THE UNIVERSITY OF MANITOBA

SMALL-SCALE INDUSTRIES AND NATIONAL DEVELOPMENT: THE CASE OF GHANA

BY

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Bachelor of Arts (Hons) University of Ghana, 1978

A THESIS

SUBMITTED TO THE FACULTY OF GRADUATE STUDIES

IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR

THE DEGREE OF MASTER OF ARTS

DEPARTMENT OF SOCIOLOGY

WINNIPEG, MANITOBA

1983

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A thesis submitted to the Faculty of Graduate Studies of the University of Manitoba in partial fulfillment of the requirements of the degree of

MASTER OF ARTS

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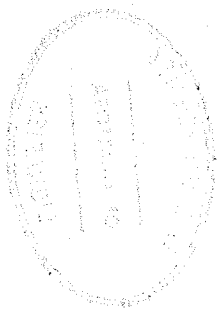


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ACKNOWLEDGEMENT

I wish to express my gratitude to many people who have helped in diverse ways in the writing of this thesis. I cannot mention them all by name, but foremost is my advisor, Dr. G.N. Ramu, who guided me through this work with a high sense of commitment. Dr. Agnes Calliste's encouragement is deeply appreciated. To Dr. Henry Rempel (External Advisor), my gratitude is warm. His useful criticisms and suggestions and constant stimulus were indispensable.

Other people who deserve acknowledgement are Dr. Rennie (Sociology), Dr. John Gray (Economics), Pat Gray (Sociology), Mr. Sam Darkwah, Acting Principal Secretary, Ministry of Youth & Rural Development, Accra, Mr. Boi-Addoh, Accra, and my uncle, Mr. Pek Bamoah Asomaning, Accra, who ran errands on my behalf and helped with some data I needed from Ghana. My gratitude also to the Graduate Committee, Department of Sociology for the financial support given me, and of course, the opportunity extended to me to pursue my graduate studies here.

Without the support of all these people, this thesis would not have been accomplished. Nevertheless, the responsibility for any shortcomings or pitfalls of the thesis are fully mine.

ABSTRACT

This thesis examines the role of small-scale (indigenous) industries in the national development of Ghana.

The tendency for Third World countries emerging from colonialism to embark on developmental strategies which emphasize the conventional (classical) approach to development has produced not only economic dislocation, but also social disorganization. Capital intensive industrialization and agriculture, transfer of technology and foreign aid from the developed countries have taken precedence over the utilization and improvement of locally available resources. For instance, large-scale industries have been encouraged to develop instead of modernizing those indigenous handicraft industries which are dispersed in the country and offer employment to the majority of the people. Besides, small-scale industries have proved to be capable of ensuring a balanced growth and development and offer a potential source of foreign exchange due to the tourist attractiveness of the products. For a country whose population is mainly rural and agricultural,

the promotion of small-scale industries could form the basis for a sound rural development programme.

The thesis has identified the problems confronting the small industrial sector which have inhibited their growth, examined the role small-scale industries play in the socio-economic development of Ghana and discussed the policy implications of the strategies for the development of that sector of the economy. The small industrial sector has been decaying because past governments since colonial era have not encouraged their growth and development.

Data obtained for the analysis of the thesis is primarily secondary, from official government publications and case studies.

CHAPTER 1

INTRODUCTION

Studies sponsored by international agencies, and by independent scholars on the potentialities of small-scale industries tend to agree on the need for developing countries to encourage the development of small-scale rather than heavy industries as a starting point in their industrialization process. The I.L.O. (1961) studies conducted in some developed and underdeveloped countries in Europe, North and South America, and Asia clearly indicate that the more traditional types of small industries emerge to seize new opportunities and meet new needs when external incentives are provided. They further state the capacity of small industries to take advantage of existing traditional skills and help preserve a balance between the rate of economic growth in urban and rural areas.

In this regard, Staley (1958) argues that the potential contribution of small industries (provided they can be helped to adopt modern techniques) is even greater in the newly industrializing countries. This is based on the fact that the newly industrializing countries have abundant

labour, greater difficulties of transport and communication, and lack skills and traditions required in large-scale industries. These conditions tend to favour small-scale industrial establishments. He particularly mentions the need for a developmental approach which would seek, not to preserve traditional, primitive or outmoded production methods against change, but rather to transform them. This transformation will help stimulate deserving small industries to become a source of vigorous entrepreneurship, and, indeed, become a positive force in economic development.

Steel (1977) argues that a strategy of support for small-scale enterprises offers a potential for simultaneous promotions of greater employment, more equitable distribution of income, higher rates of investment and growth, and a smoother transformation from primary to secondary production than does heavily concentrated large-scale industrialization.

Indeed, the above studies and others (Jain, 1974; Dhar, 1961; Schadler, 1968; Hart, 1970; Harris, 1970) point to the need for greater attention to be given to the small industrial sector in developing societies in their early stages of development. As recommended by Staley (1958),

modernization of these industries should involve managerial and technological improvements, adaptation of technology to local conditions, and the promotion of complementarity among different types and sizes of industry.

Despite such claims of economic and social potentialities of small-scale industries, Ghana's industrialization programmes since independence have emphasized modernization on a massive scale which led to the establishment of more capital intensive industries. Indeed, this was deemed as the only way Ghana could break the economic dependence on the developed societies and tackle poverty characterized by unemployment, underemployment, illiteracy, starvation, disease, and other socio-economic maladies which it had to deal with at independence. As Nkrumah (1963:167) put it succinctly "the vicious circle of poverty which keeps us in our rut of impoverishment, can only be broken by a massively planned industrial undertaking." This option was taken without regard for the mass of small-scale (indigenous) industries which existed in rural and urban areas. These indigenous industries were regarded as an inevitably backward and lagging part of the economy and that their tolerance could mainly be considered for social (as an embodiment of Ghanaian culture) reasons and not as constituting a promising oppor-

tunity for development.

This thesis, therefore, attempts to delineate the role of small-scale (indigenous) industries in the developmental process of Ghana, with an object to explore their potential contribution to national development.

The Scope And Significance Of The Study

The major objectives of the present study are:

(1) to examine the factors contributing to the continuing decay of selected indigenous small-scale industries in Ghana and these are weaving industry (hand-loom), sculpture and carpentry industry, pottery, and smithing;

(2) to suggest strategies for making these industries as profitable undertakings and;

(3) to analyze the role of the indigenous industries in the development of Ghana.

These objectives are analytically and practically significant because the small-scale indigenous industries have enormous potentialities for mobilizing scarce resources such as capital and for maintaining traditional skills. Moreover, an analysis of this kind will contribute to an awareness of the problems confronting rural and urban arti-

sans in Ghana. With adequate incentives and organizational assistance, many of the indigenous industries can meaningfully contribute to a partial solution of some of the problems plaguing the country today which include unemployment, underemployment, rural-urban migration, and regional imbalances.

Sources Of Data And Methodology

For strategic reasons I have relied on secondary data as the basis of this thesis. The following public documents and case studies will be used:

(1) a) Industrial Statistics, 1962-1964; 1981;

b) Ghana Government Development Plans, 1963-70 and 1975-1980;

c) Ghana Government: Official Handbook, 1977;

d) Ghana Government: Annual Report of the Ghanaian Enterprises Development Commission, 1970-1981;

e) National Investment Bank: Annual Reports, 1963-81;

f) The United Nations Development Report, 1980.

(2) Case studies.

The 1962-64 Industrial Statistics compiled by the Central Bureau of Statistics and that by the Ministry of Industries in 1981 provide a comparison of small-scale and

large-scale manufacturing by industrial characteristics. The two Industrial Census(es) also give the regional distribution of industrial establishments by size.

The Governments Development Plans, 1963-70, 1975-1980, the Annual Reports of the Ghanaian Enterprises Development Commission, 1970-1981 and the Official Handbooks provide information on the government's assistance to both the small-scale and large-scale industries in the country. In addition, the National Investment Bank's Annual Reports (1963-81) give details about the Bank's support for general industrial development in Ghana. The above documents together with the United Nations Report, 1980, gave up-to-date information on the kind of development in the socio-economic areas in Ghana. These include the Gross Domestic Product, employment and the growth in manufacturing industries from the colonial ear to date.

The data collected in my 1978 study of the Kente Industry in Ashanti, and Rattray (1923, 1927) documentary study of some of the indigenous industries in Ashanti Region have been used in this analysis. In addition, Andrae (1981) study of Industry in Ghana provided useful data on the spatial location of indigenous and formal industries in Ghana.

While the data used here suggest nothing on the pro-

ductivity of single establishments, it is indeed important to differentiate between productive and non-productive forms of informal (indigenous) industries in order to draw conclusions on any growth impact generated at all by informal productive units. (Santos, 1979; Steel, 1977; Carlsen, 1980).

Methods

Since the study is exploratory and qualitative in nature, the validity and reliability of the data obtained mostly from official source cannot be ascertained.

The data obtained from the Central Bureau of Statistics' Industrial Census, 1962-64 and that by the Ministry of Industries in 1981, provide the distribution of industrial establishments by sector, region and by size.

In order to illustrate the important role the small-scale industries have been playing as against the large-scale industries, the Industrial Statistics of 1962-1964 will be used to show the comparison of the two sectors in terms of number of establishments, strength in labour force, and a discussion of the linkages this sector has to the economy of Ghana. In addition, the Ghanaian Enterprises Development Commission's Report, 1970-1981, The National Investment Bank Annual Report, 1963-1981, and the 1975-

1980 Development Plan provide information on the government's assistance to both small and large scale industries, and the government's general industrial policies.

The United Nations' Report, 1980, the Development Plans, 1963-1970; 1975-1980 provide data on the growth in the economy by sector and by labour force. The sectoral growth will help in understanding the economic and social problems facing the country which demand a national strategy which emphasizes a resource-based approach to arrest the situation.

The use of case studies will help in the presentation of the nature of equipment being used by the artisans which need to be modernized. Since it is not possible to deal with all small-scale industries (indigenous) in the country, only selected industries in the Ashanti Region of Ghana with which I am familiar will be considered. However, this will not preclude references to other parts of the country where similar occupations exist and on which information is available.

