1						1
	Total	105	9	2	1	2		120
Upper East	Land owner	134	2	3		1	2	142
	Tenant	14						14
	Using lineage land	21						21
	Both tenant and landowner	3			1			4
	Using lineage land and tenant	1						1
	Total	173	2	3	1	1	2	182
Upper West	Land owner	98		1	1		1	101
	Tenant	54	2	2	1		1	60
	Using lineage land	27						27
	Both tenant and landowner	6			1			7
	Using lineage land and tenant	1						1
	Land owner and using lineage land	4					1	5
	Total	190	2	3	3		3	201

Source: LPRP Survey 2005

In the Upper East and West Regions, however, this rule does not apply. Only land given by the *Tendana*³ accompanied by a sacrifice of transfer stays with the land user forever. All others are borrowers of bush lands with the *Tendana* reserving the rights to abrogate their user rights any time the need arises. Rights are however concrete in the Upper East and West Regions because there is the possibility for people to own these lands by negotiating with *Tendana* to alienate the lands to them, whereas in Northern Region the chiefs would not sell farmlands but would allow free and unlimited usage until commodification of land abrogate these rights.

We can therefore talk of a temporal dimension in tenure security in Northern Region. That terminologically increases the number of landowners even though theoretically they would be considered tenants. Farmers do not feel a sense of insecurity in these instances. Investments of the second type are higher on borrowed land while those of the first type are absent (focus groups in Kpilo and all sites in the Upper East Region). Women in Kpilo farming vegetables, rice and groundnuts on lands borrowed from family heads, husbands' friends, and elderly people explained that productivity enhancing investments such as cash crops, fertilising and use of tractors and hired labour was necessary to achieve high yields. Trees are however not planted as landowners perceived this differently-either as an attempt to claim ownership or as a capital and environmental investment. In any case, fixed capital investments cannot be put up without the landowner's permission.

The relationship existing between tenants and landowners is of overriding importance in the decision to invest in capital and environmental measures. Tenants who still stick to the traditional principle of honouring the

³*Tendana* - literal meaning: "tin", "tengon". "teng" means the land or the grove; "dana", "soba", "tina" means owner; means the owner of the land and groves. "Tendana" or "tindana" is the singular; "tendamba" the plural. The term is known as "tendamba" or "tengansoba" among the Walas and Dagaabas; "totina" among the Sissala; "tigatu" among the Kasena-Nankani; "tindana" among the Fraifras and "teng, nyono" or "teng, nyam" among the Builsa. *Tendamba* are the descendants of the pioneer settlers of their respective villages and towns. The land tenure system therefore stems from discovery, settlement and inheritance. As representatives of the "earth god", and caretakers of the land, the *tendamba* are the "paramount" title holders to land in their respective villages and towns. (Kasanga 1999)

landowner and sharing in his sorrows and happiness have little fear of losing their lands except when the landowner's household is expanding beyond their available land. Even then, the whole land is never taken back because the tenant has also become family and no elderly person wants to be seen discriminating among a family. Two tenant participants at the focus group discussion in Kajelo indicated that they had good relationships with their landowners with synergistic benefits. This contrasted with five tenants who claimed that they had just lost their lands to landowners for both known and unknown reasons. One remarked thus: 'These days the sources of conflict are several and it takes one of them to sever the relationship between you and the landlord who has been looking for an opportunity to take back his land'. The falling levels of social capital have a relationship with security of tenure and willingness of tenants to invest in land. In all the research sites, people complained about the degradation of communitarian norms due to economic hardships and commercialisation of most transactions.

An examination of Chiralaga's story in Box 1 unveils the logic of investment patterns on owned and borrowed lands. While he would readily invest in fodder trees supplied by an NGO called ADRA on his own land, he is reluctant to do same on borrowed land for the obvious reason that he would have to share with the landowner who also has livestock. Refusal to share benefits could result in land being taken back. However, he puts the borrowed land to fallow when its fertility falls. This goes against the explanation that tenants do not fallow land for fear of losing it.

A landowner in Nogsenia said he would take back his land if the tenant is seen to be overusing the land without erosion control measures, maintaining new trees growing naturally and manuring or fallowing the land. There is some level of environmental consciousness on the part of tenants and owners. Owners do not want tenants to make their lands barren, while tenants try to increase their credibility by maintaining a good level of investments in land improvements. Yet



another group of tenants complained about landowners taking back land when they notice appreciable investments such as enhanced fertility and trees. This is attributable to greed or jealousy as landowners prey on the 'sweaty investments' of tenants. These pathways exist in all the research sites and it is difficult if not impossible to point to the dominance of the negative or the positive relationships. Generally, in more urbanised locations security of tenure for tenants is low and investments are poor, while in rural locations with low population densities security of tenure is high and investments by tenants parallel those by landowners.

Box 1. Chiralaga of Kajelo (50 years of age)

I am married to a third woman after my first wife died, and the second left me. I have 8 children, 4 of whom have migrated to the south. We are farmers and cultivate inherited lands from my father. We have also borrowed land which we use for groundnut cultivation. I only gave cola nuts for the land. The cola nuts do not represent payment but respect for the landowner because one cannot go empty-handed to a chief's palace to beg. The borrowed land helped me fallow my own land since it was overused and degraded. Now the borrowed land is also on fallow because its fertility is low too. I have investments such as trees supplied by ADRA on my lands which I use to feed my livestock. These are not planted on the borrowed land because it does not belong to me. Land should be transferred permanently from landowners to those who need it rather than lending since the insecurity involved prevents people from realising the best from the land deal. Since land is both the physical crust and the plants on it, all those who use it should have access to everything. In that case their wives can also make supplementary money. Instead of 'charim' which is at the borrowing stage, we should move to 'kogsim' which is the traditional transfer to new landowners.

The key to maintaining good security is respect for landowner and reasonable investments on the land. These are however very difficult to measure as attitudes, moods and expectations change with time and context. This once again brings to focus the role of clarity and straightforwardness in current traditional transactions and dealings. The lack of these attributes and the inability to maintain traditional African norms that are mutating along a commoditised logic may not guarantee a positive outcome in the near future for the poor. Tenure security and investments are therefore not in an inverse relationship, neither are they necessarily positively correlated. Investments on land is used to increase tenure security on bush lands in Northern Region while investments on land

increases the credibility or trustworthiness of the tenant in the Upper East and West Regions which ensures secure use of land.

The important factors for agricultural productivity have to do with inputs for increasing soil fertility, labour and farm tools. These are dependent on financial capital, which is generally limited in the study area. That explains why both landowners and tenants register low investments. With the provision of small loans to women in all the regions, there has been an increase in female involvement in profitable farming. This is contrary to our initial postulation of a constraining androcentric society where women's insecure tenure arrangements with men mean low investments and productivity. A combination of tenure security and productive assets is key to sustainable livelihoods and improved productivity as seen from the general advocacy for easy mechanisms and rules for the transfer of land rights (focus groups in Kajelo). The freedom to do whatever one wants on a piece of land rather than fulfilling some social obligations towards a landowner certainly guarantees flexibility in productive effort that is most likely to improve sustainable livelihoods through higher productivity and environmentally friendly strategies.

Changing access to land and Livelihood adaptation

Changes in land tenure relations especially land sales have contributed to the multiplicity of livelihood strategies used in contemporary rural and urban Northern Ghana. The inability of people to acquire productive land or protect their right to land requires mediation in the form of changing livelihoods. The land crisis in urban and peri-urban Northern Ghana has deagrarianised the peasantry who can no longer find land to farm within reasonable distance. Women in Northern Region have intensified their non-farm income activities. The high cost of urban and peri-urban land excludes most people using land in improving their livelihoods. In Malshegu (Northern Region) a plot of land measuring 100ft by 100ft, cost inhabitants 2,000,000 to 2,500,000 cedis while strangers pay from

3,500,000 cedis upwards (interviews 2006). The survey showed that over 60% of respondents engaged in livelihood activities outside their own premises. This often requires the payment of fees for static activities by artisans and traders. Only hawkers avoid such payments. Ability to acquire land for operating small businesses is a major constraint to livelihood adaptation or the deagrarianisation drive.

Dispossessed land users basically employ coping and survival strategies initially until they establish niches within the new micro economic context. This has often been associated with heavier burdens for women to whom non-farm activities are associated (qualitative interviews 2006). Different people in different areas use different strategies or employ new livelihood options to cope with being displaced from the original livelihood activities associated with farming. Poor families in Gisonayili simply migrated to Bemani where social links enable them to access bush lands, while wealthier families acquired urban plots and engage in livelihood activities such as trading, salons, workshops and other artisanal activities. It is now imperative for most people in urban and peri-urban areas to acquire skills in non-farm activities. Women in rural areas are also being taught skills in a range of local manufacturing activities. Type of skills acquired and possibility to acquire these also determine the ability to diversify into secured activities. Secured activities are regarded as those that guarantee a livelihood for a family while an insecure one is palliative short term measure to cope with adversity.

Imoro's family strategy of training all his children in skills the new urban economic space demands is manifestation of a new era of 'join the train or perish' at least for those subsumed by peri-urbanisation (see box 2). Though he commutes to farm elsewhere, he still learns a new trade knowing the imminent danger that farming is no longer the way forward. Training children on the farm has mutated to training them in schools and on the job in workshops. There is a new economic orientation in town taming people along its dictates.

Box 2. Gisonayili: Imoro Gumi (chief barber: 60 yrs)

Married to one wife with 5 sons and 2 daughters. I used to farm around the village when lands were plentiful but now a part-time farmer cultivating a 4-acre plot at Gbanyamni. I grow yam, okra, rice and maize. There are many people also farming there so it still feels like when we were farming close to home. I am self-employed as a barber and recently won the title of chief barber of the village.

My children don't farm like I used to do on my father's land. They are learning new trades; two of them are learning carpentry and another steel bending. The rest are in school as education is the future for the young as jobs can only be gotten with a certificate. Urbanisation of our village resulting from land sales has been good because new jobs have appeared that provide more reliable income than farming.

I inherited the farmlands we used to farm in the village from my father but lost them all to the land sales. I got a plot from the chief for residential purposes. This was inevitable because it was a deliberate change from farming to residential and since the chiefs have the legal custody over the land we lose out. My new farmland was borrowed for free along traditional rules. So it is not a big problem but the distance involved in travelling each day or staying on the farm is the issue. From the farm I provide cereals and tubers while my wife buys ingredients from income earned from groundnut oil sales. Also our sons provide her with money for food from time to time. The urbanisation of the village is good as it has created more livelihood opportunities for our children and brought more enlightenment.

The decline of farming in the villages in Northern Region is translated into higher expectations on women who used not to farm but only assisted men in sowing and harvesting. Shea butter processing has become the major industry in the area with every practising woman owning an improved oven. The need to earn higher returns encouraged by activities of NGOs has infused efficiency into the processing of shea butter thereby increasing output and profits. Groundnut oil processing and rice husking are other activities women engaged in. These are however periodic, because the availability of raw materials, the sheanut and rice is on a seasonal basis.

Ramatu's life story (see box 3) delineates the move from farm-based livelihoods to non-farm activities as a result of the disappearance of their

farmlands and the poor yields from bushlands coupled with long distances. She stresses the emerging high demand for consumable goods such as cooking oil which she produces as alternative to farming with a positive future outlook using education as prime source of security for survival within the emerging socio-economic situation.

Box 3. Ramatu of Gisonayili (27 years of age)

Married to the village chairman (village committee on all issues) with two sons and two daughters and five adopted kids. My main income earning activity is groundnut oil processing. Sometimes I also make shea butter on a small scale. I started groundnut oil processing six years ago when my husband allowed me harvest his groundnuts from the farm as a start-up capital. Proceeds from the first batch have been used to finance the business. Profits are quite good but one needs to sell in large quantities in order to make a living. I tried petty trading before but profits were not good and people owed here and there making it unprofitable. Profit from the business is used for buying ingredients for food and also cater for the needs of children. Their educated uncles living in the city pay their school fees.

Since this village became urbanised, women's burdens have increased because crop output from the bush farms is not enough to take care of us. We therefore need to find alternative work to buy ingredients and sometimes even taking care of basic family needs. I don't know if our lives have improved or not because though we earn more money now it involves a lot of work and stress than our previous relaxed lives. I use to help with sowing and harvesting activities on the farm and also take care of household chores.

The future now depends on taking good care of our children. The fewer children we have the better because of the rising cost of education and general upkeep. Every one has to strengthen their income earning activities because the demand is high now.

Adapting to the realities of commodification of land, economic liberalisation, globalisation and population growth by diversifying has not been a rosy alternative to farming. Informants attributed their inability to maximise income in the non-farm economy as the result of lack of financial capital, fluctuating and low demand, poor skills and poverty. For most poor people the

limitation to adaptation stems from the inability to acquire skills and space for the new livelihood activities.

Migration to major urban areas in the country is a major option used by many. It is reported that there is no house without both male and female migrants (reported in all 9 research sites). Most females from Northern Region migrate to big cities and work as porters or *kayaye* while boys become agricultural labourers in plantations or metal scrap dealers. In the past, most people from this part of the country migrated southwards to the mines and export-crop zones where state policies have always focused on. In contemporary Ghana, the need to earn more foreign exchange in a liberalised world economy is all the more demanding for cheap labour. As more people in the south compared to those up north become educated, there is the need for more labour from the north and other deprived areas to fill up the gap in farming, mining and urban unskilled jobs. The train of migration from the north to the south will continue as long as the opportunities and perceptions of a better life continue to be associated with the south while new contingencies without ready responses continue to hit the north.

Conclusion

Land tenure practices are not uniform all over northern Ghana and this prevents any smooth general patterns emerging about the relationships between tenure security and investments. This is because each context determines a particular pattern which in turn is transformed by individual idiosyncrasies. Centralised states such as found in Northern Region have high level of insecurity in urban and peri-urban areas while their rural areas have high levels of security, but yet investments in rural areas is low for most people because of poverty or the ability to practice shifting agriculture which saves investments in land. In the acephalous areas of the Upper East and West Regions, a sketchy pattern emerges whereby tenants tended to avoid investments on borrowed lands because they are not sure if they would continue growing those lands in the years

to come. Mismanagement of lands by tenants is punishable by termination of grants, so this forces them to make minimal environmentally regenerative investments. Social capital is identified as important in maintaining security of tenure for tenants. Landowners, on the other hand, tend to invest on lands to demonstrate their interest in these lands. Poverty is the main enemy of land investments rather than just security. Poverty works synergistically with insecurity to constrain investments on land. The relationships are complex and require a nuanced and careful interpretation of evidence.

The response of people to the land crisis induced by land sales in urban areas and demand and population-induced pressure in rural areas is seen in the mix of activities they employ in making a livelihood. The amount of access to urban and peri-urban land is dependent on wealth which therefore precludes many hitherto land users from engaging in static non-farm activities enabled by urbanisation. It has also introduced new forms of exploitation through high rents, prices and social obligations and rules. However, the vibrant urban economy has also introduced new opportunities for employment in the construction and service sector though of limited reach to the landless.

Migration is the major source of relief after adapted livelihood sources fail to increase well-being in the rural and peri-urban areas. In the urban areas, livelihood adaptation and deagrarianisation are the major sources of relief. Land is not the only limiting factor to sustainable livelihoods as respondents everywhere complained of the low level of other assets such as financial, physical, human, social and political which are all intertwined.

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**Public Spending, Growth and Poverty Reduction:
A Dynamic CGE Analysis for Ghana**

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Abstract

The objective of this study was to determine the differential impact of various government expenditures on economic growth and poverty reduction in Ghana using a dynamic computable general equilibrium model based on a social accounting matrix (SAM) for Ghana for the year 1999. Even though there is evidence to show that higher fiscal deficits resulting from the increase in public investment outlays 'crowd-out' some private investment by raising interest rates, the overall impact points to increased real GDP on a net basis by removing physical bottlenecks of infrastructure and thereby raising the factor productivity of private investment. Two main lessons can be drawn from this study. First, various types of government spending have differential impacts on economic growth and poverty reduction, implying greater potential to improve efficiency of government spending by reallocation among sectors. Second, governments should reduce their spending on unproductive sectors and rather give priority to increasing its spending on production-enhancing investments such as education, health and infrastructure.

Introduction

Ghana has reached the completion point under the enhanced HIPC Initiative of the World Bank and the International Monetary Fund (IMF) after joining the initiative in March, 2001 and reaching the decision point in February 2002. The implications of the completion point included creditors being irrevocably committed to debt relief. This means the Paris Club creditors would provide 100 percent debt stock cancellation on all loans contracted before June 6, 1999 (GOG, 2003). Within the Ghana Poverty Reduction Strategy (GPRS) framework, these benefits must encompass a broad based pattern of public sector spending on basic social services with special emphasis on health, education and infrastructure⁴.

To achieve broad-based growth resulting in effective poverty reduction in Ghana, an investment in human capital has been defined and articulated among the top three top priorities of government within its broad Growth and Poverty Reduction Strategy (GPRS) framework (GOG, 2003). The efforts of the government of Ghana have already borne fruit, in that, the economy has in recent years witnessed an upsurge of its budgetary allocations to the social sectors such as health, education, and on infrastructure among other social services. Also, Ghana has in recent times embarked upon a wide range of educational and health reforms to provide the knowledge, capacity, skills and attitudes necessary for the challenges ahead. For example, as part of the reforms in the context of Education for All (EFA), the ministry of education on behalf of the government of Ghana is implementing the capitation grant policy towards free Compulsory Basic Education (FCUBE) programme which provides that all children of school-going age should be in school by the year 2015⁵. Ghana is also embarking on the ambitious project of a Universal Health insurance system, financed out of general taxes as well as beneficiary contributions, in order to protect all citizens against

⁴ In its policy objectives as specified in the Growth and Poverty Reduction Strategy (GPRS II), the government indicated that growth will be pursued through expanded development of production infrastructure in, among others, energy, transport, water and communications (GOG, 2003)

⁵ Though sources differ on actual enrolments, the policy of free universal compulsory basic education which was introduced in 1987 as well as the current capitation grant and school feeding programs in Ghana has raised primary enrolments over the years.

preventable and manageable diseases such as malaria, tuberculosis and HIV/AIDS. The ultimate anticipated outcome is to stimulate economic growth and reduce poverty.

There are however, serious concerns about effectiveness of public spending in many key areas for growth and human development, including education, health care, roads and other rural infrastructure in stimulating growth and poverty reduction (Aryeetey and Kanbur, 2004). Likewise, there is a widespread perception that poorer groups benefit less from public spending, both in the sense of poorer individuals and households and of poorer regions. An important question that arises concerns the extent to which the current strategy of increasing public spending in totality and on various components such as health, education and transport infrastructure constitutes a targeted means for accelerated economic growth and poverty reduction in Ghana.

Investigating the link between public spending and economic growth and poverty reduction also becomes important when one looks at it from the multiplicity of consequences, both intended and unintended involved in the process. The consequences include short-and long-run allocative efficiency, income distribution and welfare, fiscal and foreign exchange balances, sustainability of resource use, and political response (Sadoulet and de Janvry, 1995). For example, while it is clear that the current levels of spending are still inadequate for achieving the poverty-reduction goals, it is also obvious that the objective of low inflation creates a new tension that is well known in development macroeconomics. This has become one of the most important policy issues that Ghana has to grapple with in the search for pro-poor growth (GOG, 2003). Also, questions such as 'do we need to spend on priority activity one or two' or to whether public investment programmes needs to be kept to a minimum because of the argument that they crowd out private investment all need to be answered in reference to their expected impact on poverty. Again, in as much as public spending is a potentially powerful instrument for stimulating economic growth and fighting poverty, budgets are limited.

The afore-mentioned issues call for a better understanding of the constraints of poverty reduction in a relatively stable growth context and the transmission mechanism through which such public spending policies affect the poor, and the possible trade-offs that poverty reduction may entail regarding the allocation of scarce resources and the sequencing of policy reforms. A more comprehensive way of modeling the overall impact of fiscal policy changes on the economy is through dynamic CGE modeling. These models are well suited to explain the medium to long-term trends and structural responses to changes in development policy (Adjakayi, 1999). Unfortunately, most of the applied studies addressing such public spending policy options have not dealt with Ghana. Also, the few recent studies, such as Bhasin and Annim (2005) and Bussolo and Round (2003) were not that rigorous in their approach and tended to rely on the static CGE, which does not capture inherent time lags associated with policy interventions. This study is therefore an application of a dynamic computable general equilibrium model in a case study of Ghana.

The rest of the paper is structured as follows. The objectives are provided in Section 2 and this is followed up in Section 3 with a discussion on recent trends in governments' social spending in Ghana. The theoretical issues related to the topic and the methodology is discussed in sections 4 and 5. The results from implementing the dynamic CGE model are presented in Section 6 while the final Section 7 is devoted to a brief summary and conclusions from the study.

Objective of Study

The objective of the study is to determine the differential impact of various government expenditures on economic growth and poverty reduction in Ghana using a dynamic computable general equilibrium model. Specifically, the study examines the potential impact of the following categories of government spending (i) increased total government consumption spending (ii) increased total government investment spending (iii) increased education spending (iv) increased health spending (v) increased spending on road infrastructure.

Trends in Government Expenditure in Ghana

The discussion that follows is based on the paper by Wetzel (2000) which provides classification of expenditures in terms of public services, economic services and social services. Public services consist of expenditures on such items as government administration, foreign affairs, justice and internal security.

Table 1: Central Government Expenditure by Sectoral Category

	1957-66	1967-71	1972-82	1983-91	1992 - 96
<i>(as a share of GDP)</i>					
Public Services	5.4	6.0	4.3	2.9	4.5
Economic Services	9.0	4.9	3.9	2.4	3.4
Agriculture	2.0	1.4	1.6	0.6	0.3
Infrastructure	5.0	2.4	1.9	1.3	2.3
Other Economic Ser	2.0	1.1	0.4	0.5	0.8
Social Services	6.1	6.9	6.4	5.2	6.0
Education	3.7	4.2	3.6	3.0	4.4
Health	1.3	1.4	1.3	1.2	1.3
Other Social Expend.	1.1	1.4	1.5	1.1	0.3

Source: Adopted from Wetzel (2000)

Table 2: Central Government Expenditure by Sectoral Category (as a share of total expenditures and net lending-narrow coverage)

	1957-66	1967-71	1972-82	1983-91	1992-
96					
Public Services	22.3	28.1	22.9	23.0	20.7
Economic Services	37.4	22.5	20.9	18.7	15.8
Agriculture	8.4	6.4	9.1	4.7	1.3
Infrastructure	20.8	11.0	9.6	10.3	10.8
Other Economic Ser	8.2	5.1	2.3	3.7	3.6
Social Services	25.2	32.2	33.8	39.9	28.1

Education	15.3	19.6	19.1	22.9	20.3
Health	5.2	6.3	7.0	8.7	6.2
Other Social Expend	4.7	6.2	7.7	8.3	1.6

Source: Adopted from Wetzel (2000)

These expenditures were highest during the 1967-71 periods at 6 percent of GDP and 28 percent of all expenditures. The share of expenditure allocated to agriculture was at its highest during the 1957-66 periods at 2 percent of GDP and 8.4 percent of total expenditure. Since then, it has continually declined, reaching 0.3 percent of GDP and 1.3 percent of total expenditures in 1992-96. The second major item under economic services is infrastructure. This includes items such as roads, transport, storage and communication, power/electricity, and water and sanitation. Spending on infrastructure was 5 percent of GDP and about a fifth of total expenditures during the Nkrumah years from 1957-66.

