1970

**Legal Remedies for Overurbanization: The Ghanaian Experience**

Robert L. Birmingham
*Indiana University School of Law*

Carolyn S. Birmingham

Follow this and additional works at: [https://www.repository.law.indiana.edu/facpub](https://www.repository.law.indiana.edu/facpub)

Part of the African Studies Commons, Growth and Development Commons, and the Law and Economics Commons

---

**Recommended Citation**

Birmingham, Robert L. and Birmingham, Carolyn S., "Legal Remedies for Overurbanization: The Ghanaian Experience" (1970). *Articles by Maurer Faculty*. 1703. [https://www.repository.law.indiana.edu/facpub/1703](https://www.repository.law.indiana.edu/facpub/1703)

This Article is brought to you for free and open access by the Faculty Scholarship at Digital Repository @ Maurer Law. It has been accepted for inclusion in Articles by Maurer Faculty by an authorized administrator of Digital Repository @ Maurer Law. For more information, please contact rvaughan@indiana.edu.
LEGAL REMEDIES FOR OVERURBANIZATION:
THE GHANAIAN EXPERIENCE

Robert L.* and Carolyn S. Birmingham**

I. INTRODUCTION

One of the most striking illustrations of the frustration of primitive communities suddenly confronted with the material abundance of Western society is the so-called "cargo cult." In parts of Melanesia it is believed that all trade goods, having been created in the world of the dead by ancestors of indigenous populations as gifts for their descendants, have been misappropriated by foreign intruders. Prophets predict the arrival of cargoes of manufactured products to be distributed to their rightful recipients and urge the construction of wharves and airfields to accommodate the expected ships and planes. At the height of such movements, cult members typically suspend all traditional economic activity and prepare feasts of welcome; in one instance they set aside a certain time each day to "sit, dressed in their best clothes at the tables, decorated, European fashion, with flowers in bottles, which [had] been set up to entertain the returning spirits."1

Among the more sophisticated peoples of the world's underdeveloped regions, identical frustrations have stimulated attempts to duplicate Western economic achievement. Without unprecedented technological advance, however, many of these attempts will fail. To raise the level of affluence of the present population of the earth by the year 2010 to that now enjoyed in the United States would, for example, require annual extraction of seventy-five times as much iron, one hundred times as much copper, two hundred times as much lead, and two hundred and fifty times as much tin as is currently mined.2 While such ecological barriers appear insurmountable, development today is less often retarded by ecological constraints than

** A.B., Indiana University, 1969. We thank the International Legal Center and the Midwest Universities Consortium for International Activities for financial support which has made this study possible. They are not responsible for the views we express.
1 L. MAIR, AUSTRALIA IN NEW GUINEA 64 (1948). See I. JARVIE, THE REVOLUTION IN ANTHROPOLOGY (1967); P. LAWRENCE, ROAD BELONG CARGO (1964).

252
by limitations generated within the social structure itself. Thus recent demographic changes in many developing nations may provide impediments to, as well as opportunities for, growth. Close scrutiny of the effects of such changes can serve to elaborate that precarious balance of forces which may facilitate or restrict development.

In the last century the aggregate population of African cities with at least 100,000 inhabitants has increased by a factor of more than thirty. West Africa in particular has experienced unprecedented urban growth in recent decades: the populations of Abidjan, Cotonou, and Dakar—the capitals respectively of the Ivory Coast, Dahomey, and Senegal—were more than ten times what their levels were less than fifty years ago; the Nigerian centers of Lagos and Ibadan now each contain over 600,000 inhabitants. In this article we examine the difficulties associated with urbanization in the West African nation of Ghana, focusing primarily upon the impact of the expanding urban constituency on economic growth and policies designed to promote that growth. While these difficulties appear particularly acute in Ghana, the findings may be applied without substantial adjustment both in other African states and in emerging nations elsewhere. This initial section provides background to the Ghanaian experience through a summary of the particular pressures which urbanization might be expected to engender.

Early studies of development presented the problem confronting emerging nations in terms of the need to accelerate the rate of growth of per capita income by obtaining funds sufficient to maintain high levels of investment. More recently, growth has begun to be supplemented as a measure of national success by the criterion of distributive equity. The two standards frequently yield widely inconsistent evaluations. In particular, economic equality appears often a consequence of prosperity achieved through prior oppression of one class by another. Economic development under capitalism has traditionally generated extreme distributive inequalities. Low wages encouraged production by conditioning survival of the impoverished worker on continuing maximization of his labor effort. Conversely, a generous return to capital both augmented preexisting concentrations of wealth and invited investment by rendering al-

4 See, e.g., E. DOMAR, ESSAYS IN THE THEORY OF ECONOMIC GROWTH (1957); R. HARROD, TOWARDS A DYNAMIC ECONOMICS (1948). See also Bruton, Growth Models in Underdeveloped Economies, 63 J. POL. ECON. 322, 335 (1955).
ternatives to consumption more attractive. Saving was a function of uneven distribution: in the early stages of industrialization, rapid growth required depriving the majority of satisfactions beyond sustenance to permit others greater incomes than they could conveniently expend.