Throughout the thesis, the terms informal, small-scale, and indigenous industries have been used interchangeably. Similarly, modern or formal industry is used in a descriptive fashion. Steel (1977) uses the term "informal"

sector to mean the very small-scale "unproductive" petty activity, usually in the subsistence sector of the economy, while he uses the term "intermediate" for the slightly smaller, more institutionalised activity which some writers (Aryee, 1977; Browne, 1981; Hart, 1970) call the informal sector or small-scale industries. Santos (1979) categorises the two sectors into 'upper' and 'lower' circuit, which distinguishes the two sectors depending upon the level of technology capital/labour intensity and relations to the state institutionalised system. For the purpose of this thesis, small-scale industries will mean the same as the informal, indigenous industries characterised by reliance on indigenous resources, small-scale of operation, labour intensive with indigenous skills and technology (I.L.O., 1972).

In the next chapter, we examine some of the theories of development and attempt to define the goals of development within the perspective of the aims and objectives of the thesis. The discussion of the political economy is selective. The focus is mainly on those socio-economic and political conditions that have shaped the industrial policies and development in general in Ghana.

Chapter 3 examines the history of industrial develop-

ment from the colonial era to date, with the emphasis on directions of the strategies adopted by each government and the impact they have had on the development of small-scale (indigenous) industries.

Chapter 4 and 5 examine the selected industries which is the basis of the thesis, that is, weaving (hand loom), pottery, carving and carpentry and smithing; the conditions that inhibit their growth and their functions in the developmental process of Ghana.

Chapter 6 discusses various strategies needed to resuscitate the decaying small-scale (indigenous) industries in Ghana.

The final chapter provides summary and conclusions.

CHAPTER 2

THEORETICAL PERSPECTIVE GUIDING THE PRESENT ANALYSIS

> "Development must be redefined as an attack on the chief evils of the world today; malnutrition, disease, illiteracy, slums, unemployment and inequality. Measured in terms of aggregate growth rates, development has been a great success. But measured in terms of jobs, justice and the elimination of poverty it has been a failure or only a partial success." Paul P. Streeten (cited in Todaro 1981:56)

The literature on social and economic development over the past three decades has been mainly dominated by two schools of thought; the stages of economic growth theories of the 1950's and early 1960's, and the structural internationalist models of the late 1960's and 1970's.

The first school views development as a series of successive stages through which all countries must pass (Rostow, 1953; Hagen, 1962, Kuznet, 1971). The underlying principle here is that third world countries need the right quantity and mixture of savings, investment and foreign aid in order to proceed along an economic growth path that historically had been followed by the more developed countries. (Todaro, 1981:57). Indeed, at inde-

pendence, most third world countries had to follow this "religion of development" deemed as the only panacea to tackle the multi-faceted problem of poverty, unemployment, illiteracy, and malnutrition. As part of the 'development package', the emphasis was on massive industrial modernization programmes which favoured advanced capital intensive industries.

The second perspective - the structuralist internationalist - which has emerged as a critique of the stages of growth, sees the process of development as being inhibited by external and internal power relationships. The central issues have been the eradication of poverty, the provision of more diversified employment opportunities and reduction in income inequalities.

Sociologists like Parsons (1951), Smelser (1959), Hoselitz (1960, 1964) were influenced in their writings on development in the 1960's by the stages of growth perspective. Writing in the early 1960's, Hoselitz (1960, 1964) conceptualized that the change from a 'traditional' to a 'modern' society entails the eventual modification or elimination of 'traditional' pattern variables, that is, from particularism, ascription and functional specificity and diffuseness. Warner (1971), however, sees

development as changes in societies which involves the ability of people to reach goals they value. This is embedded in the culture and contains elements of purpose, value and norm, without which there is no way to judge whether a given change constitutes development or the opposition. Within a particular society, individuals and groups may differ in what they consider valued goals, which range from industrialization, welfare programme, employment, to income levels. Thus, merely abandoning one's cultural values for another does not lead to 'development' or modernity as suggested, for example, by Parsons and Hoselitz. As pointed out explicitly by Todaro (1981:71)

> "With the proliferation of the "modernizing values" of developed nations, many societies in third world countries that previously may have possessed a profound sense of their own worth suffer from serious cultural confusion when they come in contact with economically and technologically advanced societies because national prosperity has become an almost universal measure of worth."

The 1970's has witnessed the emergence of new perspectives of development which emphasize the need for developmental goals to tackle such problems as poverty, unemployment and inequality in developing societies.

The Brandt Commission Report (1980) on the Dimension of Development views development as more than the passage from poor to rich, and from traditional rural to sophisticated urban economy. (Brandt Commission Report, 1980:49). Development carries with it not only the idea of economic betterment, but also of greater human dignity, security, justice and equity. The ultimate goal of development then, should be the reduction of poverty which is prevalent in third world societies.

Seers (1969, 1972), adopts a different approach to the measurement of development which traditionally uses national income as a criteria, that is, when increase in national incomes are faster than the population growth, they lead to the solution of social and political problems. Seers believes that economic growth may not merely fail to solve social and political problems, but also contain types of growth that can actually cause them. The goals of development, then, should be aimed at poverty, unemployment and inequality. It is whne these three have declined from high levels that one can talk of development. The increase of these problems do not constitute development however high the rate of per capita income. Thus, any developmental strategy which does not incorporate certain basic human values

like life-sustenance, self-esteem and freedom cannot be said to mean development. See Goulet, 1971:10).

As explained by Bernstein (1982:219), the attainment of national development should encompass among other things, the accumulation of capital under national control, promoting the development of the productive forces and the capacity for self-sustained growth, the expansion of productive employment and the achievement of higher levels of income and social welfare. But, the lack of proper understanding of what constitutes development and how to attain it has, however, resulted in erroneous policies being adopted by many third world societies which, in turn, have aggravated the socio-economic problems they are supposed to solve.

We shall see in our discussions of the political economy of Ghana that the strategy of development in Ghana since independence has not addressed the main body of social and economic problems, that is, unemployment, inequality, poverty and economic dependence - which the country faced at independence. We shall also discuss the social and political forces which have interacted to aggravate the problems of the country.

The Social Structure Of Ghana

Ghana is located in West Africa. Its Southern border is the Gulf of Guinea. It is bordered on the West, North and East by the franco-phone countries of Ivory Coast, Upper Volta and Togo. The land area is 92,000 sq. miles (approximately 239,000 square kilometers). The estimated population was 6.7 million in 1960, and 8.5 million in the 1970 Census. This represented an annual growth rate of 2.69 percent between 1960 and 1970.

Ghana is presently composed of nine (9) administrative regions: the Greater Accra Region, Ashanti, Brong Ahafo, Central, Northern, Western, Upper and Volta regions. This is in contrast to the pre-independence era when there were only three (3) identifiable territories within the country: the Gold Coast Colony (made up of territories in the South up to Ashanti Kingdom), Ashanti and Northern Territories. The ethnic composition is made up of roughly 100 groups distinguishable by linguistic traditions or other cultural differences like beliefs and customs and often self-defined as separate entities. (See 1960 and 1970 Population Census(es) of Ghana). Of these ethnic

groups, many were quite small, numbering under 10,000 and in some cases, between 2,000 and 3,000. It is, however, evident that the country is dominated by four (4) major ethno-linguistic groups - the Akan, Ga, Ewe and Moli-Dagbani. The Akans account for about 44 percent of the total population and are mainly in the South. Northern Ghana has a greater number of ethnic groups than does the South, but accounts for only about 20 percent of the population.

The diversity of culture as evident by the ethnic composition of the country makes it extremely difficult to present a generalised feature of Ghana's social structure. However, it is observed that descent is the basis of every social organization in Ghana, which is based on a localized lineage organization. Such organizations may be traced either matrilineally or patrilineally. The Akans (Asantes, Brongs, Fantes, Kwahus and Akyems) are matrilineal, while the Ewes, Gas and the Northerners, particularly the Tallensis are patrilineal. Membership in each group gives one a sense of identity and belongingness to the group. Thus, within a community, the individual is believed to be related to the other either through the maternal or paternal line.

The Political Economy

The political economy of Ghana prior to the advent of colonialism fits the traditional society postulated by Rostow (1953), Smelser (1959), the folk society of Redfield's (1947, 1956), and Marx's (1965) primitive communal society. Political authority was vested in tribal chiefs who as religious leaders, served as custodians of the means of production, that is, land. The food production was purely for domestic comsumption. The technology was simple, and primitive by contemporary atandards. As described by Stavenhagen (1975:65)

> "Tribal cultivators live in relatively closed, self contained societies, and while they may engage in trade or barter with other groups, they are not economically integrated into wider social units ... peasant societies do form part of wider economic social and political units."

The original production of cash crops for the European market in Ghana (formerly Gold Coast) might have been casual sale by tribal cultivators (members of pre-capitalist economic formations) of easily extractive agricultural goods such as palm nuts and coconuts. But as Howard (1978:32) puts it, by the late 1870's, a peasantry was emerging which was specifically engaged in cash crop production for the market outside and which formed part of a wider social unit of the entire world

economy. Szereszewski (1965), however, argues that the level and character of the economy remained static for centuries until cocoa (which became the main cash-crop) was introduced in the 1890's. Ghana became integrated into the world economy, producing primary commodities for the world market in exchange for manufactured goods produced mainly in the metropole.

Political Features

British colonial rule was firmly established in Ghana (Gold Coast) in 1900 when the Ashanti was defeated by British forces. In 1957, however, independence was granted to the nationalist leader, Kwame Nkrumah. Since then the political system of the country has undergone many changes which have had both social and economic implications for the development of the country. For instance, in 1960, Ghana became a Republic and Nkrumah, until then, the Prime Minister, became the President. He combined the two offices into one and exercised the powers of a Prime Minister and that of a President. By 1962, Nkrumah had declared a one-party state in Ghana, after systematically reppressing his political opponents. The declaration of a single-party state was a complete departure

from the parliamentary form of government introduced by the British colonial government prior to 1960. Nkrumah's government considered necessary to exert control over the agents of development if the multi-faceted problem of socio-economic development was to be tackled successfully. Hence, the one-party state. However, a coup in 1966 thwarted Nkrumah's plans to turn Ghana into a socialistic state. Since 1966, the country has undergone several successful military coups (1972, 1978, 1979 and 1981) and numerous unsuccessful coup attempts, and these in many ways have prevented any systematic approach to economic reconstruction and nation-building, although the regime which came into power after 1981 is attempting to establish socio-economic order and planned change.