During the 1972-82 periods, the expenditure on infrastructure fell to an average of 1.9 percent of GDP and 9.6 percent of total expenditure. This increased to 2.3 percent of GDP and almost 11 percent of total expenditures in 1992-96. The third major category of expenditure is social services including education, health and other social expenditures. As a share of GDP, expenditure on social services remained fairly steady across the periods except from the 2000s. As a share of GDP, social expenditures declined with the onset of the ERP, but their share of total expenditure increased to around 40 percent. Across all time periods, within the social services, education has received the largest shares of resources. With an improvement of the economic situation in recent years, government expenditures and budgetary revenues started increasing. Poverty-related expenditures indicated positive trends as observed in Table 2 and is projected to rise to about 12 percent of GDP (World Bank, 2004).⁶

⁶ Poverty-related expenditures for 1999 could not be obtained and is deeply regretted

Table 3: Poverty-Related Expenditure Estimates, 2002-2004

In % of GDP unless otherwise specified	2002	2003	2004
Total Poverty Related Expenditure 1/	4.8	6.5	6.9
As a % of Total Expenditure	21.7	27.3	28.5
Basic Education	2.8	3.6	3.3
Primary Health Care	0.6	1.0	1.5
Agriculture	0.2	0.2	0.3
Rural Water	0.1	0.1	0.2
Feeder Roads	0.3	0.5	0.4
Rural Electricity	0.1	0.1	0.2
Other Poverty Related Expenditure	0.7	1.2	1.1
Memorandum Items:			
Total Expenditures 2/	21.9	23.7	29.0
Total Expenditures 2/ (Billions of Cedis)	10,716	15,673	19,173
Nominal GDP (Billions of Cedis)	48,862	66,158	78,650

Source: Adopted from World Bank (2004). 1/. Excluding externally financed expenditures; 2/ Including externally financed expenditures and excluding interest

The Literature Review

Even though the long running debate in economic circles between the roles attributed to the market as opposed to extensive state intervention has almost become old-fashioned, it is worthwhile restating a few of the salient points. The arguments that seek to legitimize government interventions include both long recognized forms of efficiency-oriented interventions of market failure such as public goods, externalities, economies of scale imperfect competition, as well as the non-efficiency oriented interventions that has to do with issues like poverty reduction, income distribution, intergenerational equity and food security, and other forms of welfare.

Public investments in strategic areas can generally stimulate economic growth and also affect the poor in a number of ways. First, fiscal policy influences the macroeconomic balances, fiscal and trade deficits and the rate of inflation. These changes affect standards of living directly (changes in real incomes) and indirectly (change in growth). Second, public investments in areas such as energy, rural roads, irrigation and primary schools often stimulate private investment and create opportunities for the poor to create, own, and accumulate assets and to smooth consumption (Vandemoortele, 2004). Finally, public expenditures generate transfers, in form of cash or monetary transfers (pensions, unemployment, insurance) or in kind (publicly provided health, education, and infrastructure services).

In as much as the justification for a robust role of government is attractive, it is important to note that economic theory indicates that such an expansion of government can negatively affect growth through inefficiencies created by government expenditures and the means of financing these expenditures (Schaefer, 2006). According to Mitchell (2005), government spending can interfere with competitive markets by establishing a "third-party payer" problem that disconnects end users from costs. This creates a lack of concern about prices that undermines competitive markets and increases inefficiency. The government cannot also spend money without taking it from someone through taxes. These taxes have the potential of discouraging productive activities by imposing a cost on work, savings, and investment. Borrowing to finance public spending also requires future payment eventually, implying a future tax burden, and diversion of investment resources from the private sector (Schaefer, 2006).

The empirical literature on the impact of various types of government spending on economic growth is mixed. The well-known study by Barro (1991) finds that "the ratio of real government consumption expenditure to real GDP has a negative association with growth and investment." Schaefer (2006) documents the study by Bernhard Heitger who examines the impact of government expenditures in 21 OECD countries from 1960 to 2000. The paper notes a substantial growth in average government expenditures over that period and a corresponding decline in average economic growth. Tanzi and Zee, according to

(Schaefer, 2006) also find no relationship between government size and economic growth. A National Bureau of Economic Research study concluded that "An increase in government spending by 1 percentage point of trend GDP decreases profits as a share of the capital stock by about a tenth of a percentage point" (Schaefer, 2006).

There are also a number of studies that have reported positive impacts of the relationship between government spending and growth and poverty reduction. Vandemootele (2004) argues that public investment was a key instrument to fostering growth and reducing human poverty in the Republic of Korea and still plays that role in China and Vietnam⁷. There is also evidence that national investments in agricultural research and rural infrastructure also contribute to agricultural and rural non-farm economic growth and to rural poverty reduction in their own right, even when markets are not widely liberalized (Fan, Hazell, and Thorat 1999; Fan, Zhang, and Zhang 2000).

Pasha and Palanivel (2004) in their work on 'pro-poor policies' argue that during the 1980s, China's agriculture-led development strategy sparked off on historically unprecedented reductions in poverty. According to the paper, farmers benefited from earlier state investment in rural physical infrastructure and basic health and education. The consequence was a surge in pro-poor growth. Easterly and Rebelo (1993) also show that an increase in public investment in transport and communication by 1.7 percentage points of GDP will raise growth by one percentage point. Gertler and van der Gaag (1990) document many studies which among other objectives indicate the correlation of health care expenditures on economic growth. Other studies include Fan, Hazell and Thorat (1999), Chu et al (2000), Addison and Rahman (2001).

Extensive evidence also exists on the positive effects of public investment on poverty and growth from studies that use CGE models. The literature is almost difficult to draw together and includes such studies by Bhasin and Annim (2005), Karl (2004), Wobst and Mhamba (2004), Agenor et al. (2004), Anderson (2003), Obi (2003), Bautista and Thomas (2000), Chitiga (2000), Bussolo and Round

⁷These two countries are top performers vis-avis the MDG targets.

(2003), Boccanfuso et al. (2003). All these studies in part explain, at least, the political will of many governments to increase public expenditures on education, health and other development activities so as to reduce poverty. But whether or not this hypothesis holds in the Ghanaian situation within a dynamic computable general equilibrium framework remains to be validated and forms the main concern this study seeks to address.

Methodology

The Static and Dynamic CGE

The model used in this study is based on the standard static and dynamic CGE model developed by Löfgren et al. (2002). The model structure has two major parts: the main iteration that determines equilibrium for the current year and the updating part, in which the exogenous variables of the main iteration part are updated (for iteration of the following year) as functions of the equilibrium solution of the previous period. The static CGE model can be described as the within period module that defines the behaviour of public and private agents who choose their optimal level of consumption and production on the basis of relative prices. All producers (each represented by a sector or activity) are assumed to maximize profits subject to their existing technology, taking prices (for their outputs, intermediate inputs, and factors) as given. The production technology is represented by a set of nested constant-elasticity-of-substitution (CES) value-added functions and fixed (Leontief) intermediate input coefficients^a.

Household consumption is assumed to be distributed over composite goods, which are a mix of domestic goods and imports, according to a Linear Expenditure System (LES) demand functions. Fixed investment demand is defined as the base-year fixed investment multiplied by an adjustment factor. Government consumption demand, in which the main components tend to be the services provided by the government labour force, is also defined as the base year quantity multiplied by an adjustment factor. The competitive equilibrium in

^a See Lofgren et al (2002) for details on the complete listing of the model equations and assumptions as well as a schematic representation of the structure of the model.

this model exists and is given by the set of prices of consumption goods, wage rate of labour, rental rate of capital, and the levels of output, sectoral use of labour and capital, such that market clearing conditions are satisfied.

In the dynamic model, a time element is introduced by solving the model sequentially, updating the capital stock to simulate population growth and productivity parameters to simulate advances in technology. In the base, run labour stock evolution is connected to population growth, which is adjusted to account for HIV-AIDS growth rates in Ghana. Accumulation of capital is assumed to be endogenous and depends on the stock of the previous period, investments and the depreciation rate. In the model, all agents are myopic which means that they do not make their decisions with regard to future expectations but base their decision making on current economic conditions. The model is solved for each consecutive period thus creating a data set for each of the periods in the horizon, which contains economy-wide data on micro and macro levels plus evolution of stocks that are allowed to change over time.

Description of the Dataset-The 1999 Ghana SAM

The model dataset is based on the 1999 SAM for Ghana prepared by Bhasin and Annim (2005), and has been substantially modified for the present application. The modification of the SAM involves straightforward aggregations of the capital transactions accounts into a single 'savings-investment' account and a consolidation of the primary, secondary and use of income accounts into one single set of current accounts for institutions. In addition, the production accounts are initially disaggregated into six sectors or activities namely cocoa, other agriculture, manufacturing, other industry, transport services and other services. These activities in turn produce three commodities namely agriculture, industry and services. This distinction between activities and commodities allow individual activities to produce more than a single commodity and conversely, for a single commodity to be produced by more than one activity.

Instead of a single representative labour category, segmentations based on gender and skill level of workers are introduced, and comprise four groups. They are labeled in the SAM as skilled male labour (LABSM), skilled female

labour (LABSF), unskilled male labour (LABUF) and unskilled female labour (LABUF). This labour classification is important to examine the consequences of policy measures on 'factorial' income distribution. Institutions have also been grouped into four: households, enterprises, government and the rest of the world. Firms comprise non-financial corporations, financial corporations and non-profit institutions serving households. Domestic production by enterprise is assumed to require intermediate inputs from itself and from all other productive sectors and value added from the four categories of factors of production and capital. The capital factor income is shared between the households and enterprises while the factor income is entirely versed with households. Enterprises pay dividends to households and taxes and dividends to the government, and the remainder also goes into the saving account.

The household classification adopted in the SAM consists of two-level disaggregations, the first level being a distinction according to the type of economic activity of the household. The five household groups here are agricultural farmers (HAF), public sector employees (HPUSE), private sector employees (HPRSE), non-farm self employed (HNFSE), and non-working households (HNW). The second level is a distinction between rural and urban households. The gross income of the households consists of the payments to the factors of production and transfers from other institutions (enterprises, government and the rest of the world). This income is used for final consumption, for transfers to enterprises and to the government (including the direct taxes). The remainder is saved.

The leading role of government is handled by an explicit formulation of the tax financing and expenditure. In the SAM, the government is disaggregated into a core government account and different tax accounts, one for each type of tax. The tax account consists of indirect taxes on production, import tariffs and direct income taxes. The sources of revenue to government are transfers from other institutions. The balance of the current account of the rest of the world corresponds to the saving of this account. The overall classification of accounts therefore leads to a total of 27 accounts. The main source of information was obtained from the Ghana Living Standards Survey (GSS, 2000), which provided

the raw data. Data for other endogenous variables, which could not be tracked from the SAM, were obtained from other secondary sources including the International Financial Statistics and the Ghana Statistical Service. The size of the capital stock was estimated on the basis of value-added and gross capital income data in the SAM.

Implementing the Model & Data

Three main steps are involved in the CGE analysis: (a) the compilation of base data (SAM); (b) the calibration of model parameters to the base data; and (c) computation of counterfactual equilibria for the policy changes to be analyzed. The 1999 SAM was used to calibrate the model's parameters. Some parameters such as international trade elasticities were estimated from a reasonable mixture of evidence from countries with productive structures similar to the Ghanaian case⁹.

In order to bring about balance in the macro accounts, it is necessary to specify a set of mechanisms or macro 'closure' rules. For the government, consumption is fixed in real terms. For most simulations, tax rates are also fixed, with savings clearing the government account. For the current account of the balance of payments, a flexible exchange rate adjusts to maintain a fixed level of foreign savings. In other words, the external balance is held fixed in foreign currency. There is no explicit modeling of the investment decision or the financial sector within a particular time-period, but aggregate savings-investment equality is required. Nominal investment is a fixed share of nominal absorption meaning that, other things being equal, real investment will respond positively (negatively) to decreases (increases) in the prices of investment commodities relative to other commodities. Finally, the base year for the model is also the base year for the price indices, which was equal to one.

The estimated and calibrated parameters must reproduce the data for the base year. This condition was satisfied. The model solution to the base year and calibration was then used to run the simulation of policy changes. The CGE model was implemented and calibrated using the General Algebraic Modeling

⁹ See Appendix for estimates of various elasticities used in this study

System (GAMS) programming software. Policy impacts are compared to the situation observed in the base year in terms of sectoral outputs, macroeconomic aggregates, and poverty levels. Poverty, in this study is defined according to per capita real expenditure. Following a shock to the model, the model generates real growth rates in per capita consumption expenditure for the five categories of households in the economy, which is then applied separately to the per capita consumption expenditure of households in the survey data for the poverty calculation using the Foster, Greer and Thorbecke (1984) class of poverty measures defined as:

$$Pov_{h,k} = \int_0^k [(z - y_h) / z]^k f(y_h) dy_h, \quad k = 0,1,2$$

Where y_h is the income of household h , k is a poverty aversion parameter, z is the endogenously determined poverty line. The incidence of poverty is indicated by $k=0$, the depth of poverty is indicated by $k=1$ and the severity of poverty is indicated by $k=2$.¹⁰

Dynamic CGE Simulation Results

In this section, the dynamic CGE model (run up to the year 2010 from 1999) is used to assess the growth and income effects of (i) increased government consumption expenditure (ii) increased public investments (iii) increased health spending (iv) increased education spending and (v) increased spending on road infrastructure.¹¹ In the SAM, total government spending is made up of consumption expenditure (comprising mainly of government services such as public administration and social services), transfer payments to institutions plus investment spending (capital or development expenditures). In all of the cases of the experiments, an important question or consideration for the government is how to finance such spending. The range of simulation experiments together with

¹⁰ The poverty lines for the calculations were drawn from Bhasin and Anim (2005). Assuming different initial poverty lines for the rural and urban sectors (expressed in monetary units and adjusted over time to reflect increases in rural and urban price indexes), and using the new absolute nominal levels of income and consumption for each individual and each group, the model will calculate a poverty index, and a poverty gap index. Two nutritionally-based poverty lines drawn from the Ghana Living Standards Survey (GLSS 4) were used for the base year - a lower poverty line of 700,000 cedis per adult per year and an upper poverty line of 900,000 cedis per adult per year.

¹¹ The percentage increase in all of these scenarios for the simulations was arbitrarily set at 20 percent.

some underlying assumptions follow the ones employed by Lofgren, Thurlow and Robinson (2004) for Zambia and Levin and Mhamba (2005) for Tanzania. The GAMS outputs for these simulations are summarized in Tables 3-5. Although the model reports annual changes in a number of variables, the report here is based only on the average annual change for the whole period.¹²

Increased Government Consumption Expenditure Simulation

Under this scenario, the effects of an increase in total government consumption expenditures on overall growth and poverty reduction is assessed. Given the assumption that direct taxes are fixed under this scenario, the initial impact of the increase is to decrease government savings. Since the model is savings-driven, the decreased savings leads to a crowding out of private investment by 4.26 percent and consequently to a reduction in real GDP. Given the compositional differences in government consumption spending, the increased demand for government services has different consequences for different sectors. The compositional changes in production towards government expenditure increases demand for and output of those sectors whose commodities feature in the government consumption bundle.

¹² The base path growth rates were generated based on the following assumptions: Agriculture is assumed to grow at 5.4 percent; industrial activities grow at 6 percent, while services are assumed to grow at 6 percent over the period. Government real current expenditure is assumed to grow by 3 percent and total investment is assumed to be growing at 10 percent with private investment growing faster than public investment. Export volumes are assumed to grow by 8.2 percent while imports are growing by 6.9 percent.

¹³ The abbreviations represent the following: Gov Exp Inc: 20 percent increase in government consumption expenditure simulation; Gov Inv Inc: 20 percent increase in government investment simulation; Infras Inc: 20 percent increase in government spending on infrastructure simulation

Table 3: Base Values and Simulation Results (Average Annual Percentage Change) ¹³

Sector	Initial Values	Base Scenario	Gov Exp Inc	Gov Inv Inc	Infras Inc
Real GDP	4513.17	7.70	7.55	7.84	7.64
Household Consumption	4340.24	4.32	4.07	4.43	4.23
Rural Consumption	1876.20	3.98	3.69	4.07	3.87
Urban Consumption	2464.04	4.57	4.36	4.69	4.49
Investment	868.47	2.37	-0.07	1.26	0.91
Government Consumption	710.52	3.00	4.0	3.00	3.23
Real Exports	533.95	9.73	10.05	10.15	9.87
Real Imports	1087.11	4.33	3.21	4.10	3.91
Real Exchange Rate	100	4.95	5.58	5.22	5.21
Investment/GDP	16.22	1.15	-4.26	-0.60	-0.80
Private Savings	0.09	-0.02	-0.02	-0.02	-0.02
Government Savings	9.82	1.41	-1.36	0.94	0.55
Foreign Savings	8.82	-3.14	-2.75	-3.09	-2.99

Source: Simulation Results

From Table 4, the expenditure increase leads to a slight increase (0.1 percent) in agricultural growth and services (0.1) but reductions in the growth of industry (0.9 percent). The fall in real GDP reduces the demand for imported commodities by 1.12 percent. The trade balance is maintained through a nominal depreciation in the currency (0.63 percent) which facilitates an increase in exports by 0.32 percent.

Table 4: Sectoral Production Base Levels and Simulation Scenarios
(Average Annual Percentage Change)

	Initial Values	Base Scenario	Gov Exp Inc	Gov Inv Inc	Infras Inc
Agriculture	2816.8	10.2	10.3	10.5	10.2
Industry	2628.4	6.0	5.1	5.9	6.0
Services	2440.4	4.7	4.8	4.9	4.8
Total	7885.6	7.3	7.1	7.4	7.2

Source: Simulation Results

On one hand, the increase in government spending should lead to a rise in the demand for factors and put an upward pressure on factor returns. However, given the fixed supply of these factors, the crowding out of investment forces a downward pressure on real returns to factors. The net effect from Table 5 shows a reduction in real household incomes and hence a fall in real per capita consumption for all the household groups, except the public sector employed (HPUSE) group. This, together with the investment crowding out effect drives down the real GDP. Accordingly, the incidence, depth and severity of poverty as shown in Tables 9 and 10, increase for almost all the household groups with the exception of public sector employed households.

Table 5: Base Values & Simulation Scenarios: Real Household Consumption (Average Annual Percentage Change) ¹⁴

	Initial levels	Base scenario	Gov Exp Inc	Gov Inv Inc	Infras Inc
HAF	1015.8	4.2	4.1	4.4	4.1
HPUSE	880.8	5.9	6.0	6.1	5.8
HPRSE	756.0	5.9	5.7	6.0	5.8
HNFSSE	827.3	4.9	4.9	5.1	4.8
HNW	860.4	5.8	5.3	5.8	5.7

Source: Simulation Results

Increased Public Investment Spending Scenario

In this policy scenario, outlays on current government consumption are assumed to be fixed while we explore the effects of increased public investments (Gov Inv Inc) on overall growth and poverty reduction. Such capital investments reinforce capital intensity (i.e. capital per worker) and thus have a formidable positive effect on productivity. This is in line with the theory of production where, productivity performance is tied to capital inputs or capital deepening (Mitchell, 2005). It further stimulates job creation and increases the profitability of the targeted sectors. Again, given the compositional differences in government investment spending, the change has different consequences for different sectors. Except for the industrial sector that shows a fall from 6.0 percent to 5.1 percent, the shift towards public capital expenditures in this policy scenario has a positive impact on the output of agricultural and service sectors. Overall real GDP increases to about 7.9 percent from the base growth of 7.7 percent.

¹⁴The abbreviations represent the following: HAF: agricultural farmers' households, HPUSE: Public sector employed households, HPRSE: private sector employed households; HNFSSE: non-farm self-employed households; and HNW represents non-working households.

Intersectoral linkages and endogenous price feedbacks within the model capturing the full repercussion mechanisms in the economy of the increase in investment spending (together with an initial crowding out of private investment from 9.3 percent to about 4 percent) show a trade balance that is maintained through a nominal depreciation in the currency about (0.3 percent) which facilitates an increase in exports from 9.7 to 10.2 and a fall in imports from 4.3 to 4.1 (see Table 3). In the end, the investment spending policy scenario showed welfare gains for all the household groups. The welfare gains are mostly achieved through a rise in households' capital income gains.

Increased Education Spending Simulations

The remaining policy scenario involves a shift towards targeted specific spending in education, health and infrastructure which has been necessitated by the need of expanding these services in line with the GPRS (GOG, 2003). In the analysis on increased education spending, three alternative scenarios are considered. In the first scenario (Educ), the investment is assumed to be non-financed; in the second case (Educ-T), financing is done through increased taxes, and finally, Educ2 shows the case of increased spending on education with higher total factor productivity growth. The results from the education scenarios are summarized in Table 6.

Table 6: Base Values and Simulation Results (Average Annual Percentage Change) ¹⁵

Sector	Initial Value	Base Scenario	Anti-Aids	Anti-Aids-T	Educ.	Educ-T	Educ 2
Real GDP	4513.17	7.70	8.19	8.65	7.81	8.05	9.20
Household Consumption	4340.24	4.32	4.55	5.01	4.29	4.35	5.77
Rural Consumption	1876.20	3.98	4.01	4.66	3.87	4.01	5.42
Urban Consumption	2464.04	4.57	4.95	5.27	4.60	4.61	6.02
Investment	868.47	2.37	-12.65	2.37	-1.11	3.33	3.36
Government Consumption	710.52	3.00	6.34	6.34	4.28	4.28	4.28
Real Exports	533.95	9.73	11.57	10.64	10.67	10.17	11.47
Real Imports	1087.11	4.33	1.74	5.11	2.82	4.71	5.48
Real Exchange Rate	100	4.95	6.84	5.01	6.04	5.03	5.42
Investment/GDP	16.22	1.15	-5.08	6.39	-5.33	2.24	0.93
Private Savings	0.09	-0.02	-0.03	-0.03	-0.02	-0.03	-0.02
Government Savings	9.82	1.41	-7.10	0.67	-2.25	2.64	1.75
Foreign Savings	8.82	-3.14	-2.45	-3.52	-2.66	-3.27	-3.66

Source: Simulation Results

¹⁵ The abbreviations represent the following: Anti-Aids-T represents Anti-aids policy scenario, Anti-Aids-T represents the tax-financed anti-aids policy scenario, Educ represents non-financed increased education spending policy scenario, Educ-T represents increased education spending with flexible direct taxes, Educ-2 represents increased education spending with higher Total Factor Productivity (TFP) elasticity with respect to education.

Given the assumption that direct taxes are fixed in the first scenario (Educ), the initial impact of the increase is to decrease government savings. This leads to a crowding out of investment and consequently to a reduction in real GDP as well as sectoral production growth rates. For the publicly funded scenario (Educ-T), government consumption is seen to increase from 3 percent to about 4.3 percent. The increased economic growth leads to an accelerated investment growth rate. The rising investment demand increases import demand as well as exports alongside the increase in GDP.

The scenario where additional spending in the sector is complemented with TFP increases (Educ2) has the largest impact. Sectoral production levels increase with higher growth rates being demonstrated for the services sector followed by the agricultural and services sector.

Table 7: Sectoral Production Base Levels and Simulation Scenarios (Average Annual Percentage Change)

Initial values	Base scenario	Anti-Aids	Anti-Aids T	Educ	Educ-T	Educ2
Agriculture	2816.8	10.2	11.5	11.0	10.7	11.8
Industry	2628.4	6.0	3.9	6.6	4.9	6.9
Services	2440.4	4.7	5.4	6.2	4.8	6.5
Total	7885.6	7.3	7.5	8.2	7.3	8.7

Source: Simulation Results

Looking at welfare (approximated here as changes in real per capita consumption), the results from Table 8 show an improvement in welfare for all the household groups with private sector employed households benefiting more from enhanced productivity through education policy.

Table 8: Base Values & Simulation Scenarios: Real Household Consumption (Average Annual Percentage Change)

Initial values	Base scenario	Anti-Aids	Anti-Aids-T	Educ	Educ-T	Educ2	
HAF	1015.8	4.2	4.7	4.9	4.4	4.2	5.7
HPUSE	880.8	5.9	6.0	6.6	5.7	5.9	7.3
HPRSE	756.0	5.9	6.2	6.6	5.9	6.0	7.4
HNFSE	827.3	4.9	5.7	5.6	5.2	4.9	6.3
HNW	860.4	5.8	5.4	6.5	5.4	5.8	7.2

Source: Simulation Results

Increased Health Spending Scenario-the case of HIV/AIDS Treatment
 HIV/AIDS is assumed to influence the real economy through its effect on the growth rate of the population, labour force and total factor productivity. The initial task here involved the estimation of the total cost of the government HIV/AIDS treatment programs. In this experiment, an estimated cost for an antiretroviral therapy was assumed to be around 50 percent of the total budget¹⁶. The Anti-Aids scenario (costless treatment) assesses the impact of minimizing the AIDS impact without requiring any intervention from government through increased taxation. Government consumption growth increases from 3 percent to 6.4 percent. This results in decreased government savings and leads to a crowding out of investment. The rate of real investment falls as a result but not to such an extent as to diminish the positive gains in real GDP growth rate of 8.2 percent compared with the base case of 7.7 percent.

A similar effect is shown at the sectoral level (Table 7) with reductions in growth levels for industry from 6.0 percent to about 4 percent and increases for

¹⁶ The main calculations on the estimation of the total cost of government treatment programs were drawn from Levin and Mhamba (2005). The underlying assumptions included 30% coverage and the fact that HIV/AIDS treatment program will increase population, labour force and total factor productivity growth rates.

agriculture and services, with growth rates of 11.5 from 10.2 and 5.4 from 4.7 respectively. The increase in real GDP is also reflected in increases in the demand for imports alongside exports. The results in terms of per capita real consumption of households' growth rates show increases for all the households groups with the exception of non-working households that posts a fall.