In Africa and other parts of the developing world, economic privilege is essentially unchanged by the egalitarian reforms now common in less impoverished societies. Professor Dumont points out that a deputy in Francophone Africa typically earns as much per month of work as the average peasant earns in twenty-four years. Another writer has recently asserted that in the Congo (Leopoldville) barely 1 percent of the population receives 50 percent of the national income. Economic inequality, though, may be inevitable in a developmental context:

Social equality appears to be a luxury only the affluent societies can afford. . . .

. . . The very process of highly educating a group of leaders inevitably opens a wide gap between the privileged few and the masses. On purely economic grounds this large investment in education must be protected by the best medical care, housing, and food. This bare minimum alone makes the leadership privileged, and unfortunately, in most countries the leaders have not limited themselves to a bare minimum. 

Industrialization is considered by leaders in many emerging nations to be the key to development. Industrialization, however, can impede advances based on exploitation of labor in two ways. First, a relatively highly trained and, hence, less docile work force is an essential element in a technologically advanced society. Complex machinery is unproductive unless conjoined with skilled labor. Moreover, as has been particularly evident in Chinese Communist efforts to achieve technical proficiency without sacrificing ideological purity, to educate the worker is to provide him a perspective from

7 T. DE GREGORI, TECHNOLOGY AND THE ECONOMIC DEVELOPMENT OF THE TROPICAL AFRICAN FRONTIER 211 & n.78 (1969). The author notes that many of the difficulties experienced by the Congo following independence have been attributed to relative deprivation of the populace compared to the new elite. Id. at 212-13 n.83.
8 "What alchemy was to the Middle Ages, industrialization is to the underdeveloped world of this century—the magic elixir that can transform feudal societies." P. NEHEMSKIS, LATIN AMERICA: MYTH AND REALITY 185 (1964).
which to evaluate the society which he serves. Consequent discontent is often rooted in economic inequities, yet "every stable government in history has depended on the resignation of the poor to being poor."10

Second, geographically uncontrolled industrialization almost inevitably increases the power of the proletariat by concentrating workers, many unemployed, at a small number of urban centers. Without a policy of regional balance which, while perhaps sacrificing immediate growth, would forestall future disruption, even limited efforts to establish manufacturing capacity will induce convergence of capital and population at one or at most a few poles of development. Consequently, even economic gain to society as a whole from geographical concentration of productive activity must often be purchased at very substantial cost in terms of political instability. The individual, having been educated to a level sufficient to lead to dissatisfaction with rural impoverishment, may seek the excitement of the city although prospects of employment are poor. Where the urban wage greatly exceeds its rural counterpart, maximization of expected earnings alone will dictate migration despite an improbability of finding work.11 Noting that in Nigerian cities many young men report the status of applicant as their occupation, Andreski perhaps hyperbolically asserts that the literate among them write several requests for employment each day for many years.12 In addition, the entrepreneur, attracted to the city by its relatively advanced infrastructure and the opportunities it offers for access to markets and factors of production, disregards the costs of congestion which result from his decision to locate in the city but accrue to other economic, social, and political units.13

The dilemma which thus confronts emerging nations may be simply summarized. While a dispersed and ignorant peasantry has traditionally provided a submissive source of labor capable of supplying to a controlling elite an adequate and sometimes opulent

10 Harris, Annals of Politics (The Department of Justice—1): Something Has Gone Terribly Wrong in America, The New Yorker, Nov. 8, 1969, at 63, 132.
level of consumption, developmental efforts are generating two additional claims on community resources. Funds are now needed not merely for consumption but also for investment. Furthermore, progress toward industrialization is creating a metropolitan proletariat of a size and awareness sufficient to enforce the demands of its members for a greater share of those amenities formerly reserved to the dominant few. The common claim that political pressures generated by organized urban labor compel modern manufacturing enterprises in impoverished nations to pay relatively high wages to their workers, while accurate, underestimates the potentially revolutionary impact of this group. Since development itself implies increasing productivity, the development process may be viewed as a race between growth of output on the one side and rising class aspirations on the other, with the former not outpacing the latter in many nations. The outcome in its African context has been described as a war of all against all.\textsuperscript{14}

Such a war is not unique to this time or to any one area. Perpetuation of existing distributions of wealth and power has often required physical restraint of unruly urban populations. In Europe in 1848 a mass rising occurred in every city with more than 100,000 inhabitants;\textsuperscript{15} Haussmann, the designer of Paris, reputedly established a street plan with long diagonals and systematic cross points and intersections to facilitate fire by agents of the government on revolutionary mobs.\textsuperscript{16} The early rulers of Buganda encountered similar difficulties:

Although the population of the capital must have run to tens of thousands, there is no sign that a city mob took any part in rebellions, as it may have done in some West African states. This is doubtless because very stern measures were taken to control the population of the capital. Periodically, and especially at times of political dissension, or when there were large numbers of rowdy men abroad in the streets, the royal executioners were sent out to ambush the streets of the capital and to seize and kill all persons who could not give a good explanation of their presence. Those arrested had not necessarily committed any crime: they are described as people who had no employment in the capital, and included innocent peasants who were bringing in food. . . . It is therefore not surprising that the common people went in fear of their lives in the streets of the capital, and if they had to go there hastened home again as soon as their business was completed.\textsuperscript{17}


\textsuperscript{15} A. Taylor, The Habsburg Monarchy 1809-1918, at 58 (1948).