The Role Of Ideology

The frequent change of government by the military, which entails a rapid change in ideological positions, has had some remarkable impact on the developmental patterns. It has also contributed to the social, economic and political problems Ghana has been facing since independence. The issue of ideology has become what Damachi

calls "a game of musical chairs" (1976:78), which oscillate like a pendulum and often lead to "negative competition" among political leaders. Inherent in this negative competition is the tendency of political leaders who succeed to power to do everything possible to obliterate the legacy of his predecessor. Whether anything in that legacy is developmentally sound or not is always an irrelevant consideration (Damachi et al. 1976:78).

Nkrumah's Ghana was a one-party state backed by a socialist ideology. He considered this as the only way to achieve economic growth by rapid industrialization and a restructuring of the colonial economy (Nkrumah: 1963, 1973). He believed capitalism as a system inappropriate for Ghana because,

> "capitalism is too complicated a system for a newly independent state; hence the need for a socialist society." (Nkrumah: 1957, pp XV-XVI).

His socialist Ghana ended in 1966 when his government was overthrown by the military.

The succeeding military government did not have any ideological commitment. It adopted a pragmatic approach which combined Socialism with Capitalism to stabilize the economy. This did not help alleviate Ghana's economic and

social problems. Consequently, Busia's government (1969-1972) opted for the capitalist model, hoping that was the panacea to the socio-economic ills of Ghana. His government relied on the development of both the agricultural sector and the modern industrial sector simultaneously. While the intentions were good, the finances were limited, hence his eventual failure and overthrow in 1972 by another military junta leader, the Late Col. Acheampong.

Acheampong (1972-1978) adopted a more pragmatic populist policy in reaction to Busia's more conservative orientation. He was more of a 'traditionalist' than socialist and believed in the need to have an indigenous ideology which subsequently formed the basis of his "Self-Reliance" philosophy. Akuffo (1978-79); Rawlings (1979) did not have any ideological commitment except that the latter professed to be a revolutionary opposed to political corruption. He returned to power in December 1981 after leading a military coup d'état which overthrew the incumbent President, Dr. Hilla Limann (1979 - 1981). Rawlings has since made known his ideological commitment that is, socialist transformation of Ghana. His predecessor, Limann (1979-81) belonged to a party which professed to be socialist but in reality

was neither socialist nor capitalist.

It could be inferred from the above that Ghana has passed through several political systems with different ideological orientation. From colonialism through socialism, a mixed system of socialism and capitalism to undiluted capitalism to indigenous ideology based on the policy of Self-Reliance. The diversity in ideology which Ghana has experienced illustrates the magnitude of political problems which have had serious repercussions on the social and economic development of the country.

Economic Characteristics

Economic activity in Ghana is mainly agricultural and rural. It is estimated that the proportion engaged in agriculture (including fishing, forestry and logging) is 57.2 percent and about 71.1 percent of the population live in rural areas which consist of about 80 percent of the land mass of the country. As much as 48 percent of the total population still live in villages of less than 1,000 inhabitants (1970 Population Census, Vol.11). Agriculture accounts for about 40 percent of the Gross Domestic Product and 70 percent of the export earnings of the country. Cocoa contributes about 60 percent of the export earnings. Over the past two decades, the production of

cocoa to Gross Domestic Product fell from 11 percent in 1960 to 8 percent in the mid - 1970's. Ghana's share of world cocoa output declined over the same period from 31 percent to 21 percent. (See 1975-80 Development Plan). The fluctuations in world prices of cocoa has reduced Ghana's export earnings from her main fragile commodity.

Peasant farmers dominate the agricultural sector and constitute about 95 percent of the farming population. The average acreage of farming land is estimated to be about two hectares (5 acres) per farm family. The farmer grows his/her cash crops as well as food crops on the same piece of land and whilst the former is sold to the export market, the latter is mainly for domestic consumption with little for the market. The remaining 5 percent of farming land in Ghana is distributed among medium and large-scale private, commercial farms, public corporation and cooperatives (5-year Development Plan, 1975-80:1).

Land ownership is diverse in Ghana and it varies from one ethnic group to the other. In each case, cultural norms determine land tenure system and alienation. In the Akan speaking areas of Southern Ghana - that is, Ashanti, Brong Ahafo, Eastern, Western and the Central

part of Volta Region - land is communally owned and family interests prohibit farming beyond the subsistence level. It is generally believed among Akans, particularly the Ashantis, that land did not belong to the living, it was merely held in trust by the living for the earlier and future generations of the tribal communities. The relationship between land and the ancestors involves the former with some element of sacredness. This is why commercial farming is not encouraged by the people, although, the lineage head has a de facto right to farm as much land as he choses. However, he is constrained by the fact that everyone in the group has to have access to the land. This has, indeed, had some impact on food production in the country. In Ashanti Region, for instance, every piece of land belongs to the clan, or to individual household or family community. As stated by Rattray (1923:222),

> "In Ashanti, there can be no such thing as land being without an owner. Every foot of land, indefinite and uncertain as topographical boundaries can be, belongs to some one ... The only way in which land could come to be ownerless would be the extinction of a family group."

Indeed, it is sacrilegious in Ashanti and other Akan-speaking areas for someone to farm on a piece of land which does not belong to his/her immediate family

group or clan without the approval of the chief or lineage head. It is even more serious if the person happened to be an 'alien' in the sense of not having any kinship attachment to the group. In 1895, however, the British government proposed declaring all unoccupied land in Ghana (then Gold Coast) as Crown Land, which would be leased to entrepreneurs (in principle, either British or Ghanaian, but in practice, primarily Europeans who had larger supplies of cash) for purposes of mining or cash crop cultivation. The protests by the Aborigines Rights Protection Society (ARPS) in 1897, resulted in the abrogation of the law. Hence, the consolidation of lands by the chiefs and people of the colony, and the avoidance of situations elsewhere in Africa where land was appropriated by the colonial rulers.

The system of shifting cultivation constitutes an important aspect of agricultural system in Ghana. Under this system, the farmer cultivates a portion of the land usually between 5 to 10 acres which is within the capability of the farmer. Labour is provided mainly by the immediate family - that is, husband/wife, children and cousins. Each year a portion of the land is tilled to grow cash and food crops. Whilst a portion of the land

is under cultivation, the rest is left to fallow for a few years, usually 3 to 5 years until the fallow is bushy enough to restore fertility. The farmer depends on simple implements like cutlass (matchets), hoes, pick-axes, which are mostly manufactured by the artisans in the informal industrial sector.

The structure of manufacturing activity is dominated by industries producing largely consumer goods and processing raw materials in the mining and quarrying sectors. The manufacturing sector is highly dependent on imported inputs and equipments, with, in some cases, as much as 80 percent of raw materials coming from abroad. This has created problems for Ghana since foreign exchange constraints have not facilitated the maximum capacity utilization of the production levels of the industries.

Another aspect of manufacturing activity in Ghana is the local artisans who manufacture goods for the domestic market. The artisans utilize about 85 percent of local raw materials, employ about 80 percent of the total industrial labour force, use relatively simple technology and requires relatively low level of capital investment especially machinery equipment and parts. Yet, their full potentialities have not been utilized by

governments of Ghana since independence.

The sectoral distribution of the economy is presented in Table 1.

TABLE 1

GROSS DOMESTIC PRODUCT BY SECTORS FOR 1960, 1972, AND 1974

SECTOR	GROSS DOMESTIC PRODUCT 1960	1972	1974
PRIMARY	1	2	3
Agriculture	30.3	32.4	29.8
Cocoa	16.0	10.9	8.5
Forestry and Fishing	5.5	4.3	5.0
Mining	4.5	2.2	1.7
Total Primary	56.3	49.8	45.0
SECONDARY			
Manufacturing (including Public Corporations)	3.8	10.3	12.2
Utilities, Construction, Transport & Communications	16.0[a]	8.9	12.3
Total Secondary	19.8[a]	19.1	24.2
TERTIARY			
Wholesale and Retail Trade	18.8	11.5	11.8
Other Private Commerce & Services		10.2	18.9
Government Services	5.1	8.7	
Total Tertiary	23.9	30.6	30.7
TOTAL ALL SECTORS	100.0	100.0	100.0

NOTE: 'a' includes some services (not specified).

SOURCE: Andrae (1981:28)

Labour Force And Employment

The failure of the economy to achieve sustainable growth during the last two decades reflects in the increasing inability of the economy to generate jobs. The high level of investment in the manufacturing sector which characterised the early 1960's could not be sustained due to lack of finance and slow rate of technical progress to run the industries. This has had an adverse effect on employment opportunities in the non-agricultural sector of the economy.

The labour market has been growing steadily over the years, from annual growth rate of 1.6 percent - 1960 - 1970 to 2.4 percent - 1970 - 1980 (World Development Report, 1980). The yearly increase in the labour force was estimated to be 210,000 to 225,000 consisting mostly, middle school leavers (Damachi,et al 1976:64). One contributory factor is the structure of education in Ghana which has not undergone significant change since Independence to meet the needs and aspirations of the people. The educational system still continues to emphasize classical education which only produces white-collar workers for state bureaucracy. This has created

citizens who aspire living in the urban industrial sectors in search of non-existent jobs after schooling. Graduates from the Universities have not escaped from the ordeal of unemployment. As summed up in the 1968 Manpower Survey of Ghana;

> ... there has been very little effort, if any, to relate or gear educational development specifically to the needs of the growing economy. Education has not significantly shifted from its traditional role of providing basic education to its beneficiaries. The focus has been more general in most cases than direct or specific with the result that the economy is not supplied with its entire needs of trainable persons (out of the schools/institutions) both quantitatively and qualitatively. (Ghana: Ministry of Economic Development, Accra: Government Printer, 1971).