The results from the publicly funded HIV/AIDS scenario shows that increased TFP from such an intervention allows production to increase and consequently increases the level of GDP. Government consumption growth again increases, rate of real investment growth remains constant while total household consumption increases. On the sectoral level, the growth acceleration is spread across the three main sectors, with higher resulting growth levels for the services sector followed by agriculture and then the industry in that order. Welfare gains are higher for all the household groups posting average gains of about 0.7 percentage points.

Table 9: Poverty Measures for the Base Year and Simulations

HNW	HAF	HPUSE	HPRSE	HNFSSE	
Poverty Incidence (alpha=0)					
Base	17.29	19.28	25.36	21.04	20.00
Gov Exp Inc	17.93	19.01	26.12	21.04	21.59
Gov Inv Inc	16.94	18.73	24.99	20.35	20.00
Anti-Aids	15.80	19.00	24.30	18.53	21.25
Anti-Aids-T	15.24	17.50	23.02	18.81	18.13
Educ	16.25	19.86	25.36	20.02	21.25
Educ-T	17.29	19.28	25.00	21.04	20.00
Educ2	13.42	16.03	20.83	17.01	16.59
Infras	17.63	19.56	25.73	21.40	20.30

Table 10: Poverty Measures for the Base Year and Simulations

	HAF	HPUSE	HPRSE	HNFSE	
HNW					
Depth of Poverty (alpha=1)					
Base	7.15	9.02	9.85	8.56	7.99
Gov Exp Inc	7.29	9.43	10.14	8.56	8.62
Gov Inv Inc	6.88	8.89	9.71	8.28	7.99
Anti-Aids	6.52	8.89	9.44	7.54	8.49
Anti-Aids-T	6.30	8.19	8.94	7.65	7.06
Educ	6.89	9.29	9.85	8.15	8.49
Educ-T	7.15	9.02	9.71	8.56	7.99
Educ2	5.55	7.50	8.01	6.92	6.63
Infras	7.29	9.15	9.99	8.71	8.11
Severity of Poverty (alpha=2)					
Base (in %)	4.16	5.30	5.41	4.96	4.30
Gov Exp Inc	4.24	5.54	5.57	4.96	4.64
Gov Inv Inc	4.01	5.22	5.33	4.80	4.30
Anti-Aids	3.79	5.22	5.18	4.37	4.57
Anti-Aids-T	3.66	4.81	4.91	4.43	3.89
Educ	4.01	5.46	5.41	4.72	4.57
Educ-T	4.16	5.30	5.33	4.96	4.30
Educ2	3.23	4.41	4.44	4.01	3.56
Infras	4.24	5.38	5.49	5.05	4.36

Source: Author's Calculations

Increased Transport Infrastructure Spending Simulation

This simulation (Infras-T) involved the doubling of government consumption and investment in transportation, assumed to be financed through an increase in direct taxes. The simulation results, together with the non-publicly financed scenario (not shown) appeared not to produce any significant changes compared with the base in terms of real GDP growth, sectoral production growth rates (except for a slight 0.1 percentage point increase for the services sector) and real household consumption growth rates.¹⁷

¹⁷The Infras-Inc simulation did not produce significant changes from the base scenarios and as such was excluded from the presentations in tables 9 and 10

Concluding Remarks

Two main lessons can be drawn from this study. First, various types of government spending have differential impacts on economic growth and poverty reduction, implying greater potential to improve efficiency of government spending by reallocation among sectors. Second, governments should reduce their spending on unproductive sectors and rather give priority to increasing its spending on production-enhancing investments such as education, health and infrastructure. This type of spending not only yields high returns to agricultural production, but also has a large impact on poverty reduction since most of the poor still reside in rural areas and their main source of livelihood is agriculture. In concluding, it is significant to mention that the findings from these analyses are entirely conditioned by the data used and model specifications and should be interpreted as such. However, additional sensitivity analysis in substitution and transformation elasticities, which are the core parameters of the applied CGE approach, indicates an acceptable robustness of the modeling results obtained.

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Appendix 1: Table A1: Social Accounting Matrix for Ghana 1999 (Billions of Cedis)

	ACCOA	ADAGRG	AMANUF	AOINDG	ATRANSG	AOSERG	CAGR	CINDG	CSERG	LABSM	LABSF	LABUM	LABUF
ACCOA							504.1						
ADAGRG							2017						
AMANUF								972					
AOINDG								1805.2					
ATRANSG									350.2				
AOSERG									1981.7				
CAGR	56.6	226.5	59.2	109.9									
CINDG	26.7	107	251.5	467.1	58.5	329.5							
CSERG	44.5	178.2	66.2	123	85.4	483.6							
LABSM	70	280.2	52.5	97.5	32.4	183.5							
LABSF	3.5	14.1	2.6	4.9	1.6	9.2							
LABUM	217.2	868.7	162.8	302.3	100.4	568.8							
LABUF	59.6	238.2	44.6	82.9	27.5	156							
CAP	11.1	44.6	168.2	312.3	43.6	246.8							
HAF										156.2	7.8	484.4	132.8
HPUSE										150	7.5	465	127.5
HPRSE										132.3	6.6	410	112.4
HNFSE										139.6	7	432.7	118.6
HNW										138.2	6.9	428.3	117.4
ENT													
GOV													
YTAX													
INDTAX	14.9	59.5	164.4	305.3	0.8	4.3							
TARRIFS							56.3	316	3.2				
ROW							62.4	985.9	211.9				



Appendix 1: Table A1 (Continued): Social Accounting Matrix for Ghana 1999 (Billions of Cedis)

	CAP	HAF	HPUSE	HPRSE	HNFSE	HNW	ENT	GOV	YTAX	INDTAX	TARRIES	ROW	S-I	TOTAL
ACOCOA														504.1
AOAGRG														2017
AMANUF														972
AOINDG														1805
ATRANG														350.2
ADSERG														198.2
CAGRG		435.7	408.4	357.6	380.4	383.5						232.8	-10.9	2640
CINDG		227.5	214	187.4	199.3	200.8						278.6	1531	4079
CSERG		150.6	141.4	123.9	131.7	132.7		732.3				6.6	146.9	254.7
LABSM														716.1
LABSE														35.9
LABUM														2220
LABUF														608.8
CAP														826.6
HAF		25.8	-20.8				9.5	10				23.3		829
HPUSE		25.3	-20.5				5	5.5				12.4		777.7
HPRSE		21.3		-18.1			3.5	4				8.9		680.9
HNFSE		23.8			-19		5	5				11.4		724.1
HNW		28.8				-18.7	6.5	7				15.9		730.3
ENT		560	4.5	3.7	3.2	3.5	3.8	523.7	195.5			74.5		1392
GOV									479.1	549.2	375.5	190.1		1594
YTAX														479.1
INDTAX														549.2
TARRIES														375.5
ROW		121.5	1	1	0.8	0.9	0.9							1386
S-I		-3.3	-1.8	-1.3	-1.7	-2.3	638.8	506.2				532.1		1667
TOTAL	826.5	828.9	777.5	680.9	784.2	730.1	1392	1594	479.1	549.2	375.5	1386.6	1667	

Appendix 2: Table A2: Values of Elasticity of Substitution and Transformation

SECTOR	CET	CES	FACTORS	LABOUR
Agriculture	1.25	1.5	0.75	1.25
Industry	1.25	0.8	0.75	1.25
Services	1.25	0.8	0.70	

Survey Data Report: Ghanaians are Critical about the 2006 Recent Hostilities in Lebanon but are Optimistic about Peace in the Middle East.

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Abstract

This article examines variation and distribution of opinions in Ghana regarding conflict in the Middle East and was limited to the conflict that erupted along the Southern Lebanon and Israeli border during July and August 2006. The survey research focused on several key areas: United States of America understanding of Middle East issues, country's right to self-defence, disproportionate use of military force, proxy war, and indifference to the loss of human life. The survey was conducted in the Central Region and 318 (N=318) completed survey instrument were assessed. The results suggest respondents are less likely to give support for the disproportionate use of military force, more likely to give support for a country's right to self-defence to Lebanese combatants defending their territory against intruders, respondents are of the opinion that Israel, more so than not, is fighting a proxy war, and that Western countries have an indifference to the loss of life.

Introduction

Since the creation of Israel in 1948 there have been three major wars between Arab countries and Israel, several military campaigns, and continued cross border hostilities between antagonists along the southern Lebanon, West Bank, and Gaza Strip borders, which the hostilities are associated with United States support for Israel, Israeli occupation of Palestinian territory and the Syrian Golan Heights. Border hostilities are also associated with Israeli settlement construction, targeted assassination, attacks by Hizbullah and Hamas on Israeli citizens, attacks on Israeli military personnel, and infrastructure, and retaliatory strikes by Israeli Defense forces against Islamic militants. Opinion research on Middle East has been extensive in the United States and Europe, however, there have been relatively little research into how Ghanaians or Sub-Saharan Africans view the conflict stemming from Hizbullah, Hamas, and other resistance groups from which they arise or, the military action of Israel in the region.

The opinions of Ghanaian society are important for a variety of reasons. At the broadest level, they tell us whether these groups or the conflict is considered legitimate in terms of their goals as well as their methods. They also tell us how much support such groups are likely to get from the larger global society, both directly and indirectly. To understand the public's feelings about these groups and the conflict, it is also critical to understand the prevailing narratives in the societies they come from. For more than forty years the United States has supported Israel without reservation economically, politically and militarily. Since the Iraqi invasion of Kuwait in 1990, United States invasion of Afghanistan, and the horrendous events of September 11, 2001, the United States has undertaken a "war on terrorism," introducing large numbers of troops into predominantly Islamic countries, particularly Afghanistan, Saudi Arabia and Iraq, which has conflicted with social, cultural, religious, and political sensitivities of the governments and people where U.S. and western troops are present. The opinions, beliefs, and attitude of people living and working in Ghana or sub-

Saharan Africa are rarely measured. The absence of such measurements raises a few questions. How do people in Ghana and Sub-Saharan Africa understand the purpose and aims of the US interests in the Middle East? To what extent are Ghanaians and sub-Saharan Africans interpretations consonant with the interpretations reflected in opinion surveys conducted in the United States, and Europe? Do Ghanaians perceive that US military forces are a stabilizing force or a threatening one in the Middle East or for that fact, a stabilizing or threatening one in Africa?

Political and religious groups such as Hizbullah, Hamas, and other resistance groups, to Israel, have not emerged simply in reaction to US policies. They have a broad practical, ideological, emotional, and instrumental agenda that includes serving and protecting Shiite communities and Lebanon sovereignty and transforming the Palestinian occupied territories into an independent and autonomous state. To what extent do these issues resonate among Ghanaians? The use of violence against civilians for political and ideological purposes has figured prominently in debates about Hezbollah, Hamas, and Israeli military action. Do Ghanaians believe the conflict among combatants is justified and for whom and under what circumstances or do they think the current situation warrants such acts? And, to what extent do Ghanaians believe a peaceful resolution can be achieved in the Middle East between warrior parties along the southern border between Lebanon and Israel, and between Hamas and Israel? This report focuses on the general distribution of attitudes in Ghana and is limited to the conflict, which erupted along the Lebanon-Israeli border during July and August 2006. The study also includes questions on a wide-range of variables that may be related, in general, to the Middle East conflict.

Southern Lebanon, Hizbullah, and Hamas

The Middle East has a long history of conflict and violence. Particularly with respect to the conflict in Lebanon and the Palestinian occupied territories of the Gaza Strip and the west Bank. Such hostilities pose challenges for the United

States, European Union, Israel, the international community, and other countries in the Middle East and above all, for the people living in the conflict zones of Lebanon, Gaza, West Bank, and Israel. Aggressive posturing between antagonists, attacks, and counter attacks on Palestinians, Lebanese, and Israeli populations and paramilitary clashes continue unabated and have vacillated for more than 60 years. The capture of one Israeli Defense personal in the Gaza Strip in June 2006, failure to recognize elected Hizbullah and Hamas official and other political parties in Lebanon and within the Palestinian occupied territory, coupled with the subsequent capture of two Israeli soldiers in Southern Lebanon in July 2006, contributed and lead to the recent 6 week long intensive war between Hezbollah and Israeli forces.

During the 2006 conflict in Southern Lebanon, many called on the United States to enter into discussions with Arab and Muslim groups and persuade Israel in reaching a peaceful agreement with their respective adversaries in the Middle East (Bone, 2006; Cockburn, 2006). Israel's military incursion and offenses into the Palestinian occupied territories of the Gaza Strip and West Bank, and Israel's 2006 intrusion into Southern Lebanon did not result in extensive public opinion criticism in the U.S.A (Brzezinski, 2005). United States efforts to rebuild and redirect the peace process in the Middle East between Israel and its opponents have had modest progress but in many ways this suggest peace efforts have staggered. The staggered peace process is associated with the U.S. and Israel's refusal to acknowledge Hamas surprise victory in Palestinian democratic parliamentary election of January 2006 (Hilal, 2007, Forbes, 2006). The election results gave Hamas 76 of the 132 seats in the chamber, with the ruling Fatah party trailing with 43 seats (CBC News, 2006). The election victory has posed problems for efforts to restart peace talks with Israel, continued financial hardship for Palestinians living within the boundaries of the Gaza Strip, and failure of some governmental and nongovernmental organizations to deal with Hamas has exacerbated social and economic stress. One reason why the election results

came as a shock is that no one predicated the Hamas victory because the polls, prior to the election, suggested Fatah was leading Hamas in the polls (El Deeb, 2006). After the January elections, during April approximately 80 million dollars was withheld from the Hamas led government. The money withheld was earmarked to compensate, in part, the salaries for government workers. It was estimated that 45 percent of the population lives under poverty on about \$2.00 a day and nearly one-third of the workforce is unemployed (World Bank, November 2006).

After the January 2006 general election in the Palestinian territories several factors were associated with increases stress among Palestinians, these included but are not limited to: failure of the United States to recognize the democratically elected Hamas government; cross-border violence in the Gaza Strip and West Bank territories; targeted assassinations, and the collapse of the Hamas led government in June 2007 (Oxfam Briefing Note, April 2007).

In July 2006, Israel invaded Southern Lebanon. What was Israel's justification for self-defense and incursion, and the original provocation into Lebanon? Differing accounts on what actually occurred is not clear. However, the provocation shifted several times and ended with a report stating the incident involved the killing of eight and the abduction of two Israeli soldiers in southern Lebanon by Hizbullah militants on the Lebanese frontier near the Aytal Shaab Village on July 12 around 9:00 am (Trish Schuh, 2006; Bahrain News Agency, 2006). Schuh (2006) suggests the contested justification for Israel's aggression may well come to rest on the principal idea that Lebanese government failed to reign-in and stop Hizbullah alleged cross-border activities. Jonathan Cook (2007) described the event that led to the war which began on July 12, "when Israel launched waves of air strikes on Lebanon after Hizbullah killed three and captured two soldiers on the northern border with Israel and five of the Israeli soldiers were killed when their tank was destroyed by a land mine when they attempted to pursue Hizbullah fighters in southern Lebanon." Hizbullah had long

been warning that it would seize soldiers if it had the chance, in an effort to push Israel into a prisoner exchange. The justification for Hizbullah's actions and continued resistance is directly related to Israel not completing a full withdraw from Lebanon in 2000 and the continued occupation by Israeli forces of Sheeba Farms which lay within Lebanon's territorial borders (Cook, 2007; The Nation, 2006).

Hizbullah's missile attacks and Hamas' aggression against Israel stems from Israel's military incursions into Lebanon and continued occupation and isolation, an unwillingness to recognize the Hamas government, and continued Israeli settlement building within designated Palestinian occupied territories of the West Bank. Anderson Strindberg (2006) proposes the capture of two Israeli soldiers by Hizbullah was a reaction against Israel's unrelenting aggression against Lebanon's sovereignty, and the capture of one Israeli soldier, Gilad Shalit (Israeli Ministry of Foreign Affairs 2006). The Canadian **Broadcasting Corporation** (CBC NEWS, 2006), described the capture of Shalit which involved Militants affiliated with the Islamic group Hamas apprehended Shalit and killed two other soldiers on June 25, 2006, at an army base after tunneling into Israel from the Gaza Strip. Negotiations for Shalit release, mediated by Egypt, had repeatedly broken down and been complicated since Hamas took control of the Gaza Strip. Such hostilities and others during 2006 were disassociated from its wider context of Israel's incursions, arrests, and detentions of Palestinians, and the continuation of Israeli settlement construction on Palestinian land. Israel presents her conflict with Hizbullah and Hamas to the world community as being manufactured and perpetrated by the enemies of the Sate of Israel, particularly Syria and Iran.

President George W. Bush's administration, it is believed, partially supported and was indirectly involved in the planning of Israel's retaliation attacks against Hizbullah. Seymour M. Hersch (2007) indicated the goal of the Israel's air force aerial assault of Lebanon was to weaken Hezbollah's growing military

strength since Israel's withdraw from southern Lebanon would ease security issues for Israel on her northern boundary and the war in 2006 would serve as a prelude to a potential American pre-emptive strike to damage or destroy Iran's nuclear installations. The Bush administration, according to Hersch (2007), had several reasons for supporting Israel's, actions: 1) to strengthen the Lebanese government to take control away from Hizbullah and then assert control over southern Lebanon, 2) strip Hizbullah of its missiles and, 3) going after Iran's proxy, Hizbullah, in the Middle East as part of U.S. interest in bring about pro-western democratization in Lebanon.

After approximately 34 days of conflict in 2006, a United Nations brokered cease-fire went into effect at 8:00 AM local time on 14 August. The United Nations Security Council unanimously approved Resolution 1701 (UN Security Council, SC/8808, 2006)) calling for a cessation of hostilities and an end to the conflict on 11 August.

The resolution called for the disarming of Hizbullah and reoccupation of Southern Lebanon by the Lebanese army (assisted by international forces) and the eventual withdraw of Israeli forces. Lebanon and Hizbullah agreed to the resolution on 12 August and Israel agreed to the terms of the resolution on 13 August (Wright, 2006; D'Amato, 2006). Despite the cessation of hostilities as of October 2006, Israel had yet to fully withdraw and Hizbullah had refused to disarm. Along with the United Nations Interim Force in Lebanon (UNIFIL), the Lebanese army moved into the region south of the Latini River for the first time in 40 years, the area had been under Hizbullah control prior to this time, UNIFIL's troop deployment is comprised mainly of soldiers from Turkey, Pakistan, Malaysia, and France (UNIFIL, 2006)

Over the course of the conflict, as many as 4,000 rockets were launched into Israel and the Israeli Air Force carried out more than 10,000 sorties, thousands of Israeli buildings were damaged and billions of dollars worth of damage done to Lebanon's infrastructure. Israeli Defense Force (IDF) and the

Israeli Prime Minister Office (2006) estimated that over 400 Hizbullah fighters were killed and slightly more than one hundred IDF soldiers were killed with hundreds sustaining wounds. Other officials estimated place casualties around 43 Israeli civilians killed and 75 seriously injured, of which one third were Arab Israelis, and approximately 1,200 Lebanese civilians killed and 4,400 injured, one-third were reported to be children (see, Amnesty International, 2006; Human Rights Watch, 2007; Reliefweb.org 2006)

Public opinion surveying on Middle East foreign policy is almost nonexistent in sub-Saharan Africa, particularly in Ghana. However, there have been a few surveys conducted in Africa, assessing Ghanaian opinions on democratization issues with virtually no assessment on the Middle East issues. AfroBarometer (2002) publishes reports and the results of national sample surveys on the attitudes of citizens in selected African countries towards democracy. In January 2006, a collaborative effort of British Broadcast Company, and International Policy Attitude (2005) conducted a transnational opinion poll of citizens from 27 countries on the Most Significant Events of 2005, which Ghana was one of the sampled countries. Two recent surveys (Sharif, 2002, 2006b) were conducted which directly assessed Ghanaian opinions on a variety of issues relating to terrorism and the Middle East.

Survey Methodology

To assess the hostilities in Lebanon during July and August of 2006, the researcher conducted an in-depth study of public opinion in Ghana. The research was independently supported by the principle investigator. The survey was conducted in the Central Region of Ghana between July and December 2006. The opinion survey utilized a 4-page, 38-item questionnaire constructed around a multiple choice closed ended question format supported with Rensis Likert scale type responses. Likert scale was developed in the 1930s by Rensis Likert to provide an ordinal-level measure of a person's attitude. The self-administered

survey was handed out to 350 potential participants in the Central Region of Ghana, West Africa, between August and December 2006 and was based upon non-probability sampling. The findings discussed in this report are based on only urban and rural respondents who expressed an interest to participate and were acquainted with many of the issues in survey. The survey received 318 (N=318) completed instruments, 13 were discarded because of incompletes, 10 instruments were discarded for not being anonymous, and 9 questionnaires were never returned to the investigator. Readers are reminded that survey results are estimates, the accuracy of which depends upon the sample size, how respondents are selected, and observed percentages. they should bear in mind that a survey frames the issues in a particular way and respondents are generally restricted to answering questions in terms of the responses provided. Furthermore, the reader should also be cautious about the results of subgroups, as described in the results, because they have the potential for larger variation than those found in large randomly drawn samples or for the entire population.

Findings

Generalised Characteristics of Respondents

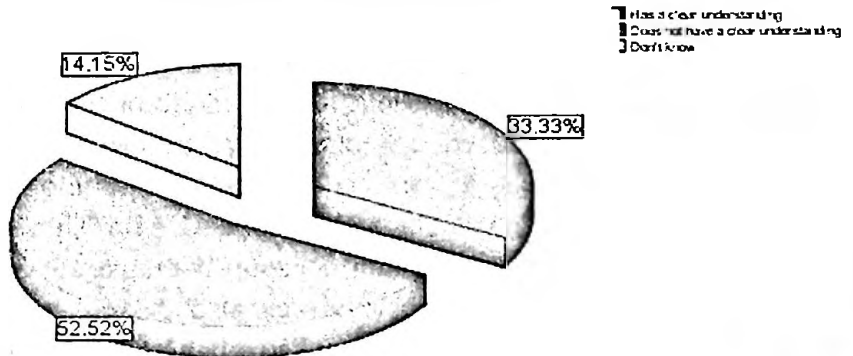
Three hundred and eighteen people participated in the survey. Approximately Seventy-one percent (N=227) of the participants were male and 28.6 percent (N=91) were female. Approximately 59 percent of all respondents were between 18 and 31 years of age, 32 percent were between 32 and 43 years, and 9 percent were 44 years of age and above. Roughly, fifty-eight percent of the respondents indicated their marital status as single (e.g., never married), 40 percent reported they were either married or in a permanent relationship, and nearly 6 percent suggested that were separated, divorced, or widowed. When participants were asked to categorize their highest level of education, approximately 42 percent completed senior secondary school; 32 percent completed some college; 6 percent completed some technical training; 32

percent achieved the baccalaureate and five percent were awarded the master's degree. Political orientation was more diffused on a continuum from extremely-slightly conservative (45.9 %) or extremely-slightly liberal (43.3 %), and roughly 10 percent did not know which best describes their political orientation. When religious affiliation was considered nearly 76 percent of participants identified their affiliation as Christian, 19 percent Islamic, 4 percent as traditional African. One hundred percent of the participants in the survey listed their nationality as "Ghanaian."

Ghanaians Do Not Believe USA Has a Clear Understanding

Despite what might be assumed regarding the extent to which the United States has a clear understanding of the issues in the Middle East. Ghanaians who participated in the research are of the opinion America does not have a clear understanding of the history of the Middle East. Nearly half of those polled (53%) say the U.S. does not have a clear understanding of the history of the Middle East; a third (33%) suggested America has an understanding, while fourteen percent (14%) did not know if America has a clear understanding of the conflict associated in the Middle East (Figure 1).

Figure 1 America Has a Clear Understanding of the History of Conflict in Middle East Between Israel and Israel's Arab Neighbors



Categorising Hizbullah and Hamas

The respondents seem divided over the question whether the Lebanese group Hizbullah and the Palestinian group Hamas are a political or terrorist organization. Nearly a third (36%) of the respondents believes Hizbullah can be categorized as a political organization, while nearly another third (35%) believe it is both a political and terrorist organization. When a similar question was asked regarding the Palestinian group Hamas, forty-four percent (44%) report Hamas as being a political organization and slightly less than a third (29%) say Hamas can be categorized as both a political and terrorist organization. Nine percent (9%) pronounced they did not know if Hams was either a political or a terrorist organization (Table 1a-b).