\textsuperscript{16} J. Gunther, Twelve Cities 48 n.1 (1969).

\textsuperscript{17} M. Gluckman, Politics, Law and Ritual in Tribal Society 153 (B. Blackwell ed. 1965).
One function of law is to provide methods of regulation alternative to violence. In the following two sections we describe the extent and nature of urbanization in Ghana and discuss attempts by the government of this nation to combat problems created by demographic change through techniques which rely only indirectly on its theoretical monopoly of physical force. The Ghanaian community is, for clarity, divided into a rural sector, an urban proletariat, and an elite. Peasants and workers, the bulk of the population, are adequately characterized through statistical summary. The privileged minority may be appropriately defined in terms of education, income, or political office, even though lack of detailed information precludes precise specification. Such a framework is important for analyzing the economic interrelationships between the groups and the legal controls evoked, for freedom of the elite to establish the policy of the government is severely limited by the responses of other groups. In particular, expenditures for development are constrained by competing claims to present consumption.

II. GHANAIAN URBANIZATION

In 1921 only 181,000 persons or 7.9 percent of the people of Ghana lived in centers with more than 5,000 inhabitants; in 1960 the 1,551,000 inhabitants of such centers constituted 23.1 percent of all Ghanaians. Between 1948 and 1960 the urban population of the country grew at an average annual rate of 9.2 percent. The population of Accra, the capital and largest city, increased to 416,000 during this period, a gain of 181 percent. The other major urban areas, Kumasi and Sekondi-Takoradi, expanded slightly less rapidly, numbering 218,000 and 123,000 residents respectively in 1960. The crude birth rate in Ghana has been estimated to be fifty-two per thousand. Perhaps 45 percent of the population is under fifteen years of age. In northern Ghana, both Islamic and polygynous, the desired completed family averages 13.2 children; many persons believe thirty or more children in a family to be optimal. While the birth rate is high, almost 60 percent of urban growth between 1948 and 1960 was attributable to migration: 49 percent of Accra residents in 1960 had been born outside the capital region.\(^8\)

---

\(^8\) The Movement to Ghana's Towns, supra note 3, at 11 Table 1:1; J. Caldwell, Population Growth and Family Change in Africa: The New Urban Elite in Ghana 11 (1968); Caldwell, Determinants of Rural-Urban Migration in Ghana, 22 Population Studies 361 (1968); Caldwell, Fertility Attitudes in Three Economically Contrasting Regions of Ghana, 15 Econ. Development & Cultural Change 217, 230 Table 6 (1967); Caldwell, Migration and Urbanization, in 2 A Study of Contemporary Ghana: Some Aspects of Social Structure 111, 129 Table 3.11, 131 Tables 3.12, 3.13, 134 Table 3.16 (W. Birmingham, I. Neustadt & E. Omahe eds. 1967) [hereinafter cited as Migration and Urbanization]; Caldwell, Population: General
Provisional results of the 1970 census indicate that the population of Accra has more than doubled during the past decade, reaching 840,000 persons or almost 10 percent of the national total.\(^{19}\)

In Ghana urban populations differ from rural populations not only in sex ratios and age distributions but also with respect to educational attainments and income. Although the cities attract both sexes, the typical migrant is the young male. In Accra, the number of males in 1960 between twenty-five and forty-four years of age exceeded the number of females in the same age range by 52 percent.\(^{20}\) Urbanization has been accelerated by what may be termed the "inevitability of migration of the educated."\(^{21}\) Elementary education was made free of tuition in 1952 and at least nominally compulsory in 1961; even in rural areas one child of school age in three was attending classes as early as 1960. By the 1967-68 academic year, registration in the primary and middle grades surpassed 1.4 million.\(^{22}\) A relatively large and aware class of urban workers has thus developed. Their pay when employed is arguably generous given low marginal productivity: in 1968 the income of the fully engaged minimum wage earner approached two hundred dollars, falling not far short of the per capita gross national product of almost two hundred and forty dollars.\(^{23}\) Unlike a member of a classically oppressed proletariat, the urban Ghanaian can but does not wish to return to the land, either because his earnings exceed what he would receive in the rural sector or because he finds life in the city more attractive in other respects.

An American agricultural advisor is reported to have stated:

Ghana imports 80 percent of its food for its 7.7 million people.... Food is a big problem in Ghana .... [T]he main staple is corn supplemented with fruit and cassava, a fruit from which the juice has been squeezed leaving it moist and crumbly....

[T]he only source of protein for the people are the bugs and worms in the corn which are ground up with the kernels....