In fact, in 1960, out of the labour force of 2.7 million, 164,000 of them were unemployed. In 1970, the labour force increased to 3.5 million and out of this figure, 202,000 were unemployed. The 1975 official estimate was between 400,000 to 500,000. (Five-year Development Plan, 1975-1980. II:3). Table 2 shows the employment situation in Ghana in 1960 and 1970.

TABLE 2

PARTICIPATION IN THE LABOUR FORCE BY SEX - 1960 AND 1970

	TOTAL POPULATION (all ages)		ADULT POPULATION (15 and over)		LABOUR FORCE		LABOUR FORCE AS % of total pop.		adult pop.	
	1960	1970*	1960	1970*	1960	1970*	1960	1970*	1960	1970*
MALE	3400270	4562000	1889440	2482000	1682730	2175000	40	49	89	88
FEMALE	3326550	4464000	1841240	2362000	1042120	1317000	31	30	62	56
TOTAL	6726820	9026000	3730680	4820000	2724850	3492000	40	39	73	73

* Projections

N/B The 1960 figures are derived from the advance report of the 1960 Census and quoted in Birmingham et al (eds) Economy of Ghana, p. 121;
The 1970 figures are taken from I.L.O. Labour Force Projections, 1965-1985 Pt. II. Africa, (Geneva: 1971), p. 100.

Source: Damachi et al (1976:65).

The unemployment figures for 1960 and 1970 could be derived from the substraction of labour force from the adult population (that is; 15 and over). The increasing unemployment in Ghana was described in official circles in 1970 as "a most serious and pressing problem especially in the urban entres" (Ghana: One-Year Development Plan, 1970-1971:146).

The seriousness of unemployment in the country, particularly in urban areas can be seen from Table 3.

TABLE 3

RURAL - URBAN UNEMPLOYMENT RATES FOR 1970*

	MALE	FEMALE	TOTAL
URBAN	9.5	7.2	8.4
RURAL	6.7	2.5	4.6
TOTAL	16.2	9.7	13.0

Source: Five-Year Development Plan - 1975-1980:336

* The above figures may seem insignificant but considering the under-estimation of unemployment rates in third world countries, these figures are high enough to be of concern to any government.

It may be that in 1970, 8.4 percent of urban labour force was unemployed as against 4.6 in the rural areas.

The urban unemployment could be attributed to the inability of industries and services to absorb migrants from the rural areas. The situation is worsened by the disparity in social services which are highly concentrated in urban areas and therefore 'lure' migrants there. In the rural areas, the problem is due to the high incidence of "disguised" unemployment and underemployment in the agricultural sector. The so-called "modernisation" policies of the 60's could not progress fast enough to absorb the growing labour force. As Damachi et al (1976:70) put it, it created "unemployment dilemma" - that is - the more rapid the rate of modernization, the higher the rate of unemployment. He concludes that "modernization per se is a generator of urban employment, which constitutes a dilemma in a dual economy - where unemployment is a result of both rapid modernization and the lack of it". Nkrumah embarked on his massive industrialisation programme with the hope that it would absorb the surplus labour and help improve the employment situation in the country. But this could not be achieved simply because of the capital intensive. Other schemes to generate employment initiated under Nkrumah's socialist policies which included state farms, cooperatives et cetera, could

only provide jobs for the many unskilled and unemployed masses in the short-run. The programme became unprofitable and a financial burden on the state. It was not surprising that when the government was overthrown most of the state farms were either sold or closed their operations. The laying-off of about 80,000 workers in the state farms further aggravated the already uncontrollable unemployment situation in the country.

Busia's government (1969-72) introduced the National Service Scheme as a way of mobilising the unemployed youth - educated and uneducated - for development projects in rural areas but this was interrupted by the military in 1972. Since then, similar mobilization efforts have been undertaken by subsequent governments but the problem remaining is how to solve the high unemployment in rural and urban areas.

What is gleaned from the above discussion is that since independence, Ghana has had several governments which have attempted in various ways to tackle the socio-economic problems of the country - such as economic dependence, unemployment, poverty, inequality and social justice.

Nkrumah's socialist government could not achieve

economic independence for Ghana, neither could his policies alleviate the unemployment and social inequality Ghana had to deal with at independence. Instead, unemployment rose steadily over the years - from 164,000 in 1960 to 202,000 in 1970. (The above figures exclude the high underemployment and disguised unemployment in rural and urban areas).

The lack of political stability and ideological clarity have also contributed to the unnecessary adaptation of foreign ideologies which do not incorporate indigenous beliefs and practices into the mainstream strategies for development. Nkrumah felt that by embarking on massive industrialisation of the country backed by socialistic ideology, Ghana would achieve economic independence, attack poverty, unemployment and inequality which were major social problems at independence. But as we shall see in later chapters, the strategy of development adopted by Nkrumah aggravated the socio-economic problems of the country. The succeeding military and civilian governments could not tackle the problems effectively. Unemployment and inequality continue to grow, the economy continues to be dependent on the developed countries.

We shall consider in the next chapter, the history of industrial development in Ghana, with emphasis on the

political and social forces which have combined to shape the industrialisation policies in the country.

CHAPTER 3

HISTORY OF INDUSTRIAL DEVELOPMENT

Historically, the developmental policies of political leaders have been based on their ideologies and personal ambitions. Once political control of the country had been attained through conquest, the colonial administration introduced an economic system which emphasized the development of agriculture to produce cheap raw materials like cocoa, palm-oil, palm kernel, timber and other minerals which were in high demand in the metropolitan country, thus integrating the local economy into the world economic system. In return, manufactured goods needed by the colony were obtained from Great Britain. This produced some external constraints on the productive forces of the economy because by encouraging the production of more cash crops, the colonial power institutionalised economic dependence on the exchange economy. The pattern of development, undoubtedly, disrupted the existing flourishing local manufacturing industries, namely, the indigenous handicraft industries. For instance, imported enamelware prevented the growth of the indigenous pottery industry. The im-

portant role the Kente industry was playing by fulfilling the clothing requirement of the people was virtually replaced by imported textiles from Europe. As one native-cloth weaver from Keta pointed out in the 1940's:

> "... the cloth (native cloth) is made from yarn generally imported from Manchester. Up to the War (World War I), there was an enormous trade in this cloth. Practically every family along the lagoon had primitive native-made looms. The main income then was derived from cloth making. This industry has practically disappeared. European imported prints and garments are replacing the locally made article". (MacMillan, 1980:80)

Stavenhagen (1965) also points out that the spread of manufactured industrial goods into the backward zones also displaces flourishing local industries or manufactures and therefore destroys the productive base for a significant part of the population provoking what is known as rural proletarianisation, rural exodus and economic stagnation. To ensure a dependency on imported manufactures, both Africans and Europeans were discouraged from producing anything within the colony, which might compete with imported goods. It has been argued by Howard (1978:23) that,

> "In the later colonial period, the role of the state was to ensure that the mode of production remained peripheral. Thus, the

> state did not permit developments in industrial production, did not encourage diversification of agriculture and did not encourage the development of higher quality crops".

Baran (1957) adds that,

> " the advanced industrial nations of the West are fundamentally opposed to the industrialization of the under-developed countries since the latter provide them with raw materials and investment outlets". (Cited in Long, 1977:73)

Baran attributes the economic backwardness of developing societies to their dependent status on the international market system that favoured the industrialised countries who controlled the capital, technology and markets essential for economic growth and development. But whether or not third world development can take place without capital, technology from the industrialised countries is something that is debatable.

The above views can be further supported by an instance during the colonial era. It is said that a Ghanaian employee of the Government Agricultural Service invented a machine which was inexpensive, could be easily manufactured and operated, and which could have been used for small-scale palm processing by the people. The then Aborigines Rights Protection Society pressured the colonial government to invest funds in developing and mass producing

this machine for African use and even went to the extent of having its potentialities certified by an independent expert in London. The Colonial Government, however, refused and even denied its inventor research time needed to develop this machine. Coincidentally, the Government granted Lever Brothers (Ltd) the propriety over palm processing in the country and even argued that this was necessary because the "natives" had not reached the stage at which they could process oil themselves. This illustrates, to some extent, the systematic attempts made by the colonial government to undermine indigenous entrepreneurship and industrial development and also to encourage colonial dependency.

That little industrialisation took place during the colonial era is borne out in Table 4 which shows the growth of manufacturing industries in Ghana.

TABLE 4

GROWTH OF MANUFACTURING INDUSTRIES IN GHANA - 1919-1959

PERIOD	NO. OF FIRMS*	PERSONS ENGAGED	VALUE ADDED	CAPITAL FORMATION
1910-1919	3	515	151	22
1920-1929	19	983	513	47
1930-1939	18	898	966	46
1940-1949	53	9952	4496	767
1950-1959	130	8232	5232	1466
TOTAL	223	20580	11358	2348

* Firms with 10 or more persons engaged. The Census figures exclude the informal sector and those firms not known to the Central Bureau of Statistics.

Source: Industrial Statistics 1958, 1959; Statistical Reports Series VII, No 1, Central Bureau of Statistics (CBS) Accra 1962. Table 64:55.

Until about 1950, the dominant industries in the country were in the extractive sector, mostly mining and sawmilling, furniture and oil crushing (Peil, M. (1972): p. 14).[1] As shown on Table 4, the break-through for industrialization in Ghana came after 1950 when the

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1 Peil M. also mentions the establishment of a printing press, the Presbyterian Press in Accra in 1859, which still operates.

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number of firms more than doubled. One significant factor could be the pressure brought to bear on the colonial Government to speed up industrialisation of the country after the 1948 general boycott.[2] According to the Commission set up by the colonial office to look into the disturbances - "at every point, we (they) were pressed with the cry of industrialisation. We doubt very much if the authors of this cry really understood more than their vague desire for something that promised wealth and higher standards of life" (Para. 298).

Another factor was the establishment of the Industrial Development Corporation (IDC) in 1947 with the primary aim of investigating, formulating and carrying out projects for developing industries in the Gold Coast. The IDC was to lay the foundation for Nkrumah's industrialisation programmes.