Tables 1a-b: Categorizing Hizbullah and Hamas

Table 1a How Would Categorize the Lebanese Organization Hizbullah	Frequency	Percent
Political Organization	116	36.5
Terrorist Organization	52	16.0
Both a Political and Terrorist Organization	112	35.2
Don't Know	39	12.3
Total	318	100.0
Table 1b How would you Categorize the Palestinian Organization Hamas		
Political Organization	140	44.0
Terrorist Organization	56	17.6
Both a Political and Terrorist Organization	93	29.2
Don't Know	29	9.1
Total	318	100.0

Support for the Right of Self-Defense

A large majority of participants in the study agree that Lebanon, Israel, and the Palestinian Authority in the occupied territories have a right to self-defense. Ninety-seven percent (97%) declare a country has a right to self-defense. There were minor differences in agreement among respondents whether Israel or Lebanon has a right to self-defense, averaging 95 percent. However, there was a ten percentage point reduction (86%) when the question was posed whether the "Palestinian Authority" has a right to self-defense (Table 2a-d). The average for those who did not know whether a country, Israel, Lebanon or, the Palestinian Authority has a right to self-defense approximated 7 percent, collectively.

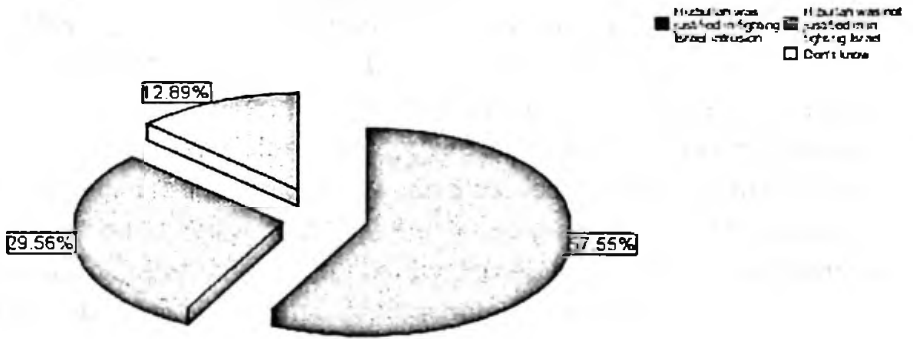
Tables 2a-d: Right of Self-Defense

<i>Table 2a Country Has a right to Self-defense</i>	Frequency	Percent
Yes	309	97.2
No	6	1.9
Don't Know	3	.9
Total	318	100.0
<i>Table 2b Israel Has A right to Self-Defense</i>		
Yes	303	95.3
No	10	3.1
Don't Know	5	1.6
Total	318	100.0
<i>Table 2c Lebanon Has a Right to Self-Defense</i>		
Yes	305	95.9
No	33	10.4
Don't Know	2	.6
Total	318	100.0
<i>Table 2d Palestinian authority Has a right to Self-Defense</i>		
Yes	272	85.5
No	33	10.4
Don't Know	13	4.1
Total	318	100.0

Justification for the Use of Military Force

During the July-August military conflict between Israel and Hizbullah, a question was asked to address whether Israel or Hizbullah were justified in the use of military force show contrast. Approximately fifty-eight percent (58%) said Hizbullah was justified in fighting Israel's intrusion into Southern Lebanon (Figure 2).

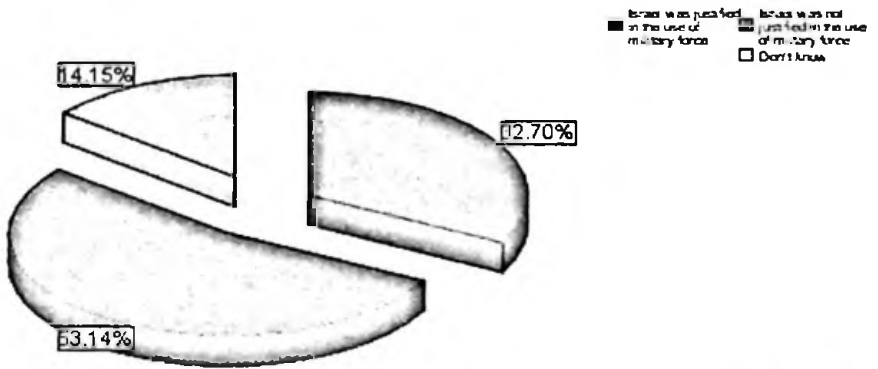
Figure 2 Hizbullah Was Justified in Fighting Against Israel's Intrusion and Military Action In Southern Labanon



Thirty-three percent (33%) said Israel is justified in the use of military force against Hizbullah (Figure 3). Yet, fifty-five percent (53%) expressed Israel was not justified and thirty percent (33%) indicated Hizbullah was not justified.

There is relatively no difference between respondents who indicate they did not know who was justified in the use of military force (14.2 and 12.9 percent respectively).

Figure 3 Isearl Was Justified in the Use of Military Force Against Hizbullah in Southern Lebanon



On average, Ghanaians are more likely than not to justify use of military action by Hizbullah against Israel's intrusion into southern Lebanon, than Israeli's use of military force against Hizbullah in Southern Lebanon.

Capture of Soldiers between Antagonists Does Not Justify the Use of Disproportionate Military Action

There appears to be some support, on the surface, for the assumption that capturing military personnel between antagonists frequently result in the disproportionate use of military force in the Middle East. This seems to be the situation when one party to the conflict is perceived to be military inferior, identified as a terrorist group, or country believed to be harbouring a terrorist group. Given this assumption, the research query six questions regarding the use of disproportionate use of military action, justification, and responsibility. On the question whether the capture of a soldier (e.g., military personnel) between antagonists justifies the use of disproportionate military action, slightly more than two-thirds (68%) report it is not justifiable to use disproportionate military action against an adversary when military personnel are captured or held. Seventeen percent (17%) say it is justifiable, and fifteen percent (15%) did not know if it is justifiable (Table 3a).

Tables 3a-c: Disproportionate military Action, Responsibility for Fighting

<i>Tables 3a Capture of Soldiers between Antagonist Justifies the use of Disproportionate Military Action</i>	<i>Frequency</i>	<i>Percent</i>
Justifiable	54	17.0
Not Justifiable	217	68.2
Don't Know	47	14.8
Total	318	100.0
<i>Israel Was Justified In Ariel Bombardment of Lebanon's Infrastructure In Order to Weaken Hizbullah In Lebanon</i>		
Israel Bombardment Was Justifiable	46	14.5
Israel Bombardment Was Justifiable Not Justifiable	234	73.6
Don't Know	38	11.9
Total	318	100.0
<i>Table 3c Hizbullah Was Justified In Targeting and Firing Missiles and Rocket at Israel's Infrastructure in Northern Israel</i>		
Hizbullah Was Justified	113	35.5
Hizbullah Was Not Justified	156	49.1
Don't Know	49	15.4
Total		100.0
<i>Table 3d Whom is most Likely Responsible for the Fighting Between Hizbullah and Israel</i>		
Hizbullah	81	25.5
Israel	58	18.2
Both Hizbullah and Israel	115	36.2
Don't Know	64	20.1
Total	318	100.0
<i>Table 3e Whom is most Likely Responsible for the Recent Armed Clashes Between Hamas and Israel in the Gaza Stripe</i>		
Hamas	68	21.4
Israel	68	21.4
Both Hamas and Israel	110	34.6
Don't Know	72	22.6
Total	318	100.0
<i>Table 3f Israel is Justified in the Targeted Assingation of Suspec ted Individuals Involved in Terrorist Activites Against Israel</i>		
Yes	75	23.6
No	200	62.9
Don't Know	43	13.5
Total	318	100.0

When the question posed whether Israel was justified in aerial bombardment in Lebanon to weaken Hizbullah (Table 3b) and whether Hizbullah was justified in firing missile towards Israel (Table 3c), on average, the general opinion is that there is no justification for such unbalanced military action. However, opinions tend to suggest that Hizbullah's actions of targeting and firing missiles towards Israel are more justified than Israel's aerial bombardment of Lebanon's infrastructure to weaken Hizbullah in Lebanon (Table 3b-c). On a parallel plane, respondents tend to share similar opinions on who is responsible for the fighting between Hizbullah and Israel (Table 3e) and armed clashes between Hamas and Israel. Opinions indicate Hizbullah, Hamas, and Israel share responsibility for armed conflict and violence in the Middle East (Table 3d-e). There were, however, negative opinions, which emerged about Israel's 'target assassination' of suspected terrorists. Fully, 62 percent of Ghanaians surveyed who heard something about Israel's targeted assassinations say that Israel is not defensible in targeting for assassination suspected individuals believed to be involved in terrorist activities against Israel, whereas, 24 percent say Israel is justified (Table 3f).

Fighting a Proxy War

Opinions divide over whether Hezbollah is fighting a proxy war for Iran or Israel is fighting a proxy war for the U.S. in the Middle East. Most notably, approximately 31 percent state Hizbullah is fighting a proxy war for Iran against Israel; however, forty percent believe Israel is fighting a proxy war for the U.S. against Hizbullah in Southern Lebanon (Tables 4a-b). Twenty-nine percent (29%) and thirty percent (30%) did not know if Hizbullah or Israel was engaging in a proxy war, respectively.

Table 4a-b: Fighting a Proxy War

<i>Table 4a Hizbullah is fighting a Proxy War Against Israel for Iran</i>	<i>Frequency</i>	<i>Percent</i>
Yes	100	31.4
No	125	39.3
Don't Know	93	29.3
Total	318	100.0
<i>Table 4b Israel is Fighting a Proxy War Against Hizbullah for the United U.S.</i>		
Yes	126	39.6
No	97	30.5
Don't Know	95	29.9
Total	318	100.0

Global Indifference to the Loss of Life

When asked about the extent to which Western countries, the United States, or Israel has a global indifference to the loss of life in Lebanon, Gaza Strip, and the West Bank respondents suggest there is a global indifference to the loss of life. When considering together Western countries, U.S., and Israel, approximately two-thirds (60%) of all Ghanaians in the study report there is a global indifference to the loss of life in Lebanon, Gaza, and the Western Bank (Table 5a-c). Twenty-three percent (23%) indicate Western countries, U.S., and Israel have no indifference to the loss of life and seventeen percent (17%) report they did not know if there is a global indifference.

Table 5a-c: Global Indifference to Loss of Life

<i>Table 5a Western Countries Has A global Indifference to the Loss of Life Lebanon, Gaza Strip, and the West Bank</i>	<i>Frequency</i>	<i>Percent</i>
Western Have a Global Indifference	186	58.5
Western countries Do Not Have a Global Indifference	73	23.0
Don't Know	59	18.6
Total	318	100.0
<i>Table 5b United States Has a Global Indifference to loss of life in Lebanon, Gaza Strip, and Western Bank</i>		
Western Have a Global Indifference	194	61
Western countries Do Not Have a Global Indifference	77	24.2
Don't Know	47	14.8
Total	318	100.0
<i>Table 5c Government of Israel Has a Global Indifference to the Loss of Life in Lebanon, Gaza Strip, and West Bank</i>		
Government of Israel Has a global Indifference	192	60.4
Government of Israel Does not Has a Global Indifference	66	20.8
Don't Know	60	18.9
Total	318	100.0

Position Weakened or Strengthened

Sometime during armed conflict between countries a question that is raised focuses on assessing the degree to which one country or another has or had the opportunity to gather public support against another country in a conflict. Respondents were asked three questions regarding, the extent to which, the six-week Middle East crisis in Lebanon during 2006 weakened U.S. and Israeli standing in the Middle East. An average percentage of forty-one percent (41%) believes the Middle East crisis, which began 12 July 2006, offered an opportunity for the U.S. to gather Arab support against Hizbullah and Iran. Only about 32 percent (32%) rejected this idea and twenty-seven percent (27%) report they were unsure if the crisis offered an opportunity (Table 6a-b).

Table 6a-c: Positions Weakened or Strengthened

<i>Table 6a Middle East Crisis that began 12 July 2006 offered an opportunity for the US to gather Arab support Against Hizbullah and Iran</i>	<i>Frequency</i>	<i>Percent</i>
Yes	131	41.2
No	101	31.8
Don't Know	86	27.0
Total	318	100.0

Table 6b During the Recent Middle East

Weakened	161	50.6
Strengthened	71	22.3
Don't Know	86	27.0
Total	318	100.0

Table 6c During the Recent Middle East Crisis the United States position in the Middle East has Weakened or Strengthened

Weakened	194	61.0
Strengthened	57	17.9
Don't Know	67	21.1
Total	318	100.0

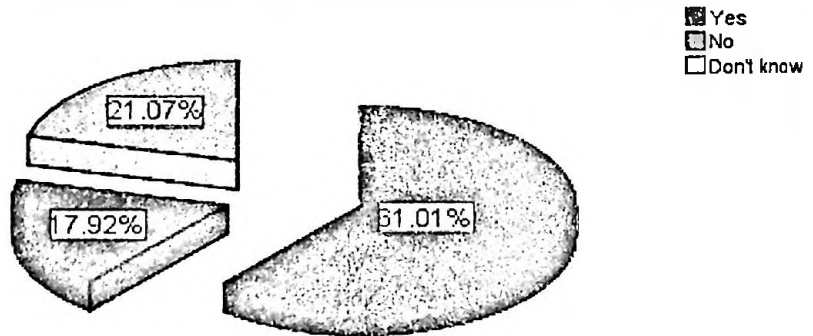
The number of Ghanaians (61%) who believe the Middle East crisis in Lebanon in 2006 has, in fact, weakened the U.S. position in the Middle East is slightly greater than for those respondents who believe Israel's position(51%) has been weakened by the conflict and violence (Table 6b-c).

Diplomatic Efforts Were Prolonged

Slightly less than two-thirds (61%) of all Ghanaians believe diplomatic efforts were prolonged, in order for Israel to achieve its battlefield achievements over Hizbullah. Approximately eighteen percent (18%) report diplomatic efforts were not prolonged, whereas twenty-one percent (21%) did not know if diplomatic

efforts were prolonged to allow Israel to achieve a degree of battlefield objectives over Hizbullah in Southern Lebanon (Figure 4).

FIGURE 4 Diplomatic Efforts Were Prolonged, Rather Than to End the Conflict in Hope that Israel can Achieve Battlefield Objectives



Instigation of conflict and violence

Despite the on-going conflict and violence of Palestinian groups in the Gaza Strip and Hizbullah in Southern Lebanon with Israeli, most Ghanaians in the study are of the opinion that Palestinian's (52%), Iranian (43%), and Israel's (40%) are responsible for instigation of conflict. On average, thirty-eight percent (38%) report that Israel is not responsible, whereas, twenty-nine percent (29%) imply Palestinians and Iran are not instigating the violence in the region (Table 7a-c).

Table 7a-c: Instigation of Conflict

<i>Table 7a Iran is Instigating Conflict in Lebanon</i>	<i>Frequency</i>	<i>Percent</i>
Yes	138	43.4
No	95	29.9
Don't Know	85	26.7
Total	318	100.0
<i>Table 7b Israel is Instigating Conflict in the Middle East</i>		
Yes	128	40.3
No	121	38.1
Don't Know	69	21.1
Total	318	100.0
<i>Table 7c Palestinian Militants are Instigating Conflict in the Middle East</i>		
Yes	165	51.9
No	92	28.9
Don't Know	61	19.2
Total	318	100.0

Assessing the Prospects for Peace in the Middle East

By considerable margins, Ghanaian opinions on the possibilities of peace in the region are optimistic. Eighty-five percent (85%) say that one way to secure peace in the Middle East and secure Israel's border is to solve all outstanding issues that have come to define Israel's conflict with the Arab/Muslim world (Table 8a).

Table 8a-d: Middle East Peace

<i>Table 8a One Way to Secure Lasting Peace and Israel's borders is to Solve All the Outstanding Issues that have Come to Define its conflict with The Arab World</i>	<i>Frequency</i>	<i>Percent</i>
Yes	271	85.2
No	23	7.2
Don't Know	24	7.5
Total	318	100.0
<i>Table 8b One Way to Secure a Lasting Peace in the Middle East to Have all the Parties Meet Without Preconditions</i>		
Yes	265	83.3
No	34	10.7
Don't Know	19	6.0
Total	318	100.0
<i>Table 8c Israel's Strategic Position is less Because it is Holding and Occupying Palestinian Territory</i>		
Yes	127	39.9
No	107	33.6
Don't Know	26	26.4
Total	318	100.0
<i>Table 8d Syria, Lebanon, Palestinian and Israel Can Reconcile Themselves to Peaceful Co existence</i>		
Yes	213	67.0
No	72	22.6
Don't Know	33	10.4
Total	318	100.0

Similarly, when asked 'one-way to secure a lasting peace in the Middle East' is to have all parties meet without preconditions, eighty-three percent (83%) suggest this could be a strategy to secure peace (Table 8b). On the issue whether Syria, Lebanon, the Palestinians, and Israel can reconcile towards a peaceful existence, sixty-seven (67%) believe this is achievable compared with twenty-three percent (22%) who did not think peaceful co-existence is achievable (Table 8d).

Ghanaians differ on the question whether Israel's strategic position in the Middle East is less because it is holding and occupying Palestinian territory. While forty percent (40%) believes Israel's position is less, thirty-four percent (34%) considers Israel's position has not lessened, and twenty-seven percent (27%) did not know if Israel's strategic position is less because it controls and occupies Palestinian territory (Table 12c).

Implications and Conclusions

Undoubtedly, the United States is considered one of the major indirect players in the conflict and has much at stake in the Middle East, and the actions of Israel are associated with the representation of the U.S. in the global community. The consequences of this association for U.S. foreign policy action during the 2006 crisis between Hizbullah and Israel, show how the U.S. and Israel are perceived in the world community as though they are coupled together. In this regard, United States condemnation was absent and predictable of Israel's offense and bombardment of Lebanon. The actions of Israel appear to be made possible by the indirect or direct approval of the U.S. and this may emerge as if the United States had actually engaged in the offense against Lebanon and Hizbullah in the eyes of Ghanaians and perhaps sub-Saharan Africans.

The survey findings provide evidence of the factors, which influence popular appraisal of the 2006 hostilities in Lebanon with Hizbullah and the continuing antagonism between Hamas and Israel. They demonstrate that Ghanaians are more likely, than not, to have negative opinions on the popular issues associated with Israel and relatively less negative opinions regarding the images of Hizbullah and Hamas. The findings also propose the following:

- Fifty-three percent of the respondents in the study believe the US does not have a clear understanding of the Middle East conflict.
- Respondents are more likely than not to categorize both Hezbollah and Hamas as political organizations rather than as terrorist organizations.

- Participants in the study overwhelmingly support the general opinion that a country has a right to self-defense, particularly with respect to Israel, Lebanon and the Palestinian authority and the Gaza Strip and the West Bank. Slightly more than half of all respondents who were polled indicated that Israel was not justified in the use of military force in southern Lebanon during July and August 2006. However, less than half of all respondents reported Hezbollah was justified in fighting Israel's intrusion into southern Lebanon.
- When the question was asked, if the capture of soldiers between antagonists in a conflict justifies the disproportionate use of military action more than two thirds of the respondents in the survey reported it was not justified to use such force.
- An interesting pattern of responses emerged regarding the question "who's responsible for the fighting between Hezbollah and Israel". Slightly more than one-third of respondents suggests in Hezbollah and Israel, Hamas, and Israel are believed to be equally responsible for the conflict which broke out in July 2006.
- Among participants there were modest variation displayed in opinions as to whether Hezbollah and Israel was engaged in a proxy war for Iran and United States, respectively. Slightly less than 32% were of the opinion that Hezbollah was fighting a proxy war. However, a slightly larger percentage (40%) thought Israel was engaging in a proxy war for the United States.
- On the general question whether the conflict of 2006 weakened or strengthen either Israel or the United States position in the middle east, slightly more than 55% of all respondents in the study articulated the viewpoint that both countries' position in the Middle East was weekend as a partial result of recent Lebanese crisis of July and August 2006.
- On the question whether the conflict provided an opportunity for the United States to harness Arab support against Hezbollah and Iran, approximately 41% suggested there was an opportunity, whereas, 32% suggested the

conflict did not offer opportunity for the United States to gather Arab support against Hezbollah and Iran.

- Slightly less than one third of all respondents said diplomatic efforts were prolonged, in order for Israel to achieve battlefield objectives against Hizbullah along the southern Lebanon border with Israel.
- Most Ghanaians surveyed suggest that Palestinians are more likely responsible for the conflict in the Middle East than either Iran or Israel.
- A majority of Ghanaians who participated in the survey were rather optimistic about the prospects of peace among Syria and Lebanon the Palestinians and Israelis, particularly, if there are no preconditions for peace or outstanding issues which have come to shape the conflict in the middle peace.

The hostilities which erupted after Hizbullah's attack on 12 July 2006, according to D'Amato (2006), can be thought of as a border incident that under international law does not amount to an armed attack against the state of Israel for the reason that hostile and aggressive border incidents often occur between nations such as India and Pakistan regularly. Constant border incidents occur between a number of nations; for example consider border clashes between India and Pakistan, Afghanistan and Pakistan, Turkey and Iraq, or Benin and Nigeria if either of these antagonists to cross border hostilities or aggressive actions any of these two groups of nations would have or be now engaged in total war. Such border incidents, capturing one's adversary or enemy soldiers, do not give justification for one nation to engage in acts of war against another. The findings of this survey may possibly suggest participants are of the opinion the hostilities between Hizbullah and Israel was not *Causus belli*.

The primary aim of this paper was to determine and present the extent to which there are differences of opinion among Ghanaians on the events related to the hostilities of July – August 2006 in Southern Lebanon. The research mention there is incredibly little opinion survey research conducted in sub-Saharan Africa,

which critically examines international issues associated with the Middle East. In spite of this shortcoming in polling research in Ghana the paper demonstrate that Ghanaians are willing to participate in public opinion polling and willing to share and express their opinions on global issues relating to international security issues in the Middle East. It follows from the analysis, that Ghanaians have a generally positive image of Hizbullah and Hamas as institutions representing and supporting a country's right to self-defense, Lebanese and Palestinian combatants defending their country's territory against military actions of Israel, and the capture of military personnel between antagonists does not justify the disproportionate use of military action. Additionally, the findings indicate participants in the survey are of the opinion that Israel, more so than not, is fighting a proxy war and that Western countries have an indifference to the loss of life among Lebanese and Palestinians. Ghanaians are critical about recent hostilities in Lebanon but relatively optimistic about the prospects of peace in the Middle East among the Palestinians, Syrians, Lebanese and Israelis.

The research makes three larger contributions. Methodologically, the article shows that cross-sectional studies and polling of Ghanaians on complex international security issues such as the 2006 conflict between Hizbullah and Israel, and that between Hamas and Israel are achievable and have enormous impact on results. Although some previous studies consider the influence of democratization or the quality of life issues in sub-Saharan Africa they tend to exclude analysis such as terrorism, western foreign policy issues in the southern hemisphere, western hegemony, or the rise of Islamic or Christian fundamentalism (see Sharif, 2002 and 2006a,b). Secondly, the research and its findings add to our knowledge and understandings of the viewpoints of Ghanaians and how they are linked to complex international security issues, which demonstrate opinion surveys are workable. Thirdly, the research encourages collaborative comparative survey research projects in Ghana and the rest of sub-Saharan Africa. Collaborative survey research can be developed

and conducted in Ghana and sub-Saharan Africa to ascertain views on such issues as global warming and environmental concerns, globalization and world urbanization, media and consumerism, people and lifestyles, religiosity and faith, aggression in the Horn of Africa, and ethnic and religious hostilities. Most importantly, the world does not comprised isolated regions but consist of an interconnected global community for which the opinions of diverse members of this community should and must be considered because what happens in Lebanon, Afghanistan, Malaysia, Iraq, Somalia, The Democratic Republic of the Congo, Cote d'Ivoire, Albania or, the United States has a ripple effect throughout the global community.

The aggregate of individual attitudes, beliefs, or opinions held by the global adult population on pertinent global issues and problems should be measured, analyzed and evaluated to help assist in confronting private and public issues. Opinion survey research is an excellent tool to gauge and understand difference in attitudes on local, regional, and global issues. Mills (1959) argued the task facing social scientists is developing the "sociological imagination" which would enable us to grasp history and biography and the relationships between the two within society (e.g., global society) because no social study that does not come back to the problems of biography, of history and the intersection within society has completed its intellectual journey. Opinions regarding global issues are associated with factors that often transcend local environments of the individual and have to do with local institutions and the manner in which they overlap and permeate (interpenetrate) global social and economic structures, histories, and involve antagonisms or crisis in institutional arrangements.