\(^{19}\) Matchet's Diary, 1970 W. Afr. 610, 611.
\(^{20}\) Migration and Urbanization, supra note 18, at 129 Table 3.11.
\(^{21}\) The Movement to Ghana's Towns, supra note 3, at 114.
\(^{22}\) Two-Year Development Plan: From Stabilisation to Development—A Plan for the Period Mid-1968 to Mid-1970, at 81 (Ghana 1968) [hereinafter cited as TWO-YEAR DEVELOPMENT PLAN]; Bissie, Ghana's Seven-Year Development Plan in Retrospect, 11 Ghana Econ. Bull. 21, 38 (1967); Migration and Urbanization, supra note 18, at 129 Table 3.11, 131 Table 3.12.
The death rate in the bush country is 70 percent and 30 percent in the towns.\textsuperscript{24} Derogatory inaccuracies stimulated outraged rejection of these comments as those of "a charlatan and a malicious bigot."\textsuperscript{25} Nevertheless, dietary deficiencies combine with inadequate sanitary precautions to create serious health hazards. There is one physician for each 15,000 persons. If all persons were served, each of the dentists in Ghana would be charged with the care of more than 5,000,000 teeth.\textsuperscript{26} Moreover, agricultural production is not adequate to supply internal demand at moderate prices. In 1961 outlays for imported food comprised 12.9 percent of total food expenditures. Although this ratio fell to 5.8 percent in 1968, reduction appears in part a consequence both of impediments to importation and of income effects of a falling standard of living: less expensive domestic products have been substituted for foreign luxuries. Upward pressure on prices has been substantial: in 1968 the index of urban prices of locally produced food, using 1963 as the base year and a base index of 100, averaged 168.5, while the proportion of consumption expenditures devoted to food rose from 47.3 percent in 1960 to 59.9 percent in 1968.\textsuperscript{27}

The real wage of the urban minimum wage earner increased 32 percent between 1952 and 1960 but by 1966 had fallen 28 percent below the 1952 level.\textsuperscript{28} Real gross national product per capita has also declined over the last several years.\textsuperscript{29} Those without work have been estimated to number 600,000.\textsuperscript{30} The 1960 census reported an unemployment rate as high as 25 percent of the wage labor force, with job opportunities particularly infrequent for the younger worker. Plans in 1968 asserted the improbability that the situation had improved in the intervening years.\textsuperscript{31} Increasing criminal activity has been attributed in part to the desperation of the jobless.\textsuperscript{32} Attempts by the government to reduce private consumption

\textsuperscript{25} Id. at 20-21.
\textsuperscript{26} Prescription for Ghana's Ills, 1970 W. Afr. 38.
\textsuperscript{27} Economic Survey, 1968, supra note 23, at 23 Table 6, 108, 110.
\textsuperscript{28} Commission of Enquiry (Public Services Structure and Salaries Commission), Report of the Commission on the Structure and Remuneration of the Public Services in Ghana 26 (1967) [hereinafter cited as Commission of Enquiry].
\textsuperscript{29} Economic Survey, 1968, supra note 23, at 18 Table 2.
\textsuperscript{30} Matchet's Diary, 1969 W. Afr. 1431.
\textsuperscript{31} Two-Year Development Plan, supra note 22, at 79. See Economist Intelligence Unit, Q. Econ. Rev.: Ghana, Nigeria, Sierra, Leone, Gambia 3 (1967); Letters to the Editor, 1970 W. Afr. 314.
\textsuperscript{32} Legon Observer, Sept. 27, 1968, at 17, col. 1.
in 1961 precipitated a “quasi-insurrectional strike” among harbor and railway workers in Sekondi-Takoradi. More recently, “over a hundred strikes, some of them violent and bloody,” were counted between February of 1966 and June of 1969.

This statistical profile establishes a not unexpected pattern. Per capita income is so low as to result in serious deprivation, especially with respect to diet and health services, the most obvious and important components of well-being in tropical regions. Discontent thus generated need not and does not lack a geographical focus. The rapidly expanding Ghanaian population is increasingly concentrated in a few metropolitan areas. Furthermore, the male of working age unencumbered by a wife and children and with enough education to reject the primitive isolation of rural life is disproportionately represented among migrants, adding a particularly unstable element to an already politically volatile demographic situation. Although when available even jobs offering the minimum wage pay well by Ghanaian standards, an alarming proportion of residents of Accra, Kumasi, and Sekondi-Takoradi remain without jobs. Increases in productivity, which might offer economic gain to dissident groups without commitment to them of a greater proportion of the community wealth, have not been achieved. Indeed, although inflation has partly masked the change, the rate of population growth has exceeded the growth rate of real income in recent years. Incentives in the agricultural sector have been inadequate either to stimulate a high level of output or to stem the exodus to metropolitan areas. In the cities food prices have risen, again increasing discontent. Continued expansion of the urban proletariat has been restricted by national economic reversals requiring general restraints on consumption which make migration to the cities less attractive. Nevertheless, the power of the workers in the cities has halted these restraints on consumption short of that level of abstinence which would permit investment on a scale sufficient to assure renewed growth through moderate but steady economic advance.

III. REMEDIAL EFFORTS

The state, in traditional liberal thought, supplies a framework of order within which economic optimality is achieved through interplay of individual desires and capabilities in relatively unconstrained markets. In the developmental context, however, the role of

83 R. GENOUD, NATIONALISM AND ECONOMIC DEVELOPMENT IN GHANA 7, 73, 100, 178 (1969).
government is not defined by such passive accommodation of
divergent personal goals. The law, no longer usefully analogized to
the rules of a game, becomes an instrument applied by a controlling
minority, often in spite of significant internal recalcitrance, to
transform a traditional society into an approximation of modern
European nationhood. Dean Harvey has studied Ghanaian legal
institutions from a perspective which defines law as “a specific tech-
nique of social ordering, deriving its essential character from its
reliance upon the prestige, authority, and ultimately the reserved
monopoly of force of politically organized society.” The secular
element in his approach is stressed by Robert Seidman, also familiar
with Ghanaian conditions: “In this view, law has no moral authority
merely because it is law; rather, it embraces every aspect of state
power.” Law-making may therefore be deemed primarily a technical
function: objectives defined through political processes are to be
achieved by means which are free of ethical presuppositions.