Post-Colonial Period: 1957 To The Present

Nkrumah became the leader of Government in 1951 but assumed full political power only in 1957. Until

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2 For further readings see, Report of the Commission of Enquiry into disturbances in the Gold Coast, 1948: Colonial Office, London, 1948.

then, the socio-economic structure of Ghana was characterised by high economic dependence on the world economy, high unemployment rate, inadequate infrastructure and lack of economic diversification. As Nkrumah (1973:395) described the situation

> "Under Colonial rule, foreign monopoly interests tied up our whole economy to suit themselves. We had not a single industry.(?)[3] Our economy depended on one cash crop, cocoa. Although our output of cocoa is the largest in the world, there was not a single cocoa processing factory. There was no direct rail link between Accra and Takondi. There were few hospitals, schools, and clinics. Most of the villages lacked a piped water supply. In fact, the nakedness of the land when my government began in 1951 has to have been experienced to be believed."

Nkrumah's concern to restructure the socio-economic structure of Ghana and to use industrialisation to achieve this goal was made known in 1960 when he declared (1961: 242) that

> "the government will embark upon an intensified programme of industrialisation and mechanization of agriculture will provide the main basis for the transformation of the economic and social life of this country. The momentum of this development will increase

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3 Perhaps, Nkrumah was referring to the lack of large-scale industries, the kind of which formed the basis of his Import Substitution Policy.

> so that in a relatively short period Ghana will become a modern industrial nation, providing opportunities for all and a standard of living comparable with any in the world"

Prior to this declaration, Nkrumah had set up three Commissions to enquire into the possibilities of developing industries in Ghana. The first was W.A. Lewis's (then Professor at Manchester University) "Report on the Industrialisation of the Gold Coast" in 1953. Lewis's recommendation was that of import-substitution industrialisation which subsequently became a guide for the government's industrialisation strategy in the 1960's. The other two were G.H. Wittman Inc. of the USA and the United Kingdom Trade and Industrial Mission to Ghana in 1959. Both reports placed heavy emphasis on consumer goods and material oriented industries. (Darkoh, 1977:6)

By 1963, Nkrumah had already laid the foundation for what he termed "intensified programme of industrialisation" which was to form the basis of his strategy to establish in Ghana

> "... a strong and progressive society in which no one will have any wnxiety about the basic means of life, about work, food and shelter; where poverty and illiteracy no longer exist and disease is brought under control; and where our educational facilities provide all the children of Ghana with the best possible opportunities

for the development of their potentialities" (7-Year Development Plan, 1963-70: V)

The state-owned industries established by the government were primarily of medium to large-scale and include the following:

TABLE 5

LOCATION AND CHARACTER OF INDUSTRIES ESTABLISHED IN GHANA: 1962-63

INDUSTRY	LOCATION
Match Factory	Kade
Distilleries	Accra
Pineapple Canning Factory	Nsawam
Marble Works	Accra
Fibrebag	Kumasi
Steelworks	Tema
Paints	Tema
Paper Conversion	Takoradi
Brick and Tile	Accra
Vegetable Oil Mill	Essiama, Denu, Tamale Asse Sewa
Cocoa Products	Takoradi
Graphics	Accra
Tomato Canning	Pwalugu
Meat Factory	Bolgatanga
Cement Clinker Plants	Tema, Takoradi
Metalworks	Tema
Integrated Cotton Textiles	Tema
Sugar Factory	Asutsuase, Komenda
Footwear	Kumasi

Source: Ghana. An Official Handbook (1977:265-267)

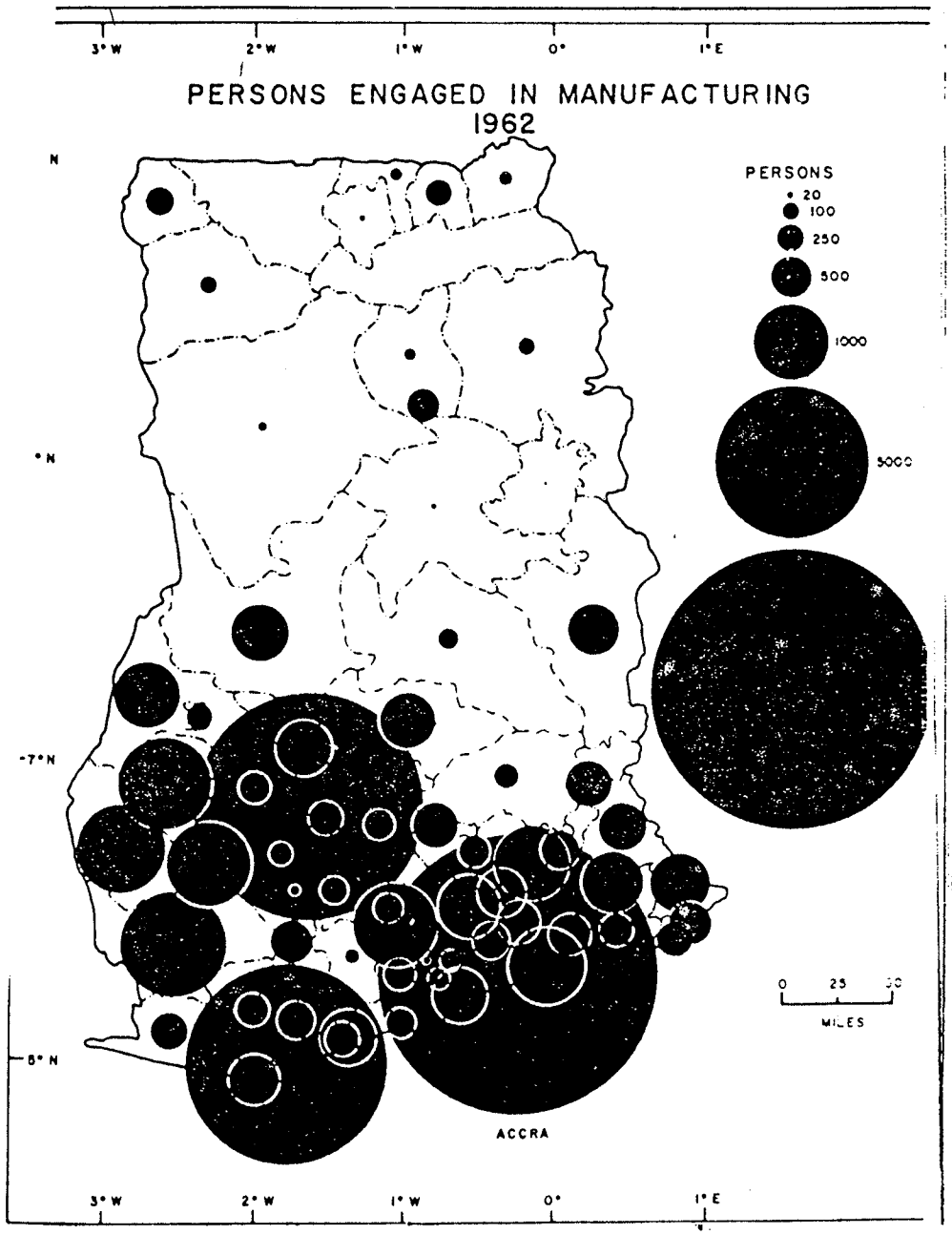
Besides these industries, the government entered into joint partnership with other multi-national corporations which were the Volta Aluminium Smelter at Tema (Kaiser and Reynolds Metals - USA); Oil Refinery (Agip of Italy) at Tema; the Sanyo Electrical Manufacturing Corporation (Japan). The latter manufactures electrical appliances. Figure 1 will illustrate the locational pattern and Table 5 shows the scale of industries.

As Figure 1 and Table 5 show, most of the industries were concentrated in the south, primarily in Accra-Tema, Sekondi-Takoradi and Kumasi and a few large towns also in the Southern part of the country. As Darkoh (1977) indicates, Greater Accra with only 1.1 percent of the total area of Ghana in 1962 commanded 19 percent of the number of establishments and 25 percent of the persons engaged in establishments employing 10 or more persons, while the Northern Region which makes up 29.4 percent of the total area commanded 2 percent of the establishments and 1 percent of the persons employed. (1977:16). The excessive concentration of industries in the three major cities (see Figure 1) and other larger towns stimulated migration to the urban centres in search of jobs. Since the industries could employ only few un-

FIGURE 1

PERSONS ENGAGED IN MANUFACTURING INDUSTRY BY REGION IN GHANA

1962



SOURCE: INDUSTRIAL STATISTICS - 1962
From: M.B.K. Darko (1977:15)

skilled labourers because of the need for more skilled labour, most migrants had to 'hang on' in the cities in the hope of getting employment some-day (Caldwell, 1969; Little, 1965).

Two significant measures were taken by the government to speed up its industrialisation objectives. The first was the setting up of the National Investment Bank in 1963 to assist in the industrial development of Ghana. Among its objectives were to assist in the establishment, expansion and modernization of enterprises; encourage and facilitate the participation of internal and external capital in such enterprises; counsel and encourage Ghanaian business concerns; identify emerging investment opportunities and finally, to bring together capital, capable management and technical expertise to establish viable new enterprises. However, the modernisation of enterprises did not include indigenous industries in the cottage and handicraft sector, neither did the counselling and encouragement of Ghanaian business concerns include indegenous industries.

Nkrumah in 1964 declared that "we would be hampering our advance to socialism if we were to encourage the growth of Ghanaian private capitalism in our midst" (National Assembly Debates, 11 March). This

statement reiterates his earlier position regarding his antipathy toward indigenous industries and Ghanaian private business concerns, most of which were in the small (informal) industrial sector. He announced that

> "... his government would henceforth place far greater emphasis on the development of Ghanaian Cooperatives rather than encourage Ghanaians to start private business enterprises. The State enterprises would not be handed over to private interests, and that private business must now stand on their own feet." (Ghanaian Times (Accra) 10 October, 1960)

It could be inferred from these comments that the lack of support for the small industrial sector was a deliberate attempt on the part of the government not to encourage the small industries to grow and become more viable in the economic development of the country.