This baseline survey of Ghanaians sets out to examine the extent to which Ghanaians place an importance on the issues associated with the 2006 hostilities between Lebanon and Israel and the opinions of the Middle East crisis in general. The findings were both expected and surprising. The research serves

to highlight not only what Ghanaians believe is important on the issue of conflict in the Middle East, but also some areas where Ghanaians may have different, or less well-formed views on the issues of what occurred in Lebanon in 2006.

As previously noted, the study utilized a non-random sampling strategy. Generating a complete sampling frame from which a random sample may be drawn in Ghana is difficult and generally not viable because of informational and infrastructure issues. It is recommended that future opinion research may be able to address two sampling problems confronted by this study. First, where researchers lack a good sampling frame for a dispersed population and the cost to achieve a sample element is very high, multistage cluster sampling is an alternative approach to non-random sampling. Secondly, it is recommended that researchers conducting opinion surveys in Ghana evaluate situational, environmental, and familial-related stresses that might interfere with women participation and survey compliance and therefore plan alternative strategies to reduce or limit non-responses from potential women participants. It is recommended that this study be replicated with a larger, diverse random sample so that some generalizable approaches to facilitating opinion research in Ghana can be documented. In addition, it is recommended that future research be planned and conducted employing web based opinion surveys to describe the opinions of Sub-Saharan Africans versus those of Europe and America.

This survey report and recommendations outline above reflect an analysis of the opinions of respondents expressed in the survey and do not highlight significant demographic and subgroup variations in responses which may exist in the general Ghanaian population. Given the sampling strategy used for the research additional analysis using random sampling should be developed and compared with the findings of this study or where sufficient data exist to do so.

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**Incorporation, Dispossession and Social Transformation in Rural Ghana:
Case Study of a Forest Community.**

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Abstract

This case study examines the social transformation that has occurred in a rural forest community in southern Ghana. It revisits various explanations for societal change or transformation from a Sociological viewpoint and situates change in the community within the context of a radical political economy paradigm. Hence Neo Marxist identification of incorporation of peripheral areas into capitalist production systems through monetization of production systems and alienation of the bases of livelihoods- land and labour have been identified to be crucial in the social transformation that the case community is undergoing. The findings of this study indicate that contrary to beliefs of modernization perspectives, social change is not all progress but can alienate communities further as well as create tensions and cleavages in traditional societies.

Background and Arguments

Perceptions about rural livelihoods need first to be situated within the context of development theory and policy. Development is seen as a strategy for poverty reduction (Ellis, 2001a; 2001b), and an increase in the joint capacity of society to deal with the environment based on an understanding of the laws of nature (science), the extent to which society puts science into practice by devising tools (technology) and on the manner in which work is organised (Rodney, 1972). These definitions of development place livelihoods at the heart of the development literature. It is in the light of the centrality of livelihoods in development that a growing literature identifies the recognition of diverse livelihood strategies followed by rural households as one that could lead to an improved policy environment for tackling rural poverty. Yet rural areas of developing countries have been incorporated into capitalist production systems globally, a process that has sought to expropriate surplus value from the peasantries while this surplus is appropriated by the capitalist structures in developed countries. Pre-capitalist modes of production coexist with that of the capitalist with the latter mode of production penetrating the customary one. The result is a change in the customary mode of production that leads to qualitative structural changes. Incorporation into the world capitalist production system has been hastened by the processes of imperialism and colonialism by which a number of administrative and political tools were employed by the western colonisers to give incorporation effect. In Africa the literature suggests that Africans were denied control over the principal means of production in their indigenous economy. A total change was forced in the mode of production as well as the social organization when the imperialist used administrative and political mechanisms of taxation, direct and indirect rule and forced migration of labour into mines and native reserves (Frank, 1978, Rodney 1972, Howard 1978, Crisp 1984, Iliffe 1995). The perspective of dependency used here is one of conditioning that alters the internal functioning and articulation of the elements of

the dependent social formation. The articulation happens at two main levels. Roxborough (1979) identifies the articulation within the dependent social formation as well as articulation of the dependent society with other societies. He however argues that the manner in which a dependent economy is inserted into the world economy conditions the processes of articulation of modes of production within the social formation of the dependent country.

This paper discusses the social effects of historical and contemporary processes of incorporation of a cash economy into an agrarian rural economy in southern Ghana. It makes a contextual explanation of social transformation in the case community. I argue in this paper that the introduction to a cash economy in the 1960s for cocoa, and mid 1970s for oil palm, and land policies of reservation and logging since the late 1930s (but more importantly from the mid 1980s under the economic recovery programme) in the case study community has forced a change in the customary mode of production. In this case study, therefore, all discussions of transformation have been made within the period 1985 and 2005. It cannot be doubted that some transformation started in the 1960s but it has tended to be rapid since the mid 1980s when the country embarked upon economic restructuring which also affected the forestry sector. The subsistence mode of production involved specific production relations within and between households to ensure that community members enjoyed a minimum of subsistence. This was enshrined in an ethic which employed both social and technical arrangements – reciprocity, redistribution of wealth, communal land ownership, and other land preparation and farming arrangements (Scott, 1976). Land shortage has occurred as considerable farm land has been reserved for logging purposes for the global market. This situation is worsened by the attractiveness of cocoa and oil palm production which has seen a lot of migrant farmers moving into the community to take advantage of the prospects of the cash economy. I highlight and discuss the qualitative structural changes in the case community and suggest what these changes mean to the community in

terms of food security, livelihood and environmental sustainability and social order. In particular, I highlight changes in the mode of production, household division of labour, socio-economic differentiation and decline in traditional authority structures as some of the qualitative structural changes that have occurred in the case community.

Classical and Contemporary Explanations of Social Transformation/Change

The conceptions of social change have been as varied as the explanations offered for such change. These conceptions and explanations have been based on debates that deal with the logical subject matter of social change, its temporal and spatial dimensions (Hoogvelt, 1978). Hence questions are raised on the relationship between micro and macro change, and the continuity, causality as well as the direction of change. In spite of these questions, it is generally agreed that change involves a qualitative referent to whatever social fact is under investigation (Hoogvelt, 1978). The term 'social transformation' generally implies an underlying notion of the way society and culture change in response to such factors as economic growth, war or political upheavals. It does not imply any predetermined outcome or that the process is essentially a positive one (Castles 2001:15). Social transformation as a perspective helps to identify and understand transnational processes as well as their effects on regional, national and local levels. The perspective also helps to identify the ways in which various communities and individuals experience and react to such processes.

Classical theorists give different explanations for societal change. Spencer's explanation that in the development of social life, more complex forms of structure and organisation arises from simpler forms suggests that the expansion of social life moves in tandem with a qualitative change (Turner 1994; Webster 1990). Durkheim also suggests that increasing population and density undermine the traditional way of life in societies. The competition for resources

that accompanies population increases forces society to adapt by increasing the division of labour and hence interdependency among people. Increased social differentiation occurs as specialized institutions are formed by people to deal with the particular needs of the society. The modern society that emerges is more complex and integrated and has a cohesion of organic solidarity (Webster, 1990; Thompson, 1982). Weber's modern society is based on rationalization, the rational organization of business enterprise to establish profitability and the accumulation of capital (Webster, 1990). Hence rationalization underlies the spirit of capitalism but this is dictated by a protestant ethic of predestination and of success as sign of salvation. For Weber therefore western society has developed as more and more people have been guided by the principles of rationality and less by the customs of tradition. Earlier explanations of social change thus see change as unidirectional from a primitive to an advanced state. Implied here is the idea of continuity and therefore a lack of concern with intermediate stages. There is also a value judgment on the process of change. The final stage of the change was good and represented by progress, humanity and civilization whilst the rate of this change was slow, gradual and piecemeal (Rojas, 1996).

Based on these earlier views on social change, neo-evolutionists and modernization theorists have emerged. Structural functionalists view human society as constituting different institutions that function to maintain the social fabric. Social change is seen as a process of differentiation in which an increasing autonomy of the major structures of society leads to new forms of integration. Another perspective in neo-evolution emphasizes the enhancement of all round capability of culture. Hence, advanced societies are those that have effectively exploited the energy resources of diverse environments and thus are relatively free from environmental control. Consequently, advanced societies tend to dominate and replace less advanced types. Generally, neo evolutionists agree on the structural characteristics of those societies that display greater adaptive capacity. These are the societies that display social differentiation due to the

proliferation of autonomous sub-structures. Modernization theorists see lack of development or progress in societies that are slow to change, a situation that is attributed to obstacles inherent in the internal history of the underdeveloped societies. Internal obstacles including values, norms and beliefs and value changes are crucial for social change. The theory also observes that ideas and technologies could be diffused from developed societies to developing societies to hasten the process of change.

Political economists have offered a different perspective on the nature and processes of social change. They regard class conflict as the central dynamic of change and trace their views to the work of Marx. Marx uses the notion of equal exchange of equivalents in his thesis on social change. In his discussion of social change he uses the dialectics of historical materialism which identifies the unequal exchange of labour power in production as the main process of change in society. One perspective in political economy examines core-periphery relations of power in the international system; unequal relations that render self-reliant and independent attempts by periphery countries sometimes difficult and even impossible. These unequal power relations between core developed countries and their peripheral poor countries are then replicated within poor countries where urban areas exploit and oppress the rural areas, and further within rural areas between landowners and peasants (Roxborough, 1979; Frank, 1969). Third world countries are thus viewed to be burdened by institutional, political and economic rigidities that are both domestic and international and hence are caught up in a dependence and dominance relationship with developed countries (Todaro, 1985).

It is against the political economy discussions on the nature and processes of social transformation or change that the present case study has been analysed. Thus, the transformation of societal structures and institutions have been made in the light of the articulation of rural societies into the capitalist world production system that has permitted the incorporation of rural areas into the money economy of global capitalism.

Methodology

This study is based on a qualitative methodology. It uses participatory rapid appraisal techniques to generate primary data for analysis. In particular, the study relied on semi structured interviews of community members, life and community histories as well as focus group discussions. These generated data on such themes as livelihood activities and trajectories, gender division of labour and gender relations, land ownership and rights and social transformation. A total of fifty in depth interviews, ten life histories, two community histories and three focus discussions were held with a cross section of the community that represented the youth, elders, women, and migrants. A social relations analysis of the data generated has generally portrayed trends in the issues identified.

The study community

Osenso is strategically located at the fringe of the Bonsa Ben forest reserve in the Mpohor Wassa East District of the Western Region of Ghana. It is made up of indigenous matrilineal¹⁸ Akans, migrant Akan settler farmers from the Western, Central and Eastern regions as well as patrilineal¹⁹ Krobos from the Eastern region. The current estimate of its total population is 534²⁰, an increase of 118 over the 2000 population estimate of 416. The community social organization is based on the lineage system with kin relations. The lineage or *ebusua* is administered by a head, the *ebusuapanyin* in consultation with a council of elders. A number of such heads together with some co-opted members form a village council who help the chief to administer the community. The lineage performs four major functions; socialisation, religious, economic and acts as a vehicle for the inheritance and succession to office or status.

Customarily, land is communally owned by lineages and administered by a male head. As land is regarded as belonging to the dead, living and the unborn,

¹⁸ Matrilineal descent groups trace descent and therefore status and inheritance through females in the group.

¹⁹ Patrilineal descent groups trace descent and therefore status and inheritance through males in the group

²⁰ Extrapolated from figures provided by the Statistical Services Department in Takoradi in 2005

all members have an inherent right to access it although such access tends to be unequal. Individuals may personally own land if this was acquired through clearing virgin land. Migrants who have acquired land through leases have only acquired use rights since lineage land customarily belongs to the ancestors, the living and posterity and are communally held. Yet the terms of their long leases of about 70 years suggest that the youth would have to wait till then to reclaim lineage lands to be able to farm. The total land size available for communal use dwindled in 1939 when the British used legislative instrument to expropriate land for use as a forest reserve and to enhance logging of timber. Whatever land that was left for communal use was reduced further with the introduction of cash crops in the 1960s and 1970s during which migrant farmers from other parts of the country relocated into the case community.

The changing production relations: Individualisation of land and changing land rights

Customary land tenure refers to 'the bodies of rules and institutions that govern the way land and natural resources are held, managed, used and transacted' (Cotula, 2007:10 citing Adams et.al, 1999). Tenure systems therefore specify rights to access land, to cultivate it, to withdraw produce etc. as well as the right to allocate and transfer land. The nature of the rights customarily given depends on the context. First is the type of group involved; whether it is a pastoral or farming group, and whether it practices a patrilineal or matrilineal descent system of kinship. Second is whether the group is a multiple or single resource user. Whatever the context, it is important to emphasise that customary land tenure involves collective rights.

Customary land relations have changed with commodification of agriculture. With the introduction of cash crops the value of land has increased triggering a process of individualisation of tenure. Migrant farmers as well as indigenes have acquired lineage land on lease. The duration of the leases acquired is long and this enables inheritance or transfer of land to spouses,

children and kinsmen. Share croppers also acquire land through a benefit share formula of *abunu* (1:1) or *abusa* (1:2). The *abunu* favours the landowner under certain circumstances. First, if he has already made the farm (cocoa or oil palm plantation) and the share cropper is only expected to provide labour. Second, he supplies the tenant with all the inputs to make the farm – land and resources. *Abusa* on the other hand benefits the share cropper if he makes the farm with his or her own capital. This includes clearing virgin forest land. This scenario is however rare as most tenants become labourers and hence only benefit a third of the land or the crops. The *abunu* formula is used when already cleared forest (not planted) is given out.

In the case study community therefore, customary rights to land have been transformed. Other forms of land rights have evolved to include rights acquired through gift, leasing, and sharecropping. The introduction of cash crops therefore has triggered processes of individualisation of tenure and a reinterpretation of the land tenure prerogatives of custodians (Cotula, 2007, Amanor, 1999). In the incorporation literature this change in the customary land relations is attributed to the way in which the capitalist production system was articulated with a customary mode of production (Hoogvelt, 1978; Frank, 1969). This transformation occurs in spite of accounts that tend to question the origins of the communal property of land in the first place. These varied accounts have attributed the communal nature of land to colonial reinterpretation of customary law, confusion of territoriality with sovereignty and therefore creation of chiefs to aid with their administration. These produced multiple types of authority and sets of claims over land and its products. The term communal tenure thus became incorporated into the developing body of customary law (Peters, 2004; Mamdani, 1996).

The changing production relations: commodification of the labour process

Labour relations have also been transformed in the community. The traditional farming system involves not only the use of family land but also family labour for

the cropping of both subsistence and market crops. Here the labour power of spouses, children or younger kinsmen was used on farms without being remunerated. With incorporation, a number of introductions have been made—wage labourers and labourer share croppers. There is a shift from a total reliance on household labour in farming to some hiring of labour and this has led to a growing labour market in the community. Young men who may be indigenes or migrants hire out their services to cocoa and oil palm farmers in the community on a daily or seasonal basis or obtain tenancies with them as labourer share croppers. In particular young kinsmen who participate in patron-client relations in social networks cultivated by elderly kinsmen in particular see such relations as exploitative and therefore either move into the wage labour market or seek other tenancies (cf Berry, 1993).

Not all farmers do hire labour. With the addition of cash crops and the fact that most families cultivate multiple plots the burden of providing additional labour has therefore fallen on women. The extent of women's work burdens in the changed labour process however depends on the nature of crops under cultivation, the stage in the life cycle of the household and the social obligation of lineage members to foster children of relatives. It also depends on whether women diversified into non-farm income sources such as the agricultural processing of cassava into *gari* and palm fruits into palm oil; and the harvesting and processing of non-timber forest products such as *awedeaba* (*Drypetes gilgiana*), sponges and chew sticks.

Share contracts have had a long history in Ghana. Amanor (2001), Okali (1983) and Hill (1963) have undertaken empirical studies to unearth the dynamics and trajectory of the process. Share crop labourers (those who benefit only a third of crops or proceeds) were commonly employed in the cocoa industry and share cropping quickly became the dominant form of labour relationship there. Share cropping contracts also became a strategy for the youth to access land. In colonial times, share cropping became a strategy for chiefs to acquire their own farms.

This they did through releasing virgin land for cultivation to migrants on a benefit share system. Share cropping has been devised by farmers so as to avoid hiring labour and it is popular where commercial crops such as cocoa, oil palm and citrus are involved. In this case, community share cropping is increasingly becoming an important route to accessing farm land. Together with wage labouring, they are also transforming the customary use of family labour on farms.

Changing Livelihoods

The case community generally produces food crops both for domestic consumption and for the markets in urban centres. This is not a case of producing for subsistence while the leftover is sold. Cassava (*Manihot utilissima*) cocoyam (*Colocasia esculenta*), plantain (*Musa paradisiaca*), maize (*Zea mays*) and rice are popular staples grown in the area. Vegetables such as garden eggs, tomatoes and pepper are also cultivated both for domestic use and the market while pineapples and sugar cane are cultivated for the markets. Pineapples are sold to middlemen who sell them in urban centres, while cane sugar is sold to people who process them into local gin called *akpeteshie*. Particularly for women, sales from such food crops, vegetables and other crops form a substantial part of household and personal income.

The incorporation of Osenso community into the capitalist world production system has brought in its wake a diversification of crops into cash crops such as cocoa, and oil palm. Pressure on land to cultivate these cash crops has forced landless migrants and indigenes with little land to diversify their income sources by relying on forest resources and other non farm activities. Such income generating livelihood activities outside agriculture include small scale industries and food processing, processing of non-timber forest products, wine processing and alcohol distilling, food and petty commodity trading and the provision of services. Hence the articulation of production capitalism into the rural case community has brought with it the transformation of the community's agrarian production base to encapsulate non-agrarian livelihood activities.

Although diversification has widened the income base of community members, livelihood diversification out of agriculture has had grave implications for food production and security not only for the case community but also for the urban areas that rely on food crops from the community.

Socio-economic Differentiation, Class Formation and Mobility

The policy of forest reservation together with land commoditization has tended to intensify social differentiation. One axis of social differentiation within the community has been along size of landholding. Farmers with large land holdings have taken advantage of better access to agricultural incomes to further intensify their operations. These are rather few in number and are distinguished from small scale farmers who have diversified into non-agricultural income sources and the landless who sell their labour and also depend on non agricultural income sources and forest resources. The ability to hire labour depends upon the differential access of households and individuals to both farm and non-farm income. Based on this axis of differentiation, social groups may be narrowed down to two based on the control of private property. These are those with private property in cash crop and those who operate in the labour market. Thus, within the community, differentiation has resulted from the commercialization of agriculture (cocoa and oil palm), the institution of private property through land commoditization and diversification of income sources. Generally, the inequality in access to land has led to a rapid growth in the labour market and of capitalist relations of production (Beckman, 1976).

Social differentiation within the community is also visible along power (community leadership) lines. Thus community councillors and those who associate with the chief's court (such as linguist, town crier, palace errand boys) all enjoy a certain level of esteem and use this to lay claim to land and labour resources. The chief and councillors use this power to get other community members to run errands, while heads of households and lineages appropriate the labour of household members and/or kinsmen. Although the use of the latter is

gradually diminishing, it is still evident in the community. Community leaders and household heads may consciously or unconsciously invest heavily in maintaining their social networks. They make social payments during funerals, weddings, naming ceremonies and other social occasions. Such payments strengthen their ability to call on elders to testify on their behalf during land disputes. They provide for their dependents in terms of education, training, apprenticeship or set them up in business acts that strengthen their claims to seniority and prestige. Migrant tenant farmers have also invested in houses and other property in their communities of origin even though these are being used by relatives and occasionally by them when they pay visits. Such investments bear testimony to their commitment to kin and community and hence their right to make claims on the loyalty or resources of relatives and compatriots. Community elders and household heads also contribute to community groups and projects. Such contributions help to build networks and enhance their reputation for generosity and public spiritedness (Berry, 1993:160-161). The community is thus not particularly egalitarian as control over resources and political power is concentrated in a minority of households and their heads. The use of social power and esteem to claim livelihood resources by this group of people by their investment in networks places them in a land owning class (with private property in land) and can also hire labour or call on the labour use of network members. These elders have been accused by the youth of corruption as they have consistently abused their positions by selling lineage and community land and not paused to reflect on how other members of the community will subsist. In another vein, they have been accused of using their privileged position to regulate access to large game by insisting on sharing with anyone who makes a catch or find and meting out punishment to those who fail to comply with the regulation.

In sum, production relations have changed and these have led to socio-economic differentiation and the appearance of classes which have structured the community in terms of access to land and wage labour. The groups are the rich

peasants and powerful statesmen who control access to land, hire labour and who can easily access credit; the middle peasants who work small land holdings with their own labour and the poor peasants, those whose land sizes are so small as to make farming unproductive and the landless who possess only their labour for sale. Yet the outlines of these classes are not neat or sharp in so far as many of the farmers control their own family labour and therefore do not become exploited classes in the Marxian sense of the concept. It is in the light of the blurred class outlines that Bernstein (1990, 2004) has referred to African peasants as petty commodity producers who own their land and exploit themselves as labour.

Social mobility has been achieved through a number of means namely diversification and improved incomes, out migration and access to and control over livelihood resources. Through migration and diversified income sources, some members can raise sufficient credit to invest in land or other property such as bicycles, buildings or commercial vehicles. People also operate in multiple social networks at any given period. Such networks are fluid as people move in and out with ease. Participation in social networks has enabled members to have access to land and or labour resources but depending upon one's initial status access could be wide or limited. Field data however showed that some networks were either disintegrating or were not active and therefore did not provide the expected level of support. Focus discussions revealed that community elders, some household heads and the well established farmers benefited most from these networks. This was because they had the resources to make the necessary investments.

Decline in Traditional Authority Structures

Customary authority for lineage administration resides in a family head and his or her council of elders. There is a change from a communal ownership of land by lineages to private ownership as a result of the monetization of the rural economy and individualization of land. Community youth in particular have become near landless as a result of commoditization of land and in the process blame lineage

elders for alienating customary land from them. Their resentment is shown as the youth withdraw unremunerated labour services from the farms of their elders and enter into the labour market to sell their labour power. A breakdown in a line of command is identified in as far as lineage elders no longer wield power over the young. The administration of the case community generally resides in a chief and his council of elders. They discharge their duties with the help of laws enshrined in customary norms and mores. A community law that dictates how game is shared in particular has created so much resentment among the youth. Although this law has been in existence since time immemorial, the youth since the mid 1980s has viewed it as exploitative, impacting directly on the sustainability of their livelihoods. This is particularly so when first, they have very little land to farm and so rely on game and other forest resources for a livelihood; and second, customary social support systems have gradually eroded. Generally, community members that cannot diversify their livelihoods to earn incomes resort to venting their frustration by resisting laws and challenging authority.

Another sphere in which traditional authority structures appear to have declined is in the domestic sphere. Through commoditization, some women have acquired land through inheritance, gifts, leases or share tenancies and have entered into the cash economy as cocoa or oil palm cultivators in their own right. These women have realized improved incomes, become autonomous and contributed to household expenditures particularly in terms of provisioning for the household and schooling and health needs of children. As a result of their improved socio-economic position within households these women have insisted on participating in household decisions and on having increased support from men with domestic work. Thus women have used their improved socio-economic status to call for equity in terms of the division of labour in the domestic reproductive sphere. Men have shown their resentment with these women's demand for a say in household management and have accused women of not according them the customary respect as heads of households. This was voiced during focus group discussion with men. Here, the men accused their wives of

disagreeing with them on child training and discipline and not giving them the free hand as fathers to control the household.

Disintegration of Community Social Identity

Diversified community livelihood activities and changing community relations of production are gradually leading the hitherto 'traditional' community to open up to outside influences. The petty commodity trading activities of both sexes, marketing of farm crop surpluses by community women, commuting of market queens and other middlemen to buy food crops and 'green harvests' and circular migration of the youth into urban areas in search of jobs and apprenticeships have all worked together to open the community up to 'foreign' influences- urban lifestyles and traditions. The community has also experienced an influx of migrant farmers and labourers since the diffusion of cash crops into the area. These have come from both urban and rural areas and have brought with them their unique life experiences, attitudes, outlook and life styles. Some of the youth within the community in recent times have also embarked upon circulatory (seasonal) migration to urban centres particularly during slack farming periods to engage in informal sector jobs. Presently a great number of youth embark on return day trips to Twifo Praso to work in the informal sector. Circulatory migration whether seasonal or daily helps the youth to relinquish their identity as a way of distancing themselves from the poor economic prospects of their agrarian backgrounds as well as the social confines of traditional familial roles. The use of migration (circulatory) by the youth in addition to other livelihood activities both on and off-farm demonstrates that livelihoods in the community are not only multi-activity/tasking but also multi-local. This is because increasing numbers of youth now exploit opportunities in different places and therefore live from agriculture, non agriculture and urban incomes. Circular migration is breaking down old dichotomies of the rural-urban divide with regions no longer bounded by space and people no longer rooted to space (cf de Haas, 2001:315-318).