The presence in Ghanaian cities of large numbers of young
males with few restraining familial responsibilities, frequently with-
out work and even when employed able to earn only a declining real
wage much of which must be spent on increasingly costly products
of the agricultural sector, has posed a continuing danger of destabi-
лизation repeatedly recognized by those guiding development. The
consequent impact on Ghanaian economic policy is reflected by four
overlapping but not necessarily consistent categories of responses.
First, the government of Ghana has sought to provide employment
opportunities for the urban jobless and to maintain an acceptable
wage. Second, it has introduced incentives encouraging establish-
ment of industry in outlying districts. Third, it has attempted to
retard migration to cities and to attract those without work from
the cities to rural areas by reducing disparities between rural and
urban standards of living and by offering inducements to agricultural
production. Finally, it has tried to increase benefits to its threaten-
ing metropolitan constituency through discriminatory expulsion or
restriction of relatively impotent alien groups. In each instance the
“value-neutral tool” of the law has been used to articulate and
implement the measures adopted. These programs have combined
to permit a tenuous control of the urban proletariat. However, the
present structure of the Ghanaian economy precludes more than
mere damping of political unrest.

See W. Harvey, Law and Social Change in Ghana (1966).
86 Seidman, Law and Economic Development in Independent, English-Speaking,
Sub-Saharan Africa, 1966 Wis. L. Rev. 999.
87 Id.
A. Urban Income and Employment

The government of Ghana exercises control over the living standards of the urban worker in two ways: it not only determines the minimum wage paid by employers in the industrial and service sectors of the economy, but also as a substantial employer is able by its hiring and layoff practices to affect significantly metropolitan rates of unemployment. In the past decade both aspects of this bipartite authority have served important functions. By establishing a low minimum wage, the government can both free resources for other projects and discourage migration to metropolitan areas. Funds thus made available may be used to accelerate growth or to improve rural living conditions. Either purpose can be expected to lessen that instability which is the primary danger of rapid urbanization, the former by facilitating satisfaction of new demands by city workers and the latter by further reducing the rate of migration. Since a high minimum wage conversely limits the dangers of immediate urban unrest but may restrict growth and attract additional migrants, the wage rate at a given time should depend in part on both the level of insecurity of the government at that time and the rate at which it discounts future insecurity. The extent to which public employment is expanded may similarly be determined by balancing present against prospective insecurity. In both instances current exigencies in Ghana have prevented adoption of policies seeking distant gains.

In 1967 in Ghana 356,100 wage earners worked in establishments employing more than ten persons; of these workers, 256,400 were engaged by the public sector, while 99,700 worked for private firms. The scope of public employment has permitted substantial reduction in the numbers of urban jobless during certain periods through expansion of the state labor force. A 1967 report accepted as only a slight exaggeration the observation that, for significant numbers of workers, public employment had become a system of poorly disguised public relief. The Workers Brigade, established in 1961 to train the jobless, reached a strength of 28,000 persons, many of whom were little more than permanent unproductive sal-

---

88 ECONOMIC SURVEY, 1968, supra note 23, at 103 Table 65. The basic monetary unit of Ghana, the cedi, comprising one hundred pesewas, is worth ninety-eight cents. The lowest permissible wage, forty-five pesewas per day in 1952, was raised from sixty-five to seventy pesewas per day in 1967 and further increased to seventy-five pesewas per day in 1968. Inflationary pressures have precluded concomitant advances in real income. See text accompanying notes 28-31 supra; COMMISSION OF ENQUIRY, supra note 28, at 26; Legon Observer, July 21, 1967, at 22; Legon Observer, May 24, 1968, at 16.

89 COMMISSION OF ENQUIRY, supra note 28, at 28.
aried employees in what amounted to a paramilitary organization.\textsuperscript{40} The State Farms Corporation, the result of largely abortive efforts to expand the public sector to include agricultural enterprise, similarly is said to have absorbed a very substantial component of surplus labor.\textsuperscript{41} In 1966 perhaps 50,000 state employees were dismissed when efforts to economize were initiated; nevertheless the ability to generate employment remains an important aspect of government undertakings.\textsuperscript{42}

B. Dispersion of Industry

Professor Arthur Lewis, an early mentor of Ghanaian economic policy, asserted:

\begin{quote}
It is much easier to create the framework required for industrialisation if factories are together than if they are scattered all over the place. There is always some demand that new factories should be sited all over the country, and even in the heart of the countryside, so that everyone may have an equal chance of industrial employment. Such a demand simply fails to take account of the substantial economies of industrial concentration, economies whose appeal is to be seen in the fact that it is usually the largest industrial concentrations that grow fastest. . . . In countries where manufacturing is just starting, it is best to make the most of advantages of concentration, and to leave the dispersal of industry to a later stage when manufacturing is a well established and rapidly growing activity.\textsuperscript{48}
\end{quote}