The second measure was the construction of a hydro-electric dam at Akosombo in 1964 which was partly financed by the World Bank, Kaiser Aluminum (USA) and the Government of Ghana. As Nkrumah (National Assembly Debates, 21 January, 1961) stated in 1961, "Electricity is the basis for industrialization. That basically is the justification for the Volta River Project". This was to serve as a source of cheap power to facilitate industrial development of the country. In this regard, the key industrial centres of Accra-Tema, Kumasi, Sekondi-

Takoradi and other Southern towns with industries were provided with electricity from Akosombo. In addition, the government created industrial estates in Accra and Kumasi and Tema became an industrial town with most of the major industries concentrated there. This was to ensure economies of scale and efficient use of services.

Problems Of Development

We have already mentioned the fact that excessive concentration of the industries was not in the interest of the country in terms of development. We shall discuss other factors which were equally problematic in terms of ensuring efficiency and self-sustaining growth. The industries established by the government used more capital intensive technologies which obviously reduced their potential for employment. Table 6 will show the capital-labour ratios in manufacturing industries.

From Table 6, we see that those manufacturing with high capital per worker were Grainmills and Bakery, Beverage and Tobacco, Leather and Rubber Products, Chemicals, Metal Products and Miscellaneous Manufacturing.

TABLE 6

CAPITAL-LABOUR RATIOS IN MANUFACTURING INDUSTRIES - 1962

INDUSTRY	CAPITAL PER WORKER (£)*
Manufacturing	525.12
Grainmills and Bakery	1016.82
Other Food Products	985.71
Beverages and Tobacco	2165.05
Textiles and Apparel	775.17
Furniture and Fixtures	213.62
Other Wood Products	251.37
Printing	355.42
Leather and Rubber Products	1267.12
Chemicals	1075.21
Non-metallic minerals	226.59
Metal Products	989.28
Transport Equipment	470.53
Miscellaneous Manufacturing	1766.67

Source: Republic of Ghana, Industrial Statistics, Central Bureau of Statistics (1962:16-22) (computed by Cantor, D.)

* The innitial par value of Ghana pound (£G) was established on November 5th, 1958 as£ G1 =US $2.80. In July 1965, Ghana went over to a decimal currency. The monetary unit became the Cedi - divided into 100 Pesewas. The Cedi (C) had a par velue of ¢1 = US $1.17. The Cedi was exchanged for the Ghana pound at the rate of G1 = 2.40. On February 23rd, 1967, the Cedi was replaced by the New Cedi (N¢) at the rate of N¢1 = £ 1.20 or $1.40 (US). The introduction of the Cedi in 1967 amounted to no effective change in the par value of Ghana currency. On July 8th, 1967, the par value of the new Cedi was reduced, representing a devaluation of 30%. The New Cedi was equivalent to 0.41 in (N 3.34 to the £) or $1.28 (US). Today, par value is N 2.75 to $1.00 (US).

As pointed out by Cantor (1967) and Darkoh (1977) the high capital intensity of the industries was due to the scarcity of skilled labour, the declining productivity of labour relative to its cost and the cost of capital, the high installation costs and the heavy reliance on imported expatriate skills, ignorance at the purchasing end and deliberate malpractice.[4] Darkoh (1977:18) sums up the situation thus:

> "The expatriate entrepreneurs and technicians who made most investment decisions in the period based their choices on their own immediate experience and awareness of available machines and desireble levels of mechanization. The heavy reliance on imports of capital equipment and machinery and also semi-processed materials and parts tended to enmesh the Ghanaian economy more securely into over-seas marketing complexes, actually heightening Ghana's external dependency. With relatively little feedback by way of large-scale processing for export and undue reliance on cocoa for foreign earnings, it was hardly surprising that Ghana's balance of payments situation had proved to be no better than it was."

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4 For further discussions, see United Nations, Economic Bulletin for Africa, Vol 10, No 1, (1970) pp 9-10; L. Grayson, "The Role of Suppliers Credits in the Industrialization of Ghana", Economic Development and cultural change, Vol 21, No 3 (1973:477-499).

Because of the capital intensive nature of manufacturing industry in Ghana and the fact that the cost of the machines was high, they narrowed employment opportunities.

The other problem with the industrialisation programme of the 1960's was the import dependence and import substituting. The industries established were to produce goods which were being imported by the government previously. Prior to the launching of Nkrumah's massive industrialisation programme (import substitution), Ghana was importing goods which could be manufactured locally. Table 7 will illustrate this point further.

Apart from the high import-content of most of the industries (see Table 7) , by 1960, the government was importing products such as pottery, durniture, bicycle parts, and boats which local artisans could have been assisted to produce. But for political reasons, the potentialities of these artisans were down-played because the government did not want to breed the so-called "indigenous bourgeoisie" which would have been a reactionary force against his socialistic policies.

TABLE 7

PATTERN OF IMPORTS AND EXPORTS, GHANA - 1960

MANUFACTURED PRODUCT	IMPORTS (G€)	EXPORTS (G€)	RATIO OF IMPORTS TO EXPORTS
Sawmilling	162581	350780	0.46
Furniture	638957	5837	109.47
Prefabricated Building	136213	685	198.85
Boats	228672	14047	16.28
Matches	208320	---	*
Brick and Tile	214647	132	1626.11
Tires	5420	28	193.57
Pottery	119067	---	*
Concrete Products	4473565	---	*
Machinery Parts	2866073	---	*
Bicycle Parts	210323	---	*
Refrigerators and Air Conditioners	418401	---	*
Nails	252354	---	*
Steel Oxygen Tanks	378218	---	*
Oxygen and Acetylene	3160	---	*
Soap	2170273	---	*
Cosmetics	474983	---	*
Brewery Products	2661715	10	22671.50
Mineral and Soft Drinks	15160	3	5053.35
Biscuits	214505	2157	99.45
Processed Foods	8640940	1191	7255.20
Refined Edible Oils	568944	6	94824.00
Confectionaries	520606	---	*
Tobacco Products	200158	599	334.15
Clothing	3927017	175	22440.10
Footwear	2203943	268	8223.67
Printed Matter	1050701	---	*

* No records of exports

Source: Republic of Ghana, Annual Report on External Trade of Ghana 1959-1960. Volume 1, Central Bureau of Statistics (Accra, 1962). Compiled by Cantor.

The import content of Ghanaian manufactures show greater dependence on imports as evident in Table 8.

TABLE 8

THE IMPORT-CONTENT OF GHANAIAN MANUFACTURES FOR SELECTED YEARS 1963-1966

	IMPORT CONTENT OF TOTAL SUPPLIES %	
	1963	1966
A		
Processed Food	91.5	72.9
Beverages	6.1	4.9
Tobacco	9.3	6.4
Textiles	95.4	78.6
Footwear	50.0	19.5
TOTAL	69.6	46.8
B		
Wood and Cork	1.5	1.3
Furniture	14.3	21.6
Paper and Paper Products	85.5	66.6
Leather Products	60.0	71.4
Rubber Products	89.6	75.4
Chemicals	65.5	50.2
Petroleum	88.1	65.1
Non-metallic Minerals	89.1	81.2
Metal Products	67.4	66.4
Basic Metals	90.6	85.0
Transport Equipment	84.2	83.3
TOTAL	66.1	57.8

Source: Manu J.E.A. "Import-Substitution in Ghana 1956-68" The Ghana Social Science Journal, Vol 2, No 1 (1972:63).

As Table 8 shows, the import-content of manufactures in 1963 was particularly high and by 1966, it had not made any significant change. Thus, instead of making the country less dependent on external sources for imports, Ghana's policy of import substitution industrialization rather aggravated Ghana's dependence on overseas countries for industrial raw materials and machinery.

Development During Post Nkrumah Period - 1966-1981

The military government that overthrew Nkrumah in 1966 initiated a policy of capacity utilization of those state enterprises established by Nkrumah. Unprofitable industries were either closed down or sold to private concerns. In 1967, for instance, 7 state enterprises were sold to private interests and 13 others became joint state/private enterprises. These measures did not reduce the import-content of the industries, neither did the government downplay the state involvement in the development of large-scale industries as against the potentialities of small-scale industries which had proved to be more self-dependent. If anything at all, the government encouraged the decentralization of industries (both large and small) from the core industrial areas of Accra-Tema, Tako-

radi and Kumasi. As announced by the government's finance minister in 1968:

> " To encourage the spread of industries to other parts of the country, it has been decided to grant special concessions to those new industries which decide to set up outside the Accra-Tema area. Selected new industries wishing to establish in areas outside of the Accra-Tema metropolitan area will be given preference in the granting of benefits under the Capital Investment Act. Companies which establish in the approved area and which do not benefit from Capital Investment Board approval will enjoy a rebate of 20 percent in respect of company tax, authority to carry forward losses for three years of assessments, remission by 50 percent of both excise duty and sales tax and investment allowance of 5 percent and exemption from the Excess Profit Tax." (NLC Budget statement for 1968-1969. Accra, Min. of Finance, 1968:16.)

The Ghanaian Enterprises decree of 1968 which followed the budget statement encouraged the reservation of enterprises with capital less than NC 100,000 ($113,000) to Ghanaians, but there were no concerted effort on the part of the government to assist local entrepreneurs in the informal sector. The industries which the National Investment Bank assisted financially were medium and large scale which included the National Tobacco Rehandling Company (Tema); Union Carbide (Ghana) Ltd (Tema); Food Specialities (Ghana) Ltd (Tema); Pharco Laboratories

(Ltd) (Accra); Alfa Manufacturing Company Ltd (Accra) - and a few other intermediate industries in the country.

Busia's government (1969-72) initiated the role of government in the development of small-scale industries with the promulgation of the Ghanaian Business Promotion Act (1970). Among other things, the government decided to give assistance to "businesses covering handicrafts, cane and basket weaving and pottery, wood carving and cottage industries; weaving of kente and adinkra cloths; tie and dye cloth business; carpentry; blacksmithing; gold and silver smithing; manufacture of charcoal; soap making with local material; and other businesses that will be identified" (Office of Business Promotion - Ghanaian Business Promotion Act, 1970 Act 334 , p 20). The general economic expansion policy of the government included assistance and provision of market for the small enterprises, but the continuing structural weaknesses of Ghana's economy resulted in other economic measures to improve the deteriorating balance of external payments. Hasty measures were taken in December 1971, but in January 1972, the government was deposed.