The traditional agrarian foundation of the community economy is also

slowly giving way to one which is diversified into other off-farm activities. There has been a notable contraction of rural labour time expended on livelihoods from agriculture. This is as a result of a movement of labour time from the farm to an urban or rural non farm employment. The concept of peasantisation or de-peasantisation has been associated with fluctuating populations of rural producers who are involved specifically in the peasant labour process denoted by the farm, family, class and community criteria (Bryceson, 2000a:3). The contraction of the agricultural sector relative to others in the economy is attributed to the movement of labour from the peasant family farm to an urban or rural non agricultural activity, a situation that represents the convergence of de-agrarianisation and de-peasantisation (Bryceson, 2000a:5). In the community, this convergence may take some time to be reached in the future. This is because although the subsistence base has been widely diversified to include farm and non farm activities, rural farmers still hold on to their dwindled farm sizes. In sum, diversification into the rural non farm economy (processing of agricultural produce and NTFPs, wine distillery, provision of services) and the use of seasonal and daily migration have offered a way out of agriculture for most of the youth who had little land or were landless. Although in this study long term migration does not appear to be strong and therefore it is not addressed, this phenomenon has been cited as important in the de-agrarianisation and de-peasantisation process within many developing countries (Chilivumbo, 1985; Bryceson et al., 2000). Long term migration has been identified to contribute to the decay of fundamental social institutions such as the conjugal or domestic family and modified the role of kinship and lineages toward their members; it has provided an alternative means of obtaining wealth; created complementary social institutions, and promoted rural development (Chilivumbo, 1985). Given the trend of events in the study community, long term migration may eventually become the preferred choice livelihood strategy for the youth whose land sizes are too small to make any decent living and for the landless. Focus discussions indicated that the youth are prepared to move to urban informal sector jobs on a more permanent basis in the

face of land shortage and restrictions on access to the reserve.

A number of explanations at the global level have been given for the seeming drifting of peasants from the farm. These therefore are quite distinct from the local variables of land shortage, unequal access and consequent diversification of income sources including circulatory migration and day return trips identified in the case study community. The explanations include global improvements in agriculture, urban bias development policies in developing countries, the oil shocks of the 1970's, structural adjustment policies and migration (Bryceson, 2000a; 2000b). On a global level the agricultural sector of developing countries is said to be shrinking and this poses problems for development. Synthetic materials have been developed in western countries to replace the natural fibres of cotton, jute, sisal etc that developing countries produce; while the oil booms of the 1970s have effected lifestyle and taste changes among the more health conscious affluent northern consumers. Primary exports of coffee, sugar and tobacco for example have dropped as a result in developing countries. The above factors combine with the development of precision farming techniques and biotechnological advances in production (such as genetically modified crops in northern countries) and poor economies of scale in developing countries to put rural farmers out of work. In addition, structural adjustment policies have tended to affect peasants and other rural people harshly. Economic liberalization and democratization reforms started from the 1980s through the 1990s. They included the removal of subsidies on agricultural inputs such as fertilizers, seeds and farm implements; food pricing, and cutbacks in public funding which affected social services on education, health and many others. The result has been an increased peasant cash need because they are faced with declining agricultural returns and an increasing cost of basic needs. The long established safety nets for peasants that included national market regulation, social infrastructural development and input subsidies had been dismantled. Bryceson (2000b:54) argues that it was this environment of uncertainty that induced farmers to search for new, more remunerative activities outside agriculture.

Conclusion

The historical processes of incorporating rural agrarian economies into a global capitalist production system in particular, as well as other state and community processes have created significant changes in the case study community. First, there is deterioration in agriculture with households and individuals incorporating multiple livelihood activities outside the farm. Second, there has been a change in the mode of production which has commodified customary tenure arrangements and customary use of labour. The effect is the creation of land shortage for the large numbers of the poor farmers, increased work burdens for women and problems with security of tenure and food production. Third, the above processes have intensified socio-economic differentiation and delineated community members into three main classes although there are avenues for improving one's status. Fourth, another area of transformation in the community is the seeming decline of traditional authority structures. Here, intergenerational and spousal conflicts as well as conflicts over customary laws on accessing livelihoods have questioned the traditional authority structures in place. Last but not least is the observation that there is an erosion of community identity as agrarian and rural. The social transformation has presented a dynamic of its own in terms of tensions and resentments between women and men, the youth and community elders and leaders and indigenes and migrant farmers. There is a seeming transformation of institutional structures as a result of the community's incorporation into the cash economy that must be examined to reveal the net direction of the qualitative change. Whatever the direction of the qualitative change, this has been intensified in the last two decades and has had the capacity to disrupt social life and institutions.

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**Sustaining Employability in a Globalizing World:
Critical Issues on Enterprise-based Training Systems**

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Abstract

Demand for skilled labour has been rising steadily as a result of globalization, technological advances and changes in work organization. In recent policy debates to increase employability in a globalizing world economy, the crucial role of a high-quality educated and skilled workforce has gained prominence. This growing prominence, however, is based on the assertion that, a better trained labour force can increase competitiveness and better complement physical capital. There is the need to produce a workforce that is flexible enough to meet new challenges. What this means is that training systems are also under pressure to meet the demands of the changing labour market just as firms are under pressure to sustain competitiveness. The extent to which training systems, especially of developing countries like Ghana, are well placed to respond to the changing needs of the labour market is the central theme of this paper. We argue

that existing training systems in most developing countries are not well placed to respond to changing labour market needs. We therefore present practical and workable suggestions.

Introduction

The Human resources of a nation is perhaps the most crucial factor for sustaining competitiveness, just as the need for sustainable competitiveness has become necessary for the survival of any economy and/or organization. It is the human resources, not the capital or material resources of a nation that ultimately determines the pace and character of its socio-economic development (Forojalla, 1993). The implication of this assertion is that any country that fails to invest in its human capital is bound to fail in its development efforts. This is further reiterated by the International Labour Organization (ILO), by strongly maintaining that the promotion of full and productive employment is the most effective means of ensuring sustainable and equitable developmental growth. In spite of the above realizations, the global employment situation continues to be a problem. In most countries, of which Ghana is no exception, the level of unemployment and underemployment remains high.

In recent policy debates to increase employability in a globalizing world economy, the crucial role of a high-quality educated and skilled workforce has gained prominence. This growing prominence, however, is based on the assertion that a better trained labour force can increase competitiveness and ensure better complementarity between human and physical capital (World Employment Report, 1999) – henceforth referred to as WER. Indeed, enterprise-based training is actually a precondition for change within any organization. There is the need to produce a workforce that is flexible enough to meet new challenges. There are some traces of evidence to suggest that firms that embark on the training of their employees perform better by way of improved productivity.

The World Employment Report (1998: 46) confirms this when it states that, *"firms which follow an active training policy are more likely to report increased productivity... than those which attach less importance to training"*.

In view of the emerging technologies, enterprise-based training is very useful for the control of complex machinery. It helps to equip employees with the technical skills, without which they can hardly make good use of any technology and without which firms can succeed in this era of competition. Furthermore, training by enterprises helps to enhance flexibility of workers. If practices such as multi-skilling and employee participation are essential for surviving a competitive advantage, then training is crucial to sustaining a competitive advantage in current global capitalism, since it is the only way to produce a flexible workforce. Also, the practice of constant improvement inherent in the new forms of work elicits commitment and willingness to take initiative from employees. These traits are best attained through training which, in this context, serves an additional purpose of motivating workers.

Also, induction training, which is an aspect of enterprise-based training, is a useful way of exposing new entrants to the corporate culture of the firm. It entails exposing them to the expected social and ethical behaviour at work. This, no doubt, saves the firm a lot of trouble from mistakes by new workers in the name of ignorance. Enterprise-based training helps firms to cut down on recruitment cost. The cost of advertisement, the time for interviews and signing of contracts and a repetition of the induction process are all done away with by simply upgrading the skills of already existing workforce. This benefit is maximized if the target group for training consists mainly of the youth within the firm, who are nowhere near retirement.

In addition, when firms embark on the training of their employees, they hardly experience skill shortages and deficiencies with their associated problems. This implies that there will be no pressure on a few skilled workers, with

increased overtime working and increased overtime premiums and supplements, which is certainly costly and therefore inefficient. The rapid obsolescence of skills as the result of global trends makes enterprise-based training a safety valve in providing employment security for employees. Enterprise-based training is a means by which the skills of employees are continuously replenished. This enables them to re-enter the labour market at the end of their current engagement. Hence, such trainings afford the worker an element of employment security, not only a specific job security. The employment security of employees, on the other hand, stems from the fact that firms after spending resources in terms of time and funds to train workers, will hardly engage in any indiscriminate retrenchments or firing of employees. Thus, indirectly, enterprise-based training leads to a secure tenure of employment for employees.

Another motivation for being interested in training is that returns to the acquired skills are shared between employer and employee, so that training simultaneously benefits both the workers and the producers of goods (Nielsen & Rosholm, 2007:). On one hand, Biggs et al (1995a), posit that training benefit the employers in terms of increases in productivity. This conclusion was drawn from estimates of the production function based on pooled data for workers from Kenya, Zimbabwe and Ghana in 1992. On the other hand, enterprise based training increases earnings for employees. Middleton et al (1993) and Grubb & Ryan (1999) assert that earnings increase after training. According to the literature survey by Middleton et al. (1993), the increases in earnings as a result of enterprise based training seems to be about 20% in many developing countries.

In addition, customers, consumers and/or clients also benefit indirectly from firm-based training. One major underlying principle for training by firms is the need for customer orientation. The desire to produce goods according to customer specification and the desire to treat customers with special attention so as to retain them is best achieved through enterprise-based training.

Despite these appealing benefits that can be derived from enterprise based training, indications are that not many firms in developing countries are seriously pursuing it as part of their business strategy. Even of serious concern is the lack of data on firm based training. Thus, Nielsen & Rosholm (2007:3) could say, "to our knowledge, such evaluations are scarce for African countries". The question then to be asked is if training is this important, why are all firms not investing more and more in training their employees? This question forms the backdrop to discussions in this paper. This brief conceptual paper is mainly a library research, based on secondary data sources. The subsequent write-up seeks to: Present a conceptual and analytical basis for the arguments; Highlight the pressures facing training systems, particularly in Ghana, and outline practical and workable recommendations as to how training systems can be made more effective and efficient in responding to the changing needs of the labour market.

Conceptual and Analytical Frame Of Reference

This section seeks to explain the underlying concepts that are used through out the paper and that informs the arguments and recommendations.

Understanding Training as a concept

According to Armstrong (1999:507), training "*is the systematic modification of behaviour through learning which occurs as a result of education, instruction, development and planned experience*". In a more detailed way, training has been defined as "*a planned process to modify attitude, knowledge or skill behaviour through learning experience to achieve effective performance in an activity or range of activities; its purpose, in the work situation, is to develop the abilities of the individual to satisfy the current and future manpower needs of the organization*" (Armstrong, 1999:507).

Enterprise-based training, therefore, refers to the practice of enterprises delivering structured learning experiences to trainees who are employed by the

enterprise. The fundamental objective is to increase organizational efficiency by adding value to its key production factor; the labour force or the employees. In-company training and enterprise-based training are often used interchangeably and they both refer to the kind of training that individuals receive through their engagement with an employer, whether on the job, self-directed, or instructor guided and may be offered outside the work place but sponsored by the employer.

Conventionally, general education, which is a requirement for initial entry into the labour market, is the responsibility of either the state or the individual. In recent times, however, changes in technology as well as changes in work organization imply that the skills required by employers evolve quickly. To get the required skills, firms are faced with two options, namely: To search and hire their required skills from the labour market and/or to embark on training so as to produce their own skill requirements.

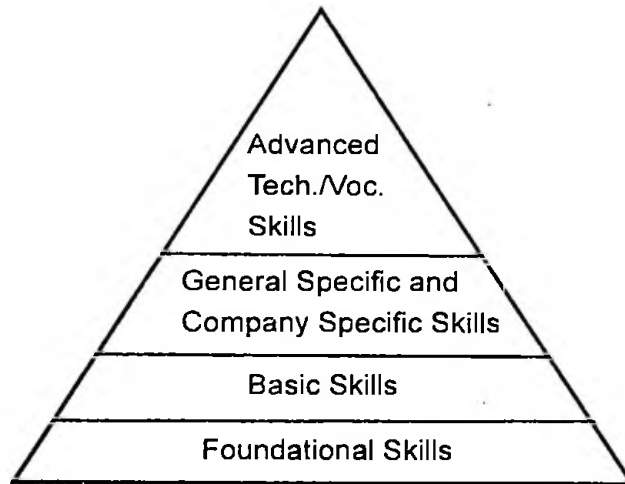
There is enough evidence from the available literature that most firms have opted for training, at least theoretically. "*Training and development are now firmly center stage in most organizations, if not all*" (Darling, 1993: IX). The concern, however, has been that at a time when all indicators point to training as a means of sustaining employability in the global economy, training systems, especially in developing countries like Ghana, are insufficiently responsive to the training demands. Also, the incentives for enterprises to invest in training may not be appealing enough to match the increase in demand.

An important factor that determines the effectiveness and efficiency of a training activity is an effective utilization of existing skills, qualifications and competencies. The definitions of training quoted above emphasize 'the modification of behaviour', which indicates the existence of some behaviour that can be modified. This is to say that without the initial behaviour or knowledge, training is impossible. *The foundations for a flexible training are a sound general education and a broad-based basic training.... which are transferable and which*

form the basis of a lifelong learning and the acquisition of multiple skills (Mitchell, 1998:7). Thus, it is undoubtedly vital to explore the initial education programmes to identify which kinds of skills enhance enterprise-based training activities.

The literature available on the subject groups skills into general and specific which are obtained from education and training respectively. Distinguishing between general and specific training, Grubb and Ryan (1999:11) state that one criterion for distinction is the programme intention; *whiles general education does not prepare individuals for particular occupations, training does*. Another criterion they cite is based on institutional distinctions. *General skills in most countries are provided by the state educational institutions while specific skills are obtained on the job by employers [and/or individuals]*. The World Employment Report (1999:58) perceives the relationship between education and training as complementary and which can be viewed in the form of a pyramid, with four levels of capabilities. Figure 1 illustrates these four distinctions.

Figure 1 – The Taxonomy of Skills



Source: Authors' own construction – Based on information from WER (1999:58)

Interestingly, each layer of the pyramid differs with regard to who is responsible for the provision. Usually, foundational, basic and general skills are provided by the state in the form of education while specific – and advanced professional – skills are provided by either firms or individuals in the form of training. While this study focuses basically on the enhancement of occupational and specific skills, it is based on the premise that it is *difficult, if not impossible, to erect a system of skill formation without a solid educational base* WER (1999:59).

Training Systems

According to the Webster's collegiate dictionary, a system is a group of interacting bodies under the influence of related forces, often performing one or more vital functions. In the context of education, a system has been defined by some as the application of programmed learning principles to all aspects of the course. Romiszowski (1970) identifies two ways in which the term educational system is used, namely in the *"traditional sense"* and in the *"programmed learning sense"*. In the traditional sense, the system is defined to include all educational institutional and organizations, which are implied by the title (Romiszowski, 1970:15). Such a system may include schools, the society within which the schools flourish, the culture and the background among others. Romiszowski further states that the basic input of such a system is the learners. Although there are subsidiary inputs such as buildings, money, textbooks and other human resources in the form of teachers. The basic output from the system, he says is again human resources, *people at a different, presumably higher level of education*. In the programmed learning sense, the inputs to the system are information transmitted to the learner through various methods while the output is the learner's performance.

In the context of this paper, an education and training system is used to denote the traditional sense described above while the programmed learning sense would be viewed in terms of training modes. Thus, training modes exist

within training systems and refer to the content and channel for transmitting information to facilitate learning. A training mode may be formal or non-formal, public or private, and general or specific. According to Nubber (1997:19), *training systems in developing countries encompass a variety of training modes, which may be institutional or enterprise-based.*

A critical examination of how existing training systems are organized, the institutional structures that support them and their sustainability in the climate of global changes are important in this study, since an understanding of such systems will serve as a good basis for any recommendations made in this paper. According to the World Employment Report (1999), there are three main systems, namely cooperative, enterprise-based and state drive systems. Also of interest to this paper, however, is the traditional apprenticeship system which is common in Ghana.

The “cooperative” system – The German style

This is where enterprise-based training is a social contract between employers' organizations, the state and trade unions. However, employers are the main actors in offering apprenticeships in all sectors of the economy and pay for about 50% of the cost of training. The training is often provided through public vocational schools and at the workplace. According to the WER (1999), this system has successfully reduced the incidence of poaching. Also, due to the involvement of employers and trade unions in the design of training structures and curriculum, training is not abstract but made relevant to the labour market functioning. One major problem identified with this system in recent times, however, is its delay in responding to global changes, and this is due to the element of collaboration between three different parties. This is a problem indeed in view of the fact that global competition is evolving very fast.

Enterprise-based – The Japanese style

This system is such that besides general education, any further training is solely the responsibility of the employer who gives intensive off-the-job and on-the job

training. The kind of training provided under this system is specific to the firm. According to the WER (1999), the system has been successful in the production of a highly skilled workforce that is flexible to current global changes. The system is said to be workable because of the lifetime employment since, until recently, there were hardly any fear of poaching. However, given the increasing labour market pressures, labour immobility, even in Japan, is gradually becoming a thing of the past.

The “state-driven” system – The East Asian style

This is where there are schemes to encourage the training of workers due to the persistence of labour market failure. A high labour turnover is, undoubtedly, an indication of labour market failure. Labour market failure in skills training is almost inevitable in most countries because of labour poaching. While poaching makes economic sense, it leads to skill deficiencies when left unchecked. Thus, contrary to neo-liberal ideology, this study is of the position that labour markets cannot function properly alone and that there is the need for state intervention, but only in the creation of an enabling environment for firms to operate and not in the provision of training. This position is reiterated by Godfrey (1997:152), who says, *there is ample evidence of the lack of success of government-provided training in many contexts*. At least, an analysis of the East Asian miracle proves the importance of state intervention in human capital formation. The experiences of Singapore and Malaysia are remarkable in state intervention, but in the form of facilitating training rather providing training.

In Singapore, the Skills Development Fund (SDF) was set-up as an Act of Parliament and launched in December 1979. The objective is *to remove the condition of market failure arising from the high turnover of labour, which results in firms poaching staff rather than investing from the high of its staff* (Chew and Beng, 1999:183). The operation of the scheme is such that all firms are required to pay a certain percentage of the total wage bill as a levy to the SDF. The proceeds are sent to the Ministry of Finance and used for funding of employee

training programmes. According to Godfrey (1997:100), an enabling environment was created to encourage employers to upgrade the skills of their workforce...through the awarding of various subsidies for the funding of such training. Godfrey further mentions that, remarkably, these efforts were a part of the overall national effort of human resource development and not just ad hoc measures. After an analysis of the functioning of the SDF, Chew & Beng (1999:187) state that *it is fair to say that the SDF has effectively removed the spectre of market failure and has performed an important role in promoting skills training in Singapore*. Malaysia is also said to have set up a training scheme similar to that of Singapore to encourage employers to train their employees. According to Chew & Beng (1999:189), *the uniqueness of this scheme is that firms with greater skills and experience are willing to dispatch their workers to train employees of less-advanced firms in the same industry*. As has been shown above, training does not exist in isolation. A sound general education is vital if such training is to be made meaningful.

Traditional Apprenticeship – The Ghanaian Style

This is a kind of pre-employment vocational training that prepares individuals for initial entry into informal economy employment and has served as a viable institution of skill transfer in Ghana and other developing countries in Africa. The training providers are mainly the informal economy operators of small and micro businesses. The trainee learns by observing and assisting the master trainer as well as other workers who may be senior apprentices. Fees are often charged unless the trainer is a family relation. The trainee is often also expected to serve the 'master' by helping them with their household chores and running errands for them. This trend can be potentially exploitative. Another major disadvantage is the absence of defined standards and supporting technical and social knowledge. These notwithstanding, the system have been successful over the years in the provision of on-the-job, workplace-based, and "hands-on" instruction. The unstructured and informal nature also makes it flexible and

adaptable to immediate employer needs. From an observation and intense interaction with such trainers, it was revealed that attempts are now on-going to formalize this traditional training system. The National Coordinating Committee on Technical and Vocational Education and Training (NACVET) has been responsible for overseeing this national system of skill development. Currently, written agreements are replacing verbal agreements; trainees may be assessed after completion of the training and awarded a certificate. This kind of training leads to employment in the informal economy just as formal training leads to employment in the formal sector.

CHALLENGES FACING TRAINING SYSTEMS

While some of the challenges presented in this section is peculiar to Ghana, others are quite general and may reflect the experiences of many others within the global world economy.

Weak Broad-Base General Education

Ghana's educational reforms had laudable objectives and some successes but the higher education level was neglected as the focus was on the basic school level. A commentary on the reforms states: *at the university level, the euphoria over reforms did not appear high...tertiary education did not appear to have been a priority area for reform investment*" (Afenyadu et al, 1999:7). Meanwhile, regarding enterprise-based training, the general education system is to supply firms with trainable labour, which is equipped with basic skills, for firms to train.

Absence of Policy Framework and Political Commitment

In the review of the Ghana's educational reform document, it was realized that there is no mention of enterprise-based training at all. A policy framework at the national level will suggest government's commitment in matters of enterprise-based training. According, to one Human Resource Manager of a Ghanaian firm, *a number of factors determine how enterprises learn – macro economic, trade*

and competition policies...thus, government policies on learning become determinants of comparative advantage”.

Pressures from Technological Advances

According to the World Employment report (1998:37), “... [The recent] technology revolution is as important in terms of its spillover effects and economic impact as any technological revolution of the past two centuries” and Ghana is not an exception. New technologies, besides introducing a wide range of new products, have resulted in the decline in technical performance, which implies the need for highly skilled labour that the traditional educational institutions cannot, and has not been able to, provide. There is therefore the need for firms to help in the provision of, at least, the kind of skills they require.

Pressures from Globalization and Trade Liberalization

Closely linked with the pressure from technology is the globalization of trade, which has resulted in an atmosphere of intense competition which, in turn, has led to an increasing pressure to find new forms of work organization. The firm that can change the production process to bring new and quality products to the market faster, gains a significant advantage in the global market. This, no doubt, calls for employees that are knowledgeable and skilled, and are motivated enough to apply this knowledge and skill. Enterprise-based training is, therefore, resorted to as a means of attaining the said qualities in employees. This in the long run, will lead to attaining and sustaining a competitive advantage.

New Forms of Work Organization

The very nature of the new forms of work organization calls for enterprise-based training. For instance, functional flexibility, which is an aspect of flexibility, is a new form of work organization. It is understood to be the ability of firms to reorganize so that a jobholder applies his or her skills across a broader range of tasks. This is, to say, the ability of employers to alter the function of employees to meet

demand. This practice involves job rotation, job enrichment and, therefore, multi-skilling. An example is when a factory machine operator is asked at a point by his /her employer to take up the maintenance and repair of the machine. This practice certainly requires cross training and retraining – The kind of training that can best be done by the firm and not by any educational institution.

The Poaching of Trained Workers

A major challenge that enterprises in Ghana have had to contend with is the problem of staff poaching. Poaching occurs when a worker trained by one enterprise, with the hope of benefiting from that worker's newly acquired skill over a longer period, is induced to work for another organization. This problem discourages some employers from investing in staff training and development. The poaching problem stems, largely, from the lack of training culture among Ghanaian firms generally. The practice of employee training is not wide spread among Ghanaian firms and also there is no documented legal frame of reference within which firms can operate. As a result, some firms have intimated that it is not worth investing time and resources into training, because competitors are most likely to poach the upgraded staff. While this may be the case, the importance of training as discussed above suggests that it is absurd to forego training because of competitors. In any case, if all firms embark on training, there will be a level playing ground between companies, and there will be no poaching.