Although at some point in the unregulated development process the losses from additional concentration will begin to outweigh the gains, Professor Lewis' argument correctly characterizes the economic advantages of concentration during the early stages of growth. It nevertheless improperly disregards the political consequences of such an economic policy, for when workers are gathered together they have an increased ability to enforce demands. The satisfaction of those demands not only further reduces the likelihood of investment and concomitant gains in productivity but also serves

\textsuperscript{40} Ghana Ministry of Agriculture, Report of the Agricultural Committee of the National Liberation Council 11 (1966).
\textsuperscript{41} A. Seidman, Ghana's Development Experience 1951-1965, June 1968, at 299 (unpublished dissertation in University of Wisconsin Library). In 1966 its 16,400 employees cultivated 35,300 acres. By 1968 the number of workers had been reduced to 5,382; although cultivated acreage declined by almost 30 percent, acres farmed per worker increased from 2.2 to 4.9. Due, Agricultural Development in the Ivory Coast and Ghana in the 1960's, at 15 (1969, unpublished).
\textsuperscript{48} W. Lewis, Report on Industrialisation and the Gold Coast 18 (1953).
as a stimulus to accelerated migration. Following the teachings of Professor Lewis and others holding similar views, manufacturing activity in Ghana is heavily concentrated in the cities, particularly in Accra and adjacent Tema.\footnote{44}

Attempts to locate industry in less densely populated regions, as yet largely unsuccessful, have been stimulated by increasing awareness of the dangers of concentration.\footnote{45} In 1965 the government sought “to check the drift of population from the rural areas to the urban centres in search of employment and to utilize to the fullest possible extent local raw materials which are obtained in the rural areas”\footnote{46} by directing establishment of fifteen small factories in outlying districts. The effort failed; two years later those facilities which had been constructed remained for the most part unused.\footnote{47} The state tomato canning plant at Pwalugu, completed in 1966, represents another attempt by the government to decentralize industry. It too, however, has achieved very little. Regional tomato production in 1966 totalled 9,000 tons, less than 40 percent of the input required for processing efficiency. The crop, moreover, can be sold for consumption while fresh for twelve pesewas per pound, more than twice the maximum price of five pesewas per pound offered by the factory.\footnote{48}

More recent concern with undesirable concentration has motivated plans to induce private enterprise to locate in outlying districts. Firms in selected new industries will be given preferential access to tax relief and other benefits under the Capital Investments Act of 1963.\footnote{49} Firms not qualifying for such treatment may obtain a reduction of 20 percent in the rate of corporate income tax, authority to carry losses forward three years, remission of 50 percent of excise duties and sales taxes, an investment allowance of 5 percent, and exemption from excess profits taxes. Opportunities to purchase power and water and to rent land owned by the govern-

\footnote{44} A. Seidman, supra note 41, at 36-38, 41-42.  
\footnote{45} See text accompanying notes 13-34 supra.  
\footnote{47} GHANA CENTRAL BUREAU OF STATISTICS, ECONOMIC SURVEY, 1967, at 77 (1968).  
\footnote{48} Sorting Out the Legacy, 1968 W. Afr. 801; Thom, The Vea Tragedy, Legon Observer, Sept. 13, 1968, at 17, 18. Nonoperation is nevertheless itself an economic triumph of sorts: tomato puree is imported in drums at little expense, while factory production, geared to small cans, would entail importation of substantial quantities of tinplate.  
ment at reduced rates are also to be available to all nonurban plants.50

C. Rural Development

Traditionally, the government of Ghana has not only given priority to industrial development but has also financed this development from agricultural earnings. In 1968 cocoa and cocoa products comprised 65.7 percent of Ghanaian exports. The 1969 price to producers of eight cedis per sixty-pound load, set by the Cocoa Marketing Board, a state corporation, was approximately one third of the world market price. Receipts from cocoa export taxes currently account for about one third of recurrent government revenues; profits from purchases and sales by the Cocoa Marketing Board are also added to government coffers.51 Return to the cocoa farmer from additional investment of capital and labor is substantially below the value of such investment to the economy. As a result, Ghanaians have neither adequately tended existing cocoa trees nor achieved an acceptable rate of growth of output by cultivating additional acreage. A high producer price could be expected to increase foreign exchange earnings and might reduce the high rate of migration of young people from the land. Such consequences, though, must be balanced against an immediate loss of income to the government and concomitant disruptive increases in private spending power. While cocoa producers are not without political strength, their recent relative quiescence has dictated a compromise which again values current stability over long-range gains.