The Military Junta of 1972-1978 embarked on an industrial policy which encouraged the development of both

large-scale and small-scale industries. The latter was to be promoted to stimulate employment in the country. As stated in the government's Five-Year Development Plan for 1975-1980:

> "During the Plan period, the foundation will be laid for an effective move towards the development of intermediate, basic and heavy industries. In this regard, measures will be taken towards the expansion of existing metal, electrical and transport industries (eg. steelworks and aluminum works) as well as the establishment of new plants such as foundaries for the production of spare parts, tools, implements, and chemical industries like salt, caustic soda, charcoal" (Five Year Development Plan - 1975-1980:191).

In addition, the government made plans to encourage the development of small scale industries which were to be the government's priority industrial sector. Thus,

> "Despite the immense potential of small-scale industries for contributing to the growth of industrial output, value-added and employment, the development of such industries have not been accorded the priority attention they deserve. Small-scale industries, therefore, continue to have difficult access to institutional credit, import licence, management training and technical advisory services" (Five-Year Development Plan - 1975-1980:190).

In spite of the government's good intentions to assist the small industrialists, a World Bank field survey of small industries in 1974 and 1976 cited some of

the problems facing the small sector as insufficient finance and inadequate equipment and workshop facilities. (See Ghanaian Enterprises Development Commission - 1975/76 Annual Report, p 8-10.) Assistance to the small business sector in 1975 benefitted mostly the commercial (trading) sector.

The Limann administration (1979-81) similarly encouraged the development of small-scale indigenous industries in rural and urban areas. The government passes a Bill in Parliament which established the National Board for Small Scale Industries (GEDC Annual Report, 1981:1-2) which was to provide policy objectives and coordinating apparatus for a more concerted effort by all the implementing agencies to effectively assist the small scale industries to contribute towards the growth of the national economy. Unfortunately, three months after passing this bill, the government was overthrown by the military.

We see from the above discussions that policies toward small industries from the colonial era to post-independence till 1966 were that of neglect for political and ideological reasons. Nkrumah stated his own position quite clearly in 1964: "We would be hampering our advance to socialism if we were to encourage the growth

of Ghanaian private capitalism in our midst." (Quoted in Dinwiddy; 1971:51) By private capitalism, Nkrumah meant indigenous entrepreneurs in handicraft and other intermediate, small-scale industries. The import-content of those industries he promoted resulted in a financial and economic crisis which had some catastrophic consequences for the government.

1966-1972 was a period of protective policies in favour of small-scale industries as against that of the previous governments. The period between 1972 and 1981 marked the era of developmental policy meant to increase the productive efficiency of small industries so as to make them more viable. Numerous efforts were made to modernize some of the old industries to make them more promising. But the realization of this "hope" has been far-fetched due to the tendency of the government to relegate the potentialities of the indigenous industries in favour of the larger industries which are either reactivated or bolstered by the government. We see from the above discussions that the small indigenous industries have not grown due to unfavourable government policies which either ignored the small industrial sector or the assistance was not enough to make the indigenous industries

more dynamic.

Despite the handicaps confronting the small indigenous industries there is evidence that Ghanaian small entrepreneurship, particularly those in the indigenous sector, is vigorous and given appropriate Government policies and programmes, and improved support service, can be expected to respond rapidly in terms of accelerated growth, job creation and efficiency.

We shall consider in the next chapter, those industries whose potentialities could be harnessed by the government to promote industrialisation of the country and help reduce some of the socio-economic constraints on the country.

CHAPTER 4

THE SMALL SCALE INDUSTRIES

The small-scale industries which are the focus of this thesis include the rural and urban handicrafts which form part of the informal sector. These are the Weaving, Sculpture and Carpentry, Pottery and Smithing industries. These enterprises are dispersed all over the country and service people in rural and urban areas. They are often operated by individuals with a technology primitive by contemporary standards (in the sense that most of the equipment used are traditional) and for essentially local markets. The skills of the artisans involved in these handicraft industries are handed down from father to son or uncle to nephew.

We shall discuss the industries in this chapter and try to delve into their social production and problems inhibiting their growth.

THE WEAVING (HAND-LOOM) INDUSTRY

Ghana abounds in many indigenous hand-woven textile industries which include smock weaving (Dagombas and Moshies in the North Region), Adinkra (Stamped-cloth) and Kente (in the South, particularly in Ashanti Region). In the Volta Region, Keta and Agotime produce traditional hand-woven cloth similar to the Kente of Ashanti. The Kente and the Smock (fugu) are hand-woven cloths which are deemed as the most sought-after and treasured specimen of Ghanaian culture. They are considered as traditional dresses which are worn during formal and informal occasions. Besides these two, other traditional clothes worn by Ghanaians include Tie and Dye, Abadza, Joromi and Adinkra (Stamped-cloth). These are identified with different ethnic groups but their use go beyond ethnic identity. We will however, discuss the Kente weaving industry which we are familiar with.

The history of the Kente is traditionally linked with the social structure of the people of Ashanti. Until the conquest of Ashanti by Britain, which led to the diffusion of weaving skill to other parts of the country and subsequently became a commercial activity, the art of weaving was exclusive to the King of Ashanti. The clothing

requirement of the King was supplied by the artisans who utilized local resources in the production of the cloth. However, the integration of the local economy into the world economic system resulted in the dependence on certain inputs from outside market. Imported cotton and silk yarns gradually replaced the local cotton yarns the Kente industry was using. The manufacture of traditional cotton yarns was the work of women who picked and spun the cotton into thread. The process went through these stages: the unspun cotton was held on a distaff in the left hand. The sticks of the spindle were wetted with spittle and a strand of cotton was stuck upon it. A spindle was set revolving with a twist of the thumb and forefinger. The spindle revolved upon a concave fragment of a smooth snail-shell. The thread is teased out and twisted into a uniform thickness by the revolving spindle assisted by the fingers of the right hand which ran deftly up and down the teased-out cotton. The action of the revolving spindle first twists the cotton and then winds the spun thread on the spindle. (Rattray; 1923). Figure 2 shows an Ashanti woman using the traditional method of spinning raw cotton into thread. The traditional cotton spinning by Ashanti women was not different from the traditional system operating in Britain

FIGURE 2

ASHANTI WOMAN SPINNING COTTON



Source: Rattray (1927:225)

before the industrial revolution. This is however, preserved in parts of England.

The introduction of yarns from outside (that is, imported and locally manufactured) has not drastically changed either the artistic content of the Kente or the craftsmanship entailed in its making. It is still woven on a narrow loom, in narrow strips. The equipment the artisans have been using have also not undergone any changes. These include the Sheald, Breast Beam, Reed, Bobbin, Schuttle - which are obtained from local resources and are made by local artisans or the weavers themselves.

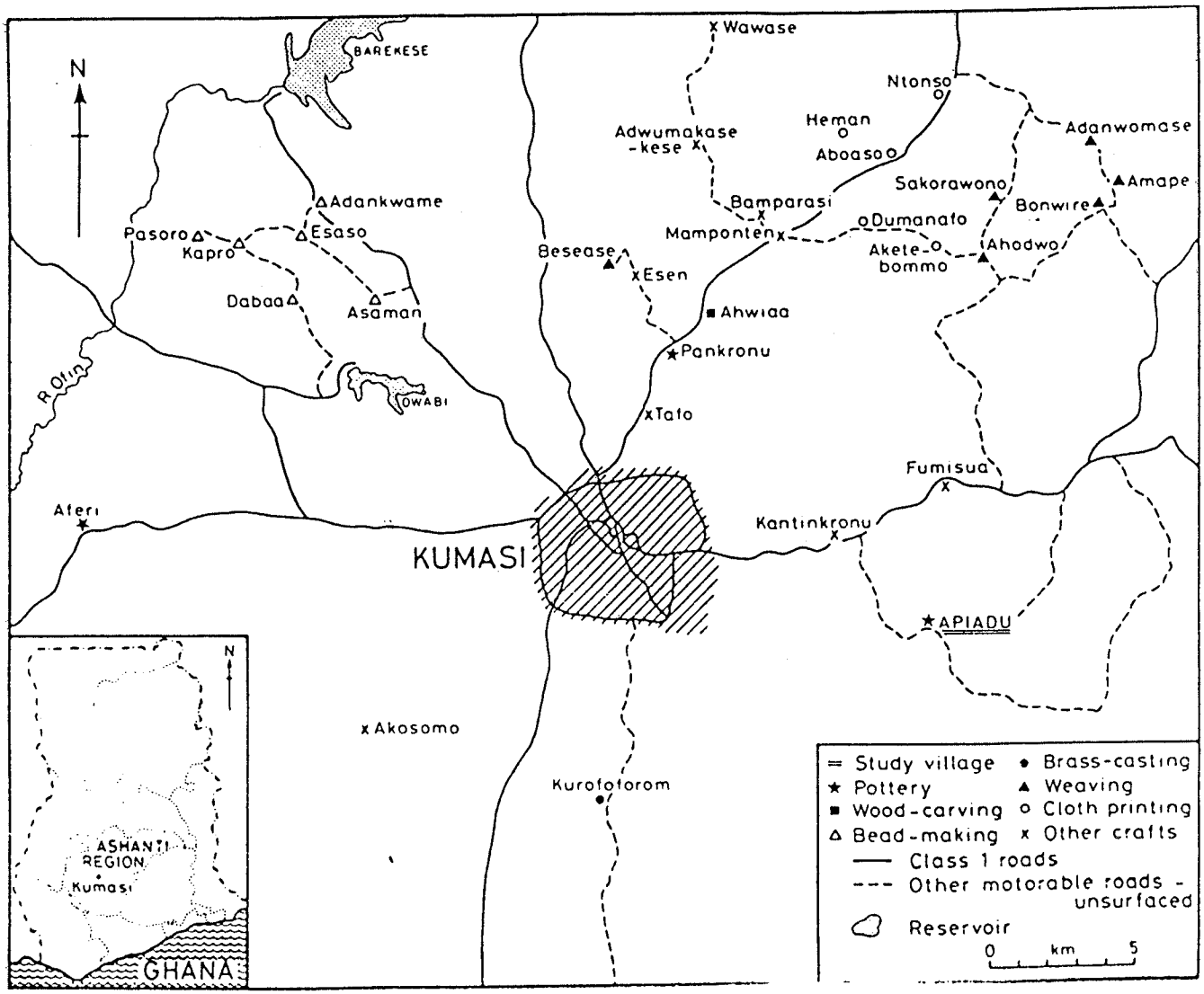
Social Organization

Like other handicraft industries - Pottery, Smithinf, Carving and Sculpturing - the Kente Industry is traditionally linked with the social organization of the people. Social change in Ghana has not affected the social networks in the industry. It is still organized around particularistic criteria, that is, on kinship and friendship basis (Kuffuor-Berko, 1978). In Ashanti, for instance, the dominant weavers come from the Kwabre district where it originated in early 19th Century. Figure 3 illustra-

FIGURE 3

SHOWING THE LOCATION OF CRAFT INDUSTRIES

IN THE KUMASI AREA



Source: Browne (1980:314)

tes the areas of concentration in Ashanti Region. In other parts of the country where the cloth is woven, family and friendship bonds determine the organization of industry, that is, recruitment, training, and social networks. Figure 4 gives the geographical location of the Kente industry, together with other weaving and knitting and garment industries in formal and informal (that is, large and small industries) sectors.