Financial cost of Training

Another fundamental problem with enterprise-based training is the cost involved. Most infant industries or small enterprises are unable to afford it. Incidence of training is very often informed by size of enterprise, occupation, economic sector, and permanent or non-permanent employment status (Ridoutt *et al.*, 2002:13). It is widely accepted internationally that enterprise size has a direct influence on training activity (Ridoutt *et al.*, 2002), as is the notion that large enterprises invariably train more and that large enterprises normally train at a higher. Even for

large firms, training cost can be financially burdensome. The long-term effect of training is not recognized in a firm's short-term financial success for which reason firms are reluctant to invest in training. It is, however, note worthy that it is not always the case that training requires huge funds. Training can be done with very little fund as practiced in Japan through on-the-job training. Training by firms also requires sacrificing productive time that may never be regained. It does not follow that training will always automatically yield increase in productivity. Besides having a highly skilled workforce, there are so many other factors that account for either an increase or decrease in productivity. There is no clear mechanism for assessing training / output ratios. Also note worthy is the fact that government subvention to training institutions such as GIMPA and MDPI has been cut off. The tendency therefore will be high charges, which in turn will mean low income firms cannot train their employees.

Absence of regulation of the traditional apprenticeship training system: - Even though attempts are being made to formalize the traditional apprenticeship training in Ghana, there is still room for much improvement. There is still a lot of training that is not regulated, not accredited and not recognized. What this means therefore is that many of such apprentices will end up in the informal economy at best.

RECOMMENDATIONS

The performance of any training system is strongly influenced by the economic and institutional framework in which it operates, as well as by its own programme content and organization (WER, 1999). This hypothesis, which has been largely supported by the experiences from other countries, as well as the need to learn from other countries, forms the basis for most of the recommendations.

Macro Level/State Intervention

The Neo-classical economists posit that state intervention, in all its forms, is not needed because it has failed in the past and has been quite misleading; hence,

markets in general and labour markets, for that matter, are to be driven by demand and supply forces. This is to say that the demand for a particular skill will create its own supply of the skill through training. Thus, governments should not intervene but provide an enabling environment in the form of relevant and current information for the market to operate, since stakeholders must have such information on which to base decisions concerning skills development. In as much as the creation of an enabling environment by the government is important, leaving the labour market in a country like Ghana entirely to market forces alone has failed and it is likely to continue to fail.

An examination of existing training systems showed that both the German cooperative system and the Japanese enterprise-based system are facing problems in adjusting to change. The state-driven system of the East Asian countries, however, has proven to be viable in recent times. Thus, this paper seeks to advocate the need for state intervention. The current nature of world competition means that competitiveness is determined by continuous improvement of the skills and competences of the workforce, which calls for visionary planning for training and development, and which in turn calls for state intervention. The subsequent paragraphs present suggestions as to how this can be done.

Educational Reforms

As a starting point, the state should ensure that its educational system is planned in such a way that links it to its existing market, and not an imaginary one. Learning from the South Africa Skills Development Strategy, it is important to redefine the guidance and placement roles of the Employment Services in Ghana and empowering it to collect, collate and disseminate labour market information to training institutions, to assist them align their programmes to changing market conditions. By this, it is hoped that the traditional institutions will provide good general education, based on which firms can easily add on in the form of firm-specific training. This suggestion also dwells on the human capital theory, where

it is argued that the more educated learn faster and better than the less educated. Also, "though considerable progress can be made with a poorly educated labour force.....in the long run, firms which have educated labour are likely to make more progress in their training schemes" (WER, 1999:45). An important criterion for disbursing public fund, if any, should be the quality and responsiveness of the education and training system as is the case in South Africa. The assessment could be done by an independent body within the Ministry of Education.

Legal Support

The problem of poaching as explained in the beginning of the paper is a factor that works against enterprise-based training in Ghana. For a firm to invest huge sums of money and time in its human resources only to lose them to other firms is not funny at all. This has led to some firms concentrating so much on specific training whe, in fact general training yields far more benefits. Thus, to encourage the investment in human capital by firms, the state should provide an enabling legal environment. Legislation with clear legal sanctions against the poaching firm can go a long way to help. At best, a legal code that forces all firms to train their workforce is a viable option. Once there is a training culture, poaching will, hopefully, be a problem of the past.

Institutional support

Institution as used here does not necessarily mean an organization but rather, a "significant practice and/or a relationship with other factors or stakeholders" (Webster's Collegiate Dictionary, 1991:627). Examples of such institutions could be a well defined certification system for firm-based training, particularly for traditional apprenticeships, a networking system to support small firms to manage their training needs, an award system to boost the efforts of the firms who excel in their training efforts, authorizing employers' association and trade unions to give technical advice and guidelines to firms. Regarding the use of trade unions, they could be useful in ensuring that workers' training needs are

satisfied or that firm-based training expresses mutuality of needs. The existing training institutions could be empowered to provide certification to enterprise-based training efforts.

Micro Level/Firm-Based Interventions

The increasing quest for employee training is attributed to the fast evolving global trends. This means that continuous improvement is to be emphasized, if employee training is to achieve its goal of ensuring sustainable competitiveness. Thus, even though Ghanaian firms in general and banks in particular may be resorting to employee training, the following good practices are recommended for continuously improving employee training. Some of these recommendations are also applicable at the macro level.

Benchmarking Industry's Best Practices

Benchmarking has been defined as the process of comparing oneself to the best relevant competitors - Measuring the practices of one's own company against the best practices of the competition. It is a process that requires establishing operating targets based on the industry's best practices (Rodwell et al., 2000:357). Benchmarking is important in contributing to a company's ability to attain a competitive advantage, since it is an opportunity for identifying, modifying and adopting the most efficient ways of operating. It helps firms to gain insights into what competitors are doing to succeed. This process has been called SIS which means 'stealing ideas shamelessly' (Armstrong (1999:496). Regarding the benchmarking of training and development, The World Employment Report (1999) states ".....there is much that countries can learn from each other's experience in the development and utilization of a better skilled and more adaptable workforce". While this study acknowledges the importance of benchmarking as mentioned above, it shares the view of Rodwell et al (2000), who say, benchmarking may only reveal common practices within the industry and not necessarily those that lead to the attainment of a competitive advantage.

Hence, the need to determine if benchmarking is a best practice and, if so, what practices should be benchmarked...? (Rodwell et al, 2000:357).

Involving Trade Unions or Workers in the Planning of Training

There are mixed feelings about the role of trade unions in employee training. As understanding of the traditional antagonistic nature of trade unions seems to imply a negative trade union response to employee training, given the low wages paid trainees during the training period (Godfrey, 1997:151) and the specific nature of firm-based training, which may boost an organization's productivity at the expense of employees' employability in the labour market. Contrary to the above expressed assumption, trade unions tend to support, rather than resist, employee training. Trade unions have played a positive role in encouraging training activity within firms (Rainbird, 2000: 152). Regarding German trade unions, Mahnkopf (1992:66) says: "within German workers movement, demands for comprehensive occupational... training have a long tradition, as this has always been linked to labour's struggle for emancipation". In Singapore, The National Trades Union Congress is actively involved in employee training and is even known to conduct two nationwide training programmes for workers who are above forty years and who are less educated. Finally, evidence of positive trade union reaction to employee training is found in countries like USA, UK and Australia, as indicated by Rainbird (2001:153) and Godfrey (1997:151). Among the speculated reasons for trade union support for training is the long run wage increase which in a way, make up for the wages lost during training and for the fact that training lowers labour turnover for workers, and union members for that matter. Mahnkopf (1992:67) confirms this by saying, "trainingalso has the function of protecting workers from [unnecessary] dismissal and downgrading". The reaction of trade unions to training, as it relates to this study is the fact that training is further enhanced where, in addition to achieving recognition, trade unions are actively involved in training decisions (Rainbird, 2000:153). Kennedy et al. (1994) cited by Rainbird (2000), after a year's study of Australian industrial

relations, found that trade unionism is associated with superior training provisions. Thus, for effective enterprise-based training, the role of the trade unions must not be overlooked, but optimally maximized.

Properly Staffing and Continuously Training the Training Department Staff

It has become evident that one way to enhance the quality of training is to ensure that the 'right' people are responsible for training design and delivery (London, 1989:11). London, therefore, suggests that, besides employing the services of training professionals, such as technical writers, educational consultants, instructional technologists, computer systems and software experts, HRD experts must make use of subject matter experts in other departments to plan the training curriculum. The apparent reason for London's suggestion is that they have experience in the operations of the business. To London, "these subject matter experts know the client's perspective and therefore enhance the credibility and likely acceptance of the training". In sum, training and development must start from the training department itself, since the professional development of the training staff is considered crucial to the quality of the overall training within a firm. Kapur (1999:68-71) also emphasizes the need for quality trainers by presenting twelve (12) qualities a trainer should have in order to be efficient at his rather crucial role of training others. A critical look at the said quality seems to suggest the need for an extensive training of the trainer himself, thus agreeing with London above.

Critically Evaluate Training to Identify the Strengths and the Loopholes

This is where the success of the entire training programme is assessed to ascertain its effectiveness in the light of the stated objectives. There are various ways and levels of evaluation that can be used, and the HRM literature emphasizes the importance for considering these in the planning process. It is at the planning stage that the basis upon which each category of training is to be evaluated should be determined (Armstrong, 1999:531). Also, because

evaluation covers the whole training process it must be considered early in the design and planning process (Rae, 2000:193). Again, measuring the effectiveness of the training, when done properly, serves as feedback in planning a new training programme, and the process continues. Thus, the result of an effective evaluation serves the purpose of a Training Needs Identification Analysis (TNIA) in the next training cycle, and therefore is very important.

On the Pertinent Issue of Financial Cost of Training

There has been a current debate as to whether government should finance training or not. While some argue that the state should not fund training, others think it should. However, whatever the bases for these arguments are, the state should not look on unconcerned, but should provide appropriate incentives to promote training. Not necessarily the provision of funding, but its supervision. The collection and supervision of training levy, which is based on payroll, as done in Singapore, can be conveniently applied in a country like Ghana. By so doing, infant industries could also be taken care of. Once the funds are generated, the problems of corruption and misappropriation of funds becomes an issue. To address this issue, the proposal for regulating the disbursement of training funds can be conveniently applied to the Ghanaian context. The state may reduce the financial training burden on firms by reimbursing the training costs of employers as done in Singapore, by providing wage subsidies during the training period, by providing training grants or loans to enterprises and by providing tax credits for employers who provide training for their workforce. Mitchell (1998:34) is of the opinion that such a system is very easy to be abused by firms who may overstate their training budget. Other likely problems, he states, could be the level of bureaucracy required for administering and controlling such support systems. This notwithstanding, these suggestions may go a long way to help enhance enterprise-based training in Ghana, when done properly.

What the government can do is just to provide an enabling environment for firms to operate – to train as cost effectively as possible. It is really up to

individual firms to find ways of reducing the cost of training. Tsang (1999:95) concludes from a study on costing vocational training that, pre-employment vocational training is more expensive than in-service training but then within the confines of in-service training, he concludes that, "findings on the unit cost of different modes of vocational training, or types of education or curricula, do not translate directly into a definitive assessment of the relative attractiveness of alternative training strategies". Though relative costs may differ by trade, no single mode is likely to be the best choice for all trades. In light of the recent developments in the overlapping of training modes and the integration of training programmes into a national system, a training system offering a mix of training modes may be most appropriate for developing countries.

According to Tsang (1999:94), the costs of vocational training have several major determinants, namely:

- The technology of training, including class size and the method of instruction (the use of labour or capital techniques);
- Teacher costs and their determinants (such as salary schedule and labour-market conditions)
- The length of the training programme
- The extent of wastage or drop-out
- The extent of underutilization of training inputs
- The scale of operation

Thus, firms can learn from these cost determinants to develop policy options that seek to minimize the cost effect of the determinants rather than seek cheaper training alternatives that do not exist in reality. Such strategies could include: reducing drop-out rates; making fuller use of training inputs; taking advantage of economies of scale; and controlling costs related to training methods, teaching staff, and the length of the training programme. Efforts to reduce the unit costs of vocational training should consider the impact on the quality of training and on trainees; cost reduction at the expense of quality does not improve the efficiency of training (Ibid).

CONCLUDING REMARKS

This paper has argued that global trade competition and its associated technological development have put pressure on firms to take action in order to survive the increasing competition and thus remain in business. Many firms have, as a result, shifted from a market approach to skills acquisition to investment in skill acquisition through training; from hiring organizations to learning organizations in spite of the many challenges they have to contend with. This paper has provided an added basis for considering employee training as a strategically important and worthwhile venture, as an old Chinese Philosopher, Guazi, confirms when he posits that: *"When planning for one year, there's nothing better than planting grain, when planning for ten years, there's nothing better than planting trees, when planning for a lifetime, there's nothing better than planting men"* (ILO working paper, 1996). Thus, investing in the training of men produces benefits that can last a lifetime. Undoubtedly, training is beneficial to employers, employees and even the national economy at large and must be taken serious.

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The Role of Traditional Authorities in Local Governance

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Abstract

The role of traditional Authorities in local governance was the subject of the study. The research design consisted of various methods of data collection including in-depth face-to face interviews, document reviews and observations. One technique that was used throughout the research to get information from all traditional role players was the appreciative technique. The population was made up of opinion leaders, settlers, chiefs, fetish priests, identified group leaders, tengdamba (land owners), family heads and local government staff. The instruments were pretested for reliability. The analysis consisted of describing qualitative data while quantitative data was analysed using SPSS (statistical package for social sciences). It emerged that traditional institutions have more good to offer the District Assembly in local governance than their limitation of the work of the Assembly. The institutions have remained resilient in the face of modern challenges because of the confidence and trust people have in them and are prepared to defend them. People perceive traditional authorities to present their history, norms, values and belief systems; it is believed society would get much more substantially than if they are excluded.

Key Words: Traditional authorities, Good Governance, Development

Introduction

Democratic decentralisation and participatory governance are considered attributes of good governance and have dominated the development discourse in recent times. This is due to a growing sense of disillusionment with centralised governance. It is now widely believed that modern governance should be spread across many levels and across multiple contents of authority. The move towards decentralised form of governance is to achieve full participation of the hitherto marginalised, through local governance. Citizens' participation in local governance is now seen as an essential pre-condition for effective and good governance (Manor, 1995).

Stoker (1996:19) defined local governance as a process in which governing outcomes depend on the interaction of a complex set of institutions and actors drawn from, but also beyond local government. This definition neatly encapsulates two key features of governance. First, it interprets governance as a process and not an end state, thereby capturing the dynamics of change implicit in governance. Second, it hints on the growth of networks, partnership and other organisations within civil society that are involved in conveying governance. This socio-centric viewpoint emphasises the pervasiveness of networks and partnerships within civil society that are capable of governing themselves free from state control.

In a bid to achieve the attributes of good governance in Ghana, the ruling Provincial National Defence Council (PNDC) introduced the decentralisation programme in 1988 where power was devolved to the local areas for local governance. In other words, local governance simply means bringing governance to the door steps of the beneficiaries of governance so that they can participate in decision taking, and its implementation, and enjoy its impact. Decentralisation then has become an inevitable component of local governance since without it there cannot be any meaningful local governance. This study sought to assess the role of traditional authorities who work within these institutions in order to ascertain their credibility in promoting good governance.

Conceptual Issues

Governance is somewhat an elastic concept. It has been interpreted in many different ways so as to encompass many different aspects of social organisation and the institutional framework within which social and economic activities are performed. Governance could therefore be defined as the strategies and plans that a government adopts to achieve the socio-economic upliftment (development) of a society, district, region or nation (World Bank, 1992).

The realisation of the human (social, political and cultural) aspect of development is what has brought good governance into the development discourse. It is being increasingly argued that without an appropriate governance structure, the developing countries would not be able to generate either sustained growth or momentum towards rapid poverty reduction.

In the view of Darko (2003), good governance refers to the sustenance of democratic institutions; that is, an independent and respectable judiciary, the practice of free and fair elections, a representative parliament, a free vibrant and responsible press, and traditional rulers who ably advise government in matters relating to chieftaincy and tradition. In a nutshell, good governance in his view is governance according to the rule of law.

According to the World Bank (1992), good governance is synonymous with sound development management which is central to creating and sustaining an environment which fosters strong and equitable development and it is an essential compliment to good economic policies. Serageldin and Landell-Mills (1991) on the other hand define good governance as encompassing the nature of fixing of a state's institutional and structural arrangements, decision-making processes, policy formulation, implementing capacity, information flows, effectiveness of leadership and the nature of the relationship between rulers and ruled.

It is obvious from the above definitions that good governance involves the strategies, plans and structures which a government puts in place to achieve

development. Accountability, transparency and the rule of law are considered elements of good governance. In short, good governance means adopting democratic ideas as a strategy in development planning. This has come about because there is a growing conviction that an efficient government is a "sine qua non", for sustainable development.

Amoako (2004) is of the view that, there is no question that the world has a right to pass judgment on the state of Africa's governance. But it is Africans themselves who bear the responsibility for action, including the tailoring of their own approaches to their problems. According to him, some experts of good governance suggest that Africa adopts the discipline and firm stance of certain countries in Asia. Some advise Africans to emulate the openness and liberal nature of the western democracies, because in certain respects, Africans are last in the line of development. He reiterates that, as much as Africa can gain lots of experiences elsewhere, these so-called concerned people should know that Africa has its own experiences, its own best cases, and its own storehouse of culture and governance to draw on. In addition, Africa faces a unique country - by country challenges, each reflecting a history of complex political and cultural dynamics. Thus, according to him, "there is no cookie-cutter solution to development". This statement has a lot of implications for this study. It implies that, governance is contextual, cultural, and unique.

The World Bank (1994) identifies four essential components of good governance-equity, sustainability, productivity and empowerment. If development is to enlarge people's choices, people must enjoy equitable access to opportunities. Equity in access to opportunities demands restructuring of power in many societies and changes along certain lines: First, there must be change in distribution of productive assets especially through land reforms. Second, there must be restructuring in the distribution of income through progressive fiscal policy aimed at transferring income from the rich to the poor. This means overhauling of credit systems so that the credit requirements of the

people are satisfactorily met. Third, it requires ensuring equity in political opportunities through voting rights reforms, financial reform, and other actions aimed at limiting the excessive political power of a feudal minority and undertaking steps to remove social and legal barriers that limit access to women or other minorities to some of the key social and political opportunities.

The next generation deserves the opportunity to enjoy the same well being that we now enjoy and this right makes sustainability an essential component of the human development paradigm. At times, the concept of sustainability is confused with the renewal of natural resources, which is just one aspect of sustainable development. In our present context, it is the sustainability of human opportunities that is of concern. This in turn requires sustaining all forms of capital-human, physical, financial and environmental. Sustainability is a matter of distributional equity, of sharing developmental opportunities between present and future generations and ensuring intergenerational worthwhile life opportunities. Thus, an unjust world is inherently unsustainable (Kansangbata, 2006). This concept also implies removing the disparities, both political and economic, between various nations of the world.

Governance envisages full empowerment of the people. Empowerment means that people are in a position to exercise choices of their own free will. Empowerment also implies a political democracy in which people can influence decisions about their lives. It requires economic liberalism so that people are free from excessive controls and regulations. It means decentralisation of power so that real governance is brought to the door step of every person. It also means that all the members of a civil society, particularly non-governmental organisations join in the development process.

Participation is an essential ingredient in good governance. Indeed, it has been argued that, participatory development can be seen as a local level reflection of good governance. In order to improve the effectiveness and efficiency of government, there is the need to involve the people in the decision

making process, so as to ensure that the people who are going to be affected by development plans would know the options available to them so that they would indeed participate.

Al-Yasha (2003) uses the term traditional institutions to denote indigenous forms of cultural identity formation and nation-state governance. He contrasts this with the "modern" African nation state which retains vestiges of European colonialism in land distribution, amalgamated cultural / linguistic groupings and political structure. Fleishchaker (1994: 45) defines tradition as "a set of customs passed down over generations, and a set of beliefs and values endorsing those customs". Kendie, et al (2004) use the term to refer to, for instance, chieftaincy rule, customary law, healing or religious practices. The term traditional, consequently, bears the connotation of social arrangements, strongly rooted in a locality.

How democratic are traditional institutions?

Democracy is a system of government based on the consent of the people and one in which the mandate to rule is subject to periodic renewal. Modern democratic governance also entails citizens' representation (Centre for Democratic Development, 2001).

Increasingly, African scholars insist that whereas Western ideas about democracy are specifically rooted in the notion of political and social rights for individuals, the reality in Africa is still one in which "collectives" or ethnic "groups" rather than individuals are demanding social justice. In this context, what matters is respect for African culture and languages and ethnic concerns in the distribution of the country's or world's resources.

Tangwa (1996) argues that traditional African leadership and authority systems might be understood as "the harmonious marriage between autocratic dictatorship and popular democracy". Specified formal practices positioned the citizenry to critique, authorise and sanction their rulers; their continued reign and

the selection and ascension of their successors. Ritzenthaler and Ritzenthaler (1964) describe the king making procedure of the Bafut kingdom of Cameroon as the exercise of democracy in traditional institutions where, when the new ruler has been installed, he is presented to the Bafut population for "stoning". The ceremonial stoning may consist of tiny, harmless pebbles in the case of an approved and respected new leader, or of large, injurious rocks hurled so as to maim, chase or kill the undesired incumbent. In either case, it reminds the new ruler what could happen if his rule becomes illegitimate.

There are special festivals such as "Apor" celebrated in Brong Ahafo Region of Ghana during which the chief can be publicly criticised, even insulted by ordinary citizens. A similar opportunity is afforded in the Ga traditional system during the annual Homowo festival. More importantly, citizens have a constitutional right to destool their chiefs if they are found to have committed serious crimes or broken a taboo. Crimes such as murder, and theft; misdemeanours such as taking someone's wife, or in the old days not producing a child, were automatic grounds for destoolment in the Akan political system. Chiefs could also jeopardise their stools if they were seen as violating their oath – not consulting on decisions, not being available to the people, being despotic and so on (Centre for Democratic Development, 2001).

Among the people of the Upper West Region, in order to ensure transparency, a chief goes no where alone, there is always a witness. Again, there are customary codes that underline the limited power of the chief and the power relations between the chief and his subjects such as the following: "If a chief reprimands you for doing something, he does so by the authority of the citizens"; "There are no bad chiefs, only bad advisors"; "It is when the state kills you that the chief kills you". One gold-embossed emblem on top of the staff held by the chief's spokesman during public ceremonies depicts an egg in the hand; the symbol likens power to an egg. Held too firmly, the egg breaks; held too loosely, the egg falls out of the hand.

Again, Dake (1996) holds the view that traditional African authorities are autocratic and that has been transferred to modern democratic ideas, making governance undemocratic. Ajei (2001), in an attempt to prove the existence of democracy in African traditional systems, outlines the political system of Ashanti. Ajei thinks the Ashanti traditional system is democratic while for Dake, traditional African institutions are autocratic. Appiah (1993), on the other hand, contends that the democratic aspects of traditional leadership were weakened by the colonial processes, and queens and kings did not generally allow the lay citizens' interests to take priority in national response to colonial invasion. Thus, if the king did not suffer much during colonialism, a number of his subjects clearly did.

The role of traditional authorities in democratic governance in Africa

Some African scholars contend that there were traditional forms of democracy, autocracy, monarchy and oligarchy in state-organised societies as well as stateless societies in pre-colonial times. They assert that the African political systems functioned, not because of their form, but because they fulfilled felt needs in the societies. The current opportunities for democratic participation and good governance in most African states seem unprecedented, yet there have been many failures. A significant part of this lies in the overlooked traditional relationship between the contemporary African state and traditional authority (Skinner, 1970). By implication, traditional institutions are crucial in achieving the purpose of local governance.

To Skinner (1970), the expected benefits of decentralisation are clearly dependent on whether local government and, more broadly speaking, local institutions are up to the job. He indicates that in the context of governance of a modern state, an important issue is the extent to which the chiefs and other traditional authorities may be involved in local governance. For instance, in Swaziland, chiefs are responsible for all local government functions including crime prevention and taxes, and states are challenged by the traditional authority

because the institution of chieftaincy is the centre of local political life in many areas in that country. According to Assimeng (2001: 93):

The role of traditional leaders in local government in Ghana has undergone significant changes since colonial days. The 1992 constitution and the various legislation on local government gives the traditional authorities minimal responsibilities with little or no recognition of their leadership in central and local government decision making processes. It is our responsibility as local government planners to establish or re-establish legitimate structures that will provide for the empowerment of traditional leaders to assume greater responsibility for local development and provide checks and balances for good governance.

Once upon a time, the traditional ruler was supreme at the level of local governance. He combined the positions of military leader, spiritual head, administrator of justice and the over lord of peace and order in his domain. Now, however, colonialism, Christian and Islamic evangelisation, formal western education and economy, have all worked to whittle down the powers and fame once wielded by traditional rulers. Even then, the chief remains the primary focus of local level loyalty and cultural expression. In the modern era of socio - economic development, chiefs are expected to create and sustain favourable environments for such development. In Kyeremeh's (1995) view, since the social, political, economic and security ramifications of the institutions are wide-ranging, it is unwise to leave them without some monitoring, collaboration, and a show of interest by the government. This implies that in several aspects of life, traditional authorities are relevant to the democratic move.