Planners nevertheless currently purport to accord agricultural development “the highest priority . . . consistent with sound economic operation,” recognizing the value of this policy “as a means of reducing disparities of income and of slowing down the drift to the towns.”52 The present cocoa producer price, although still a small proportion of an increased world price, is substantially above the 1965 producer price of less than four cedis.53 Moreover, agricul-

52 Two-Year Development Plan, supra note 22, at 3.
53 In 1968 the Cocoa Marketing Board guaranteed a minimum price of six cedis for the following three years; for 1968-69 minimum prices of 4.50 cedis per 220 pound bag of maize and 6.20 cedis per 180 pound bag of rice were also assured. A. AFRIFA,
tural enterprises have been granted exemption from income taxation during their first five years of operation. The government has also undertaken repair and expansion of the road network, historically an important stimulus to production of cash crops because animal diseases make human portage the sole substitute for motorized transport. A program to improve the quality of rural life contemplates extensive electrification and provision of potable water supplies. Other measures appear less usual:

[The government is] proposing . . . to spread farming more widely among the better-educated and the better-paid members of the community who live in the urban areas, many of them as workers in the government service. We would like members of the government, civil servants, teachers, trade unionists, traders and industrial workers—indeed, everybody, who has some time to spare, the willingness to learn, and a little money to invest—to establish their own farms or at least their own garden plots. It is our hope that within a few years it will become established practice for the members of the urban middle class to have a personal stake in our agricultural economy. We hope that our successors in office will not only confirm this policy, but perhaps even make it obligatory for certain classes of public servants to become farmers. We think that this will not only be good for the development of agriculture, but that it will also help in the consolidation of a stable and democratic community.54

These programs have as yet required only minimal expenditure. Since purchases of food absorb a large proportion of the incomes of urban workers, increases in agricultural output, which should be associated with falling prices, could lessen upward pressure on the minimum wage. Resulting savings might, of course, be offset by reduced revenue to the farmer. While betterment of rural conditions would probably retard migration to the cities, the possibility of an opposite impact should not be disregarded: that rural improvements may stimulate migration to the cities by increasing levels of aspiration more rapidly than standards of living are raised is evident from the impact of educational advances. Although recommendations that additional schools be established in rural areas have been supported by argument that such facilities will help to retain people on the land,55 a leading demographic authority asserts:


The decision taken in Ghana to increase vastly over a small number of years the amount of schooling being offered may well be necessary in order to attain desired targets of social and economic modernisation; but the corollary has inevitably been a very considerable boosting of the population flow into the towns, which itself has helped to increase urban unemployment. Whether the rise in educational levels can help in the creation of a modern economy fast enough to absorb the migrants into urban occupations, or whether increasing urban unemployment will tend to stem the flow in spite of rising levels of schooling, has yet to be seen.\textsuperscript{56}

D. Discrimination

The Lebano-Syrian community in Ghana comprised just over 2,000 persons in 1960 but has recently expanded rapidly. Many of its members, residing primarily in Accra and other urban areas, either were born in Ghana or have lived there much of their lives. Nevertheless, they retain an expatriate status. Disturbed by the disproportionate economic success of this ethnic group, thought to have been achieved in part at the expense of the indigenous population, the Ghanaian government at the end of 1968 promulgated the Ghanaian Enterprises Decree,\footnote{57} elaborating and implementing a previously announced policy\footnote{58} requiring transfer of specified categories of firms from Levantine to local control. Section 11 of the Decree provided:

\begin{quote}
[N]o person other than a Ghanaian shall operate or be concerned in the operation of any of the following enterprises . . . :—
\begin{enumerate}
\item retail trade with an annual sales volume of five hundred thousand new cedis or less;
\item wholesale trade with an annual sales volume of one million new cedis or less;
\item any taxi service;
\item any business for the sale under hire-purchase contract of taxis or vehicles to be used in the operation of a taxi service;
\item any enterprise . . . employing thirty persons or less which . . . requires simple production or operational techniques or any enterprise with a capital of one hundred thousand new cedis or less, being:—
\begin{enumerate}
\item an extractive, processing or manufacturing enterprise, or
\item an enterprise concerned with transportation of persons or goods, or
\item an enterprise specified in an executive instrument by the Government as being a small-scale enterprise; and
\end{enumerate}
\item any enterprise concerned with the representation in Ghana of overseas manufacturers.\footnote{59}
\end{enumerate}
\end{quote}

\textsuperscript{56} The Movement to Ghana's Towns, \textit{supra} note 3, at 85.
\textsuperscript{58} Government Policy on the Promotion of Ghanaian Business Enterprises (Ghana 1968).
\textsuperscript{59} Decree on Ghanaian Enterprises, \textit{Business Weekly}, Jan. 6, 1969, at 5, col. 1, at 6, col. 5.
The recent Ghanaian Business (Promotion) Act in general continues or intensifies previous restraints. It directs relinquishment of alien ownership in firms engaged in other forms of land transport or the manufacture of cement blocks for sale as well as bakery, printing, beauty culture, produce brokerage, and advertising and publicity enterprises. A provision affecting with particular severity expatriates from other African states prohibits petty trading by nonnationals. Various circumventing actions are explicitly proscribed; unlawful conduct is to be punished by fines up to 2,000 cedis, imprisonment for up to two years, or both.