A past Minister for Local Government and Rural Development in Ghana, Honourable Kwadwo Baah Wiredu, in a keynote address to chiefs saw traditional authorities as being positively correlated to local governance. He saw chiefs as very necessary element of local governance who have very important roles to play (Assimeng 2001). Odenehu Oduro Numapau, the Paramount chief of

Essumja in Asante, Ghana, in the same publication indicates that before colonisation, chieftaincy was the fulcrum of society in Ghana. It gave unity and direction to the people and mobilised them for common purposes.

In Nabilla's (2001) view, based on their individual expertise and experiences chiefs continue to contribute in various non-partisan positions to the development of the nation. The deliberations at the various Houses of Chiefs, which are held in an open and transparent manner with recording of minutes, can all be a useful tool for good governance if only they are fed into the government machinery. This goes to support Assimeng's suggestion that since chiefs are an embodiment of tradition, norms and values of the people they represent, their activities should be very crucial for local governance planning.

Joining the debate, Miller (1970: 190), in a study conducted into the role of traditional authorities in Tanzanian development, warned about the need to harmonise the role of Tanzanian traditional rulers in development and governance so as to avoid conflict. He wrote that:

Viewed from the higher areas of government in the new nations, the rural leader is an insignificant individual who goes about managing his local affairs and carrying out-with varying degrees of success-the policies and hopes of the government. Viewed from below, from the inner recesses of the village, the leader is a man of authority, a man who has used wealth, hereditary or personal magnetism to gain a position of influence.

He argued that rural leaders were the key to development planning in the areas, and worried that "any lack of initiative... would entrench the status quo and doom the modernisation plans before they begin it". In Miller's opinion, peace and order are essential prerequisites for meaningful socio-economic development; so also are clarities in the customs and practices which are embedded in the institutions. Thus a "hands-off" policy on the institutions is not entirely possible.

Nor is it possible, or even worthwhile, to "return" the institution to the pristine pomp and power of pre-colonial days.

Therefore chiefs can play a role of clarifying customs and norms to government, where practices that offer opportunities for development would be sifted from those that do not. In Assimeng's (2001) view, even if these institutions are not good, leaving them untouched is more dangerous. Kendie et al (2004) are of the view that traditional institutions, as long as they are not immoral can be built upon. The authors cite the philosophy of allegiance, for example, as a value that can be a premise for modern democratic ideas.

Chieftaincy and resource management

Traditional authorities play indispensable roles in the economic activities of their people, thus ensuring that sustenance and reproduction continue unhindered. Several of the conflicts in Ghana are centred on claims to economic resources. The issue surrounding land ownership and use conflicts are well known and have often resulted in widespread conflicts sometimes engulfing whole families and ethnic groups.

One of the major areas of resource management by traditional institutions is in land administration and acquisition. There are various views concerning traditional institutions and land administration. Myrdal (1974) asserts that there are many inhibitions and obstacles in the path of agricultural productivity, but the main obstacles are undoubtedly rooted in systems of land ownership and tenancy. In the view of Elkan (1959), forms of traditional tenure no matter their differences resist the opportunities for obtaining and parting with land. In Mifsuf's (1967) view, customary tenure is not simply a type of land holding but also has wide ramifications for the social systems, way of life and beliefs of the people. These beliefs have serious implications for rural development. Land is valued not for itself alone, its possession is a form of security, a symbol of prestige and a source of poverty (Gadalla, 1970).

Despite the inhibiting nature of land tenure in Ghana, in Ware's (1975) view, traditional authorities have been steadfast in their defence of existing tenurial systems within each community. Traditional systems of land tenure guarantee each member, the right access to land for farming and housing. It also accepts and recognises the need of the general public and through institutionalised government; land is made available for projects.

The views presented above on traditional institutions and land administration as usual represent contrasting views on traditional institutions. While some think the traditional system of land acquisition limits development, others like Ware (1975) think that traditional authorities have been steadfast in their defence of the land and should rather be applauded.

Kyeremeh (1995) has indicated that traditional authorities have a mobilisation power. This view is also supported by Assimeng (2001: 23) when he says, "as force for mobilisation of our people for productive efforts, chiefs should be in the fore front of our development process. Traditional authorities are the focus of mobilisation and participation in decision making at the grassroots level".

Millar (2002: 26), in a study conducted in the Wenchi traditional area, states that:

Indigenous structures and systems exist for natural resource management. It was important to also note that spirituality is a part of this structure and is evoked to instil fear or punish those who are considered to have performed acts contrary to the dictates of sound environmental management.

It can be perfectly understood that Millar sees in traditional institutions the potential of environmental management. Again, the issue of spirituality can also be used to manage crises. According to him, it all depends on how "change agents" are able to reconstruct this rich culture and take advantage of its strong points of entry for their development activities.

Kendie et al (2004) found out that apart from certain weaknesses associated with traditional institutions there are good aspects that have the potential to move good governance. They cite the function of the asafos groups as mobilising agents, serving as security guards and also being there for the general protection of the community.

Role of chiefs in conflict resolution

Chiefs have been most active in dispute resolution both in Africa generally and in Ghana particularly where parties, disenchanted with the procedures of the formal courts, have clamoured for traditional modes of resolution. Indeed dispute resolution would have been impossible without the active involvement of chiefs in all parts of Ghana.

Conceptual framework

It can be concluded that while development is the goal of every country, good governance with its democratic attributes is the strategy universally accepted to achieve development. Local governance in this context could mean adopting relevant methods to achieve local level development. According to Fekade (1994:47), Local refers to the "spatial delineation of a limited size in which its inhabitants share problems, threats/constraints and resources. The inhabitants are routinely interlinked by common identity (language, history, culture, physical patterns such as settlements, roads, shared service centres and commonly felt needs and appreciation of problems and mobilisable potentials".

Thus "local" has a cultural and geographical connotation. Local governance therefore means governance of a people in a particular place and of a certain culture. If governance is the strategy to attain development, then local governance can mean strategies used to administer a people of a particular place and of a certain culture in order to attain development. Traditional institutions then become very necessary in the strategies adopted to achieve local level

development. This is because, development strategies must be situated in a context. It is therefore very necessary that traditional authorities and government / modern development actors work together to achieve local level development instead of the one-sided view of the modernisation theory.

Model for local level development

Local level development is noted by Fekade (1994:46) as emanating from the following attributes:

- Community/Locality.
- Meeting of the basic needs of the population.
- Environmental sustainability.
- Access to resources and opportunity to employ one's energy.
- Accommodating external processes.

In his view, the intervention of external agents in local level development is very relevant if it is mediated through local institutions. The local institutions facilitate the organisation of the local people to undertake active part in the development process. In this direction, it is the local institutions that control and define the terms under which external agents operate. External agents then become partners in development, playing supportive roles and not substantive roles (Fekade, 1994:49). This means external agents are only to offer advice and suggestions but it is local institutions that determine the pace of development.

Fekade's model (Fig 1) fits into this study since it expresses the relevance of the interaction between external agents and local agents which may be likened to government actors and traditional authorities respectively in this study.

External actors are very important in promoting good governance at the local level if they mediate through traditional authorities. Traditional authorities and external actors, as depicted in figure 1, facilitate organisation of the local people to take active part in the development process. Government officials (external agents) then become partners in development playing supportive roles

and not substantive roles (Fekade, 1994:49). This means government officials are only to offer advice and suggestions but it is local people that determine the pace of development.

Fig 1: Model for local level Development

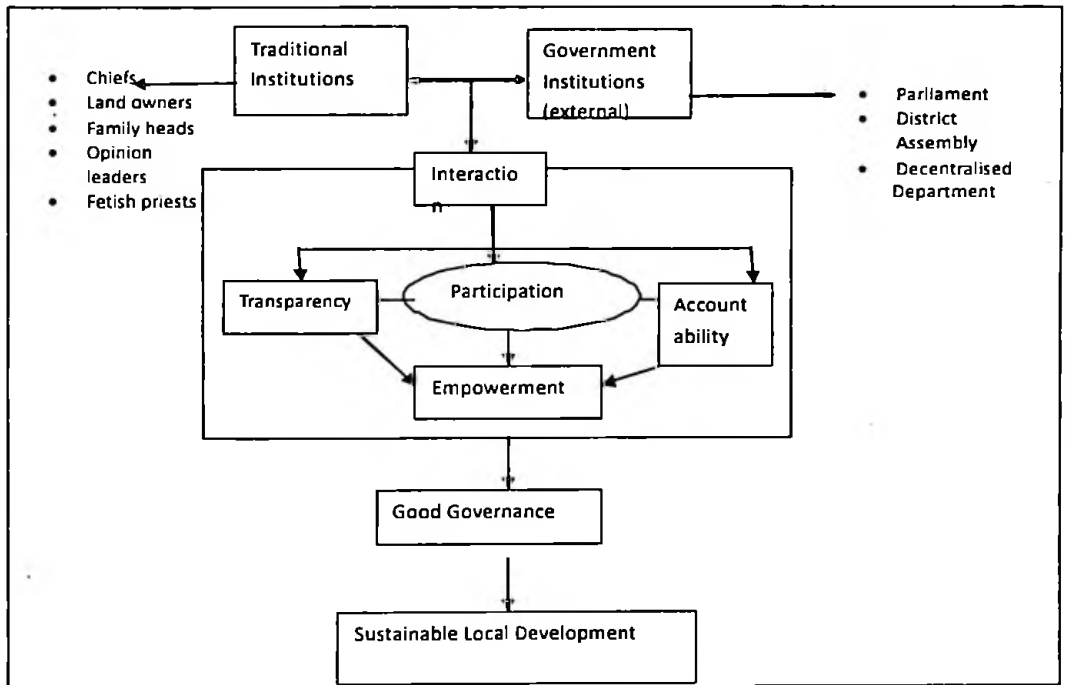


Figure 2: Determining Factors for Sustainable Local Level Development

Source: Adapted from Fekade, 1994:48

Source: Fekade 1994

As a force for mobilising people for productive efforts, traditional authorities are conduits through which the purpose to empower people at the local level can be achieved. Traditional authorities and external actors as shown in figure 1 are partners in development. This realisation should lead to collaboration between the two. Government officials are only to offer advice and suggestions but it is the local people that should determine the pace of development. Interaction between traditional and government authorities leads to efficient governance since both parties learn from each other; while traditional authorities learn more about democracy, government officials learn about the people. As a result there is a proper fitting of modern democratic ideas into the traditional (local) context.

In their interaction, local government (traditional authorities and government officials) should as much as possible be transparent and accountable to the people. In this case, people are put in the knowledge of choices available and state of affairs, with feedbacks in all cases, regarding legitimate concerns and explanations on all matters, that is, knowledge for understanding and knowledge for action.

Empowering the people means the flow of power from the District Assembly, through traditional authorities to the people. Local people may exercise choices of their own free will, decide on what they need and not government officials providing what they think the people need. As a result, people are involved in the choice of what development ventures to undertake, plan and implement. In short, government officials at the local level are to help establish structures that would provide for the empowerment of traditional leaders to assume greater responsibility for local development (Kyeremeh, 1995).

Through local participation, community members express their needs, problems and priorities without which development programmes and projects are likely to fail (Adarkwa and Diaw, 1999:2). While participation has been recognised

as essential in the development process in Ghana, this is not likely to happen without the following conditions (Kendie, 1997:15):

- Real commitment of politicians and administrators to allow communities to control critical decision-making issues such as needs assessment.
- Strong civil society organisations able to mobilise the people to demand both participation and the rendering of quality services by state institutions.
- Open political structures at all levels.
- Participation not being only instrumental but also an end in itself.

The inter-play of these factors is to create conditions that will enable each human being to realise his/her potential for social, economic and political fulfilment (empowerment) in a manner that will lead to the achievement of sustainable development.

According to Seyonjo (2002), even though excluding chiefs from local government is consistent with theories of political development in downplaying ascriptive rights, the implication is great since there are still areas in Africa where no development is possible unless it is routed through and backed by traditional leaders.

Modern political ideas of democracy in Europe emanated from traditional European institutions with their system of thought, organisation and belief. Through constant re-examination and refinement of received European traditions by philosophers such as Plato, Aristotle, John Locke, Adam Smith, Hobbes, Karl Marx, Engels, John Stuart Mills, and Machiavelli among others, modern ideas of democracy, justice, and efficient governance were devised.

The development of democratic political institutions in Britain, for instance, most probably the oldest democracy, began with the signing of the Magna Carta in 1215. But it took many centuries for that institution to evolve into present forms, an evolution process that was guided by the compass of a historical and cultural circumstance. The process had to jump or knock down

such hurdles as autocracies, military dictatorships, and claims to divine right of power, enlightened or benevolent ideas, positions, strong and unyielding monarchical systems and other impediments to the establishment of democracy.

It is perfectly understood from Donnelly (1984) that post colonial leaders did not understand this fact. They adopted colonial institutions wholesale irrespective of the fact that the traditional institutions had alternative approaches to governance. These alternative approaches could form an intellectual reference point for the transition to new system. These institutions represented indigenous evolution systems of governance which people related to socially, emotionally and intellectually. They were legitimate by nature in terms of history, experience and the fact that they were indigenously conceived and had a force of wisdom of the people. To Seyonjo (2002), the proper approach to governance would have been to borrow ideas from the western political systems, modify the political systems with their assistance, and in partnership with indigenous traditional leaders come up with a hybrid of local legitimacy.

In a nutshell it can be deduced that instead of taking all western ideas of governance, those ideas should rather be of assistance in shaping traditional institutions to fit developmental purpose of the nation concerned. In which case development planning would be based on the people, their norms, values, and beliefs, which is a true reflection of democracy.

Kendie et al (2004) acknowledge that there are great strengths as much as there are weaknesses in traditional institutions and that there exist great potentials in them for development. They amply demonstrate the ability of traditional authorities in supplementing government's efforts at elimination and control of child-streetism, support for education, successful fund raising, scholarship grants for needy children, provision of educational infrastructure, social services (including village electrification), support for health delivery and funerals and cultural development and economic assistance to townfolk in the form of capital mobilisation and provision of credit.

Data, methods and presentation of findings

Empowerment in the context of the study is defined as enablement, enhancement, and upliftment of a people, politically, socially and economically. Empowerment means the flow of power from traditional authorities to the people to exercise choices of their own free will. It also involves taking measures to protect the rights of the vulnerable in society. All categories of respondents recognise the role of traditional authorities in empowering people through the following ways:

- Initiate development activities such as the building of schools, clinics and boreholes (28%).
- Preach against acts that undermine women's upliftment such as female genital mutilation and widowhood rites (13.4 %).
- Educate people on their basic rights and responsibilities (13.7).
- Hold meetings to explain actions and inactions (10 %).

Table 1: Traditional Authorities and the Promotion of Empowerment (%)

Responses	Chiefs	Opinion leaders	Settlers	Government actors	Total	
Nothing	5.8	5	30	30	5.9	28
Explain actions	17.3		10	10	11.8	10
Discourage acts that undermine women	0	2	36	0		13.4
Educate on rights	28.6		25.3	24	17.6	20.5
Initiate development activities	48.1		32.7	0	64.7	28
Total (%)	100	100	10	100		100
Number	52	152	0	17		217
Source: Fieldwork, 2005			50			

Participation means inclusion or involvement of the people by traditional authorities in the social, political and economic decision making processes, implementation and benefits. Responses like; before a decision is taken, there is a deliberation by elders who represent the people, there is no partiality in decision taking where some people's views are considered more vital than others and the people are represented by the chiefs in decision making came up. According to

them, before any decision is taken by the traditional council, chiefs meet with elders and present their views at the traditional council.

Most of the government officials (76.5 %) said there is free deliberation and judgement in the decision making system. This adds some credibility to the chiefs' response (76 %) that there is no partiality in decision making. Government actors and traditional authorities seem to agree on this point. Again, about 29% of respondents, a majority of whom are settlers and opinion leaders, declined to comment. The role of traditional authorities in promoting participation is ordered as follows:

- There is free deliberation of issues and judgement in the decision making process (52.9%).
- No partiality in decision taking (14.2%).

People are represented by chiefs (3.2 %).

Table 2: Traditional Authorities and the Promotion of Participation (%)

Responses	Chiefs	Opinion leaders	Settlers	Government actors	Total
No comment	15.4	30	30	23.5	29.4
Free deliberation of issues	0	51	50	76.5	52.9
No partiality in decision	76	14	12	0	14.2
People are represented by chiefs	7.6	4.6	0	0	3.2
Total (%)	100	100	100	100	100
Number	52	150	50	150	217

Source: Field Survey, 2005

Equity means according the same rights and opportunities to the people economically, politically and socially. It implies undertaking steps to remove all social, political and economic factors that limit access to opportunities. Respondents said traditional authorities give people the same opportunities in decision taking, not being partial in judgement, according women the same opportunities like men, ensuring equitable distribution of resources and treating people fairly irrespective of background. One opinion leader said traditional authorities rule by traditional laws, which generally ensure fairness.

Ninety eight percent (98%) of chiefs said traditional authorities accord people the same opportunities. The credibility of this response is ascertained by the response of opinion leaders (90 %) who from the previous data have been among the categories that mostly declined to comment on how traditional authorities limit democracy. The fact that only one opinion leader said traditional authorities rule by laws shows that this is not a dominant feature of traditional authorities. Thirty percent (30%), majority of whom are government actors declined to comment on traditional authorities and how they promote equity. For government actors this may indicate lack of knowledge in that respect. For settlers and opinion leaders it indicates the reverence they associate with the power of traditional authorities. Ordering the role of traditional authorities in promoting equity, one gets the following:

- Accord everyone the same recognition and opportunities (69.5%).
- Rule by laws (0.3%).

Table 3: Traditional Authorities and the Promotion of Equity (%)

Responses	Chiefs	Opinion leaders	Settlers	Government actors	Total
No comment	1.9	29.3	30	35.3	30
Same opportunities	98	90	70	64.7	69.5
Rule by laws	0	0.7	0	0	0.3
Total (%)	100	100	100	100	100
Number	52	150	50	17	217

Source: Field Survey, 2005

Traditional authorities and promotion of accountability

Accountability in the context of the study means how politically, socially, and economically responsible traditional authorities are towards the people. It also includes being responsive to the needs of the people. In short, it means the recognition by traditional authorities that power belongs to the people. Table 19 shows that traditional authorities are accountable in the following ways: Hold land in trust for the people. As such, traditional authorities see themselves as accountable to their ancestors, the present and future generations for land bequeathed to all by their ancestors. According to Dam, an opinion leader "the measure traditional authorities use is whether they can match the high standards set by their predecessors or have lived up to expectation". Again, traditional authorities report back to the people on important meetings attended and important assignments. Report is also given on how resources are used. Also, the table reveals that another way traditional authorities account to the people is to explain actions and inactions.

An overwhelming majority of government actors (88%) said traditional authorities promote accountability by holding land in trust for the people. This adds credibility to the response most chiefs gave. Only one person (0.4%) out of the 217 respondents said traditional authorities rule by laws of the land. In a way, this query's the credibility of the response. Again, 29% of the respondents, most of whom are settlers declined to comment. This may be attributed to inability of settlers to air their views because of the feeling that they are not indigenes and so traditional authorities in the traditional area do not have to account to them. Table 19 reveals the role of traditional authorities in promoting accountability in the following order:

- Hold land in trust for the people (57.6%).
- Hold forums to explain actions and inactions (13%).
- Rule by the laws of the land (0.4%).

Table 4: Traditional Authorities and the Promotion of Accountability (%)

Responses	Chiefs	Opinion leaders	Settlers	Government actors	Total
No comment	11.5	29.3	34	11.8	29
Hold land in trust for the people	86.5	70	10	88.2	57.6
Feed back to the people	1.9	0	0	0	0.4
Explain actions	0	0.7	56.1	0	13
Total (%)	100	100	100	100	100
Number	52	150	50	17	217

Source: Fieldwork, 2005

Traditional authorities and the promotion of sustainable development

Sustainability in development means how traditional authorities are able to ensure continuity of the benefits derived from available resources. It is the recognition on the part of traditional authorities that, the next generation deserves the opportunity to enjoy the same wellbeing that the present generation now enjoys. The study found out that traditional authorities protect resources such as dams, economic trees, farmlands, wild life, wells, animals and human resources through the enactment of laws, sensitisation programmes and taboos.

Again, it was revealed that traditional authorities ensure sustainable development through periodic maintenance of facilities such as roads, youth centres, clinics, schools and market places through levies to replace facilities, organisation of communal labour to repair facilities and constant supervision to ensure judicious use of facilities. In this respect, the chief of Nyene said that people are trained in the community to repair bore holes anytime there is a breakdown. Some chiefs such as the chief of Gbari sensitises his people on the need to bequeath a legacy for future generation. Also, in ensuring sustainability in human resources, people are trained by traditional authorities to take up the mantle of leadership when they are not there. The chief of Kungkyeni said he constantly calls on the veterinary office to check the health of all animals in his community. Most government actors (about 94%) said traditional authorities maintain resources. It came out clearly from the study that government actors (94.1 percent) recognise the potential of traditional authorities to promote sustainable development. It is, therefore, surprising that local government staff do not collaborate with traditional authorities in this respect.

Table 5: Traditional authorities and their promotion of sustainable development

Responses	Chiefs	Opinion leaders	Settlers	Government actors	Total
No comment	5.8	34	34	5.9	31
Protect resources	94.2	66	64	0	60.3
Maintain resources	0	0	2	94.1	7.8
Total (%)	100	100	100	100	100
Number	52	150	50	17	217

Source: Field Survey, 2005 and updated in 2007

Conclusion and policy implications of the findings

So many development projects have failed due to failure to recognise the role of traditional institutions (Kendie and Guri, 2004). This problem might continue if structures are not put in place to make the provision made by the Constitution of Ghana to include traditional authorities in development planning practicable. The perception that traditional authorities are backward and so do not promote development have been allayed by the findings of this study that, the democratic elements outweigh the undemocratic aspects. Thus, traditional roles are consistent with modern government roles. Government needs to pursue a more pragmatic and integrated local development planning, implementation and assessment.

The study also found that traditional authorities, despite their lack of formal education are highly respected by the people. Therefore if people are now the target of governance, then it suggests that the government must formulate

policies that will empower traditional authorities to maximise their full potential. This implies that government needs to train/educate traditional authorities on good governance to make them more relevant to modern governance. About 85% of chiefs said they consulted with local government staff, meanwhile local government staff said they only need their help when they are operating within the community. This suggests that, in order to actualise the plans for chiefs to contribute their quota to the development process, a conscious effort should be made at joint planning between government officials and traditional authorities where the two will operate as the same people seeking a common goal but with different background, consulting each other for the good of the local area.

The study found that there was a low level of consultation. Government officials thought they were there to execute the plans of the central government and so though they acknowledged the importance of traditional institutions, in the traditional setting, they did not see their need in the work of the District Assembly. This suggests that government should encourage more research into traditional institutions, and disseminate the findings to enhance the understanding of government officials on traditional institutions. There is also the need for government to define roles and responsibilities, and to encourage a positive attitude of local government staff towards traditional authorities through constant dialogue.

The study found that traditional authorities perform roles that are similar to that of the government staff at the local level. Chiefs are the administrative and political heads of their communities, ensuring the general welfare of everyone under them by doing things that will satisfy them socially, economically and politically. The landlords are considered the traditional security guards of their communities, faithfully guarding against any harmful thing that will affect the environment or members of the communities both spiritually and physically. "It looks like the work of the landlord is what has been lifted and put in the assembly" (Charles Gandie, a landlord).

Family heads perform the same role as chiefs but at the family level. This suggests that family heads could be agents for disseminating government policies down to the root of the local level. So far, it appears one of the agents responsible for bringing governance to the door steps of people was being ignored. It is recommended that government identifies and sensitises this important group in the decentralisation process.

Fetish priests, comprising traditional healers and soothsayers are the traditional doctors, healing complex diseases, instilling fear in people through taboos to enforce traditional laws that are meant for sustainable development. All these traditional authorities jointly resolve disputes amicably before they escalate into crisis, promote acts that conform to the dictates of sound environmental management and see it as a spiritual responsibility to treat people equally.

It was observed that, traditional authorities have more elements that enhance good governance than limitation, though these elements were in degrees. The number one democratic element found was empowerment, Accountability was 2nd, participation 3rd, equity 4th, and sustainability 5th

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