A recent official estimate placed the alien population of Ghana at 2.5 million persons, perhaps 30 percent of all inhabitants. Although a reported additional claim that 75 percent of nonnationals were under the age of fifteen casts doubt on the reliability of these calculations, workers from other African states, attracted by a higher standard of living, have played an important role in the Ghanaian economy. The government of Ghana has precipitously responded to complaints of competition for employment and other criticisms by Ghanaian citizens by ordering expulsion of aliens not possessing residence permits. Although inevitably exaggerated by the press, consequent dislocations appear substantial:

More than a quarter of the country's 8,000,000 inhabitants have been ordered by the government to leave. They are Africans from other countries . . . who make their living mostly as small traders, unskilled industrial workers, miners and farm laborers. Last week police began arresting those without residence permits. Some 900,000 have already fled back to their homelands. Hundreds of thousands more are waiting to follow . . . . The big move began in December, after the government of Prime Minister Kofi Busia announced that all aliens who lacked residence permits would be expelled from Ghana within two weeks . . . . Busia's policy eventually may uproot all but 10% of Ghana's 2,500,000 aliens. The action may antagonize his neighbors, especially the Nigerians. But at home, where 600,000 Ghanaians are unemployed, the move has already proved popular. Defending the mass expulsion, Busia charged that 90% of Ghana's past and present prison population was made up of aliens. It seemed a flimsy excuse for one of the greatest forced population movements in black African history.

---

60 Act 334, July 3, 1970, 6 ACTS OF GHANA.
62 The lure of urban centers is reflected in a song of migrants from Upper Volta: "Qui n'a pas été à Kumasi, n'ira pas au Paradis." K. LITTLE, WEST AFRICAN URBANIZATION: A STUDY OF VOLUNTARY ASSOCIATIONS IN SOCIAL CHANGE 11 (1965).
These harsh discriminatory measures are perhaps predictable responses to the Ghanaian dilemma. Unable to obtain resources sufficient to satisfy competing economic claims simultaneously, the government has chosen to sacrifice the well-being of those it feels no responsibility to represent. Its policy is the product of a decision, not clearly unwarranted, that immediate loss to the community of socially valuable skills will be more than offset by resulting benefits to Ghanaians, especially urban Ghanaians. Loss to expatriates is consciously excluded as an element of concern.

IV. CONCLUSION: LESSONS FROM EXPERIENCE

Professor Farer notes that in emerging nations the question in developmental and other contexts is less often which policy is to be implemented than whether any policy can be implemented. In Ghana recent unsatisfactory economic performance appears due less to administrative incompetence than to the nature of the problems to which state power has been applied. The difficulties in Ghana are in part a product of the dramatic decline in the world price of cocoa in the first part of the last decade and the extravagance of official expenditures in the years following 1957, when initial reserves of 500 million dollars were dissipated and external debts of 800 million dollars incurred. National misfortune has brought to focus problems also present but not equally evident in other emerging nations whose economic structures have not yet been so severely tested. The Ghanaian experience may therefore prove less an illustration of contemporary processes in other African states than an indication of potential difficulties which can be mitigated by these states through timely corrective action.

The dilemma of Ghanaian development can be explained in terms of competing claims which jointly more than exhaust available resources. The model elaborated assumes a quadripartite division of such claims: resources required for investment necessary to sustain growth are also sought for purposes of consumption by an elite minority and the urban and rural laboring classes. None of these claims can be disregarded with impunity, yet not all can be

66 Ghanaian government planners had sought to achieve a rate of economic growth of 5.5 percent per year from 1963-64 to 1969-70. Between 1963 and 1968 the real gross national product of Ghana increased an average of 1.3 percent annually, half as rapidly as its population. ECONOMIC SURVEY, 1968, supra note 23, at 18 Table 2 (1969); OFFICE OF THE PLANNING COMMISSION, SEVEN-YEAR PLAN FOR NATIONAL RECONSTRUCTION AND DEVELOPMENT 25 (1964); Bissue, Ghana's Seven-Year Development Plan in Retrospect, 11 GHANA ECON. BULL. 21 (1967). See Borders, Ghanaians Plead: Drop Some Debts, N.Y. Times, June 3, 1970, at 4, col. 2.
simultaneously satisfied. Voluntary abstinence by a politically pow-

erful minority unconvinced that such behavior will yield private

benefit appears improbable. Nor can the proportion of national in-

come distributed to an urban proletariat be sharply lowered without

greatly increased risk of insurrection. On the other hand, return

to marginal effort in a dispersed and hence politically less potent

agricultural sector can be driven below the productivity of this effort

without instantaneously disabling protest by those deprived of

greater gain. Similarly, devotion of a suboptimal share of national

income to the promotion of growth will seldom prove at once dra-

matically disruptive. The consequences of these choices, while prob-

ably otherwise at least as detrimental as those of any alternative

policy, are less immediate.

The difficulties which Ghana faces inhere in the process of

unregulated urbanization. Once established, a metropolitan prole-

tariat can command a wage greatly exceeding its marginal produc-

tivity. Increasing numbers of migrants from rural areas are thus

attracted to the cities. Assimilation of these migrants will add to

the political power of the urban workers, permitting increased de-

mands which when satisfied will stimulate further influx. Confronta-

tion can be postponed both by burdening the rural population and

by reducing the rate of growth. These policies, however, only com-

pound the dangers of the future by strengthening present sources of

disequilibrium. The Ghanaian example demonstrates the need for

enforced dispersion of industrial enterprise and detailed regulation

of urbanization at an early stage when such controls are politically

and economically practicable.