Figure 4 shows a high concentration of weavers in Ashanti region, around Kumasi district; parts of Brong Ahafo and Eastern region and Keta and Agotime in the Volta region. According to the 1962 Industrial Statistics,[5] Kente weaving industry had 6277 units in the informal sector and 145 units in the formal sector (those units with more than 10 people engaged).

Equipment Used In Weaving

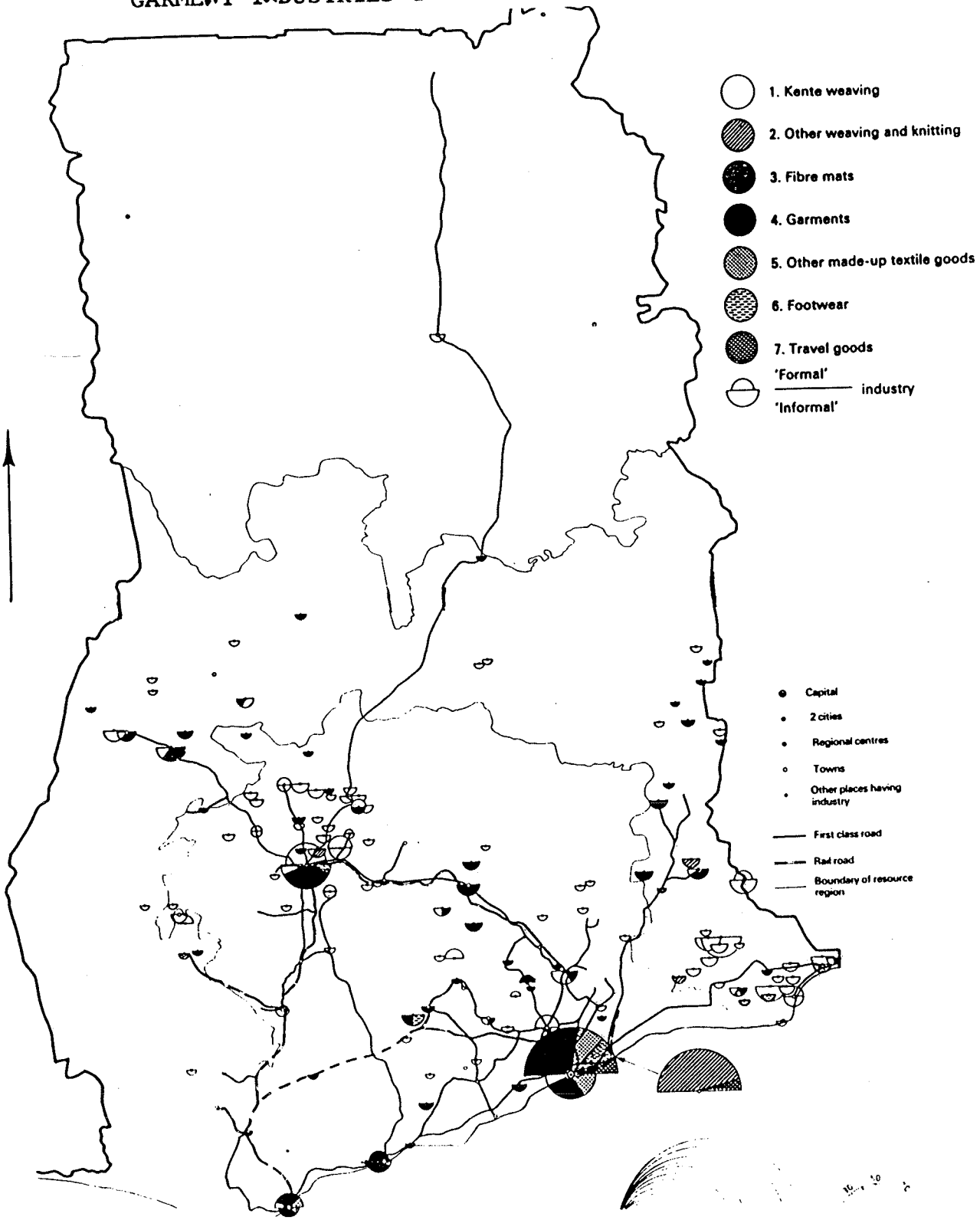
The following illustrations will provide an insight into the various tools the artisans use in the hand-loom

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5 The breakdown of all industrial units in the informal and formal sectors are provided in the next chapter in Table 10.

FIGURE 4

LOCATION OF KENTE WEAVING AND OTHER TEXTILES AND GARMENT INDUSTRIES IN GHANA - 1962



Source: Andrae (1981:56)

industry which shows a high dependence on local resources. This will also show how ingenious the Ghanaian weaver is in his determination to be self-dependent.

The Wooden Loom

This is made of 13 pieces of wood. It is fixed to the ground by driving four pieces of wood/stick in a 3x4 foot area. Portable looms are made by securing these four vertical posts to the corner of a 3x4 inches high platform of the same 3x4 foot size as the stationary loom. Where a weaver is unable to hire the services of a carpenter to make a wooden loom for him, he just goes to the bush and acquires the wooden materials and makes the loom himself - at no cost! Figure 5 shows the structure of the loom as used by the weavers.

The Skeiner

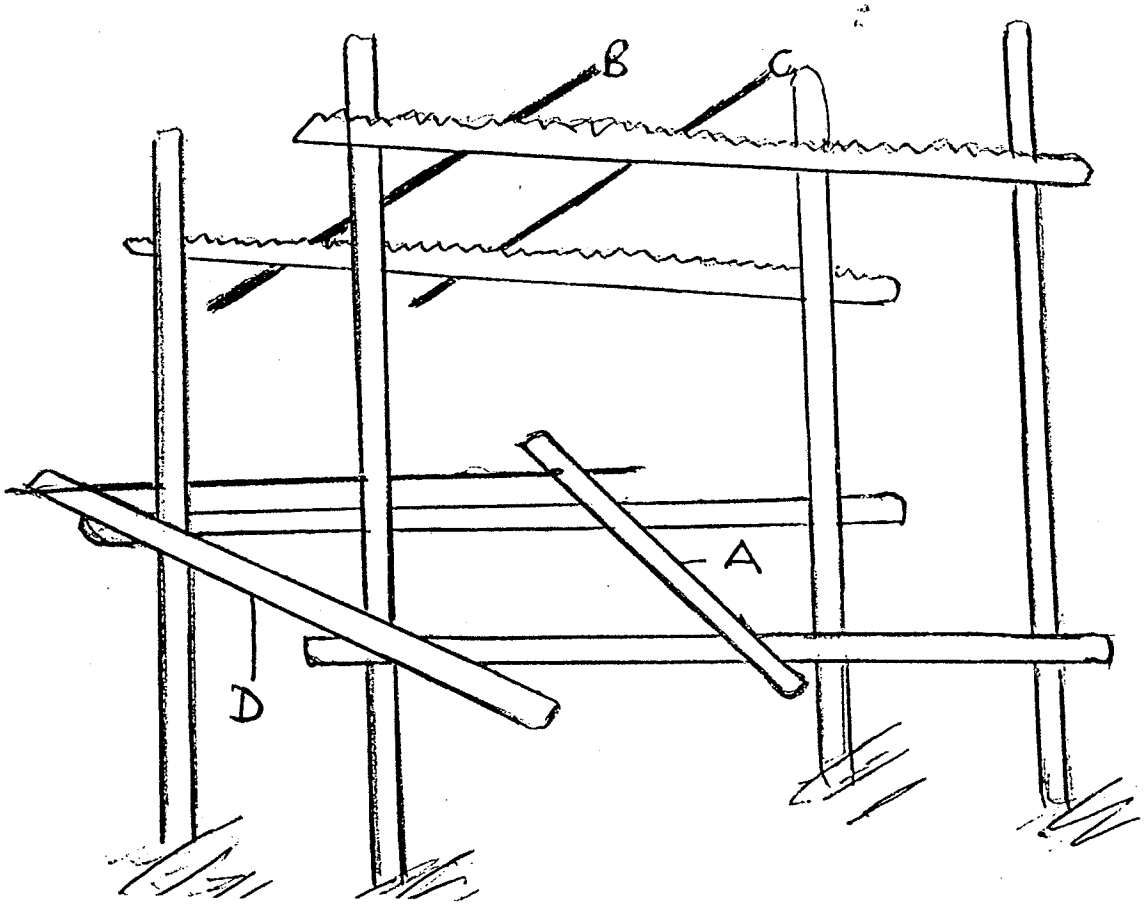
The two sets of tools make up what the weaver calls "fwiridie". As A and B revolves, C turns round and the yarn on C is wound round the spool attached to B. See Figure 6.

Healds

Two sets of healds are required by the weaver - the smaller and bigger healds. The two together make up the pulleys. The distinction between the two is made by the

FIGURE 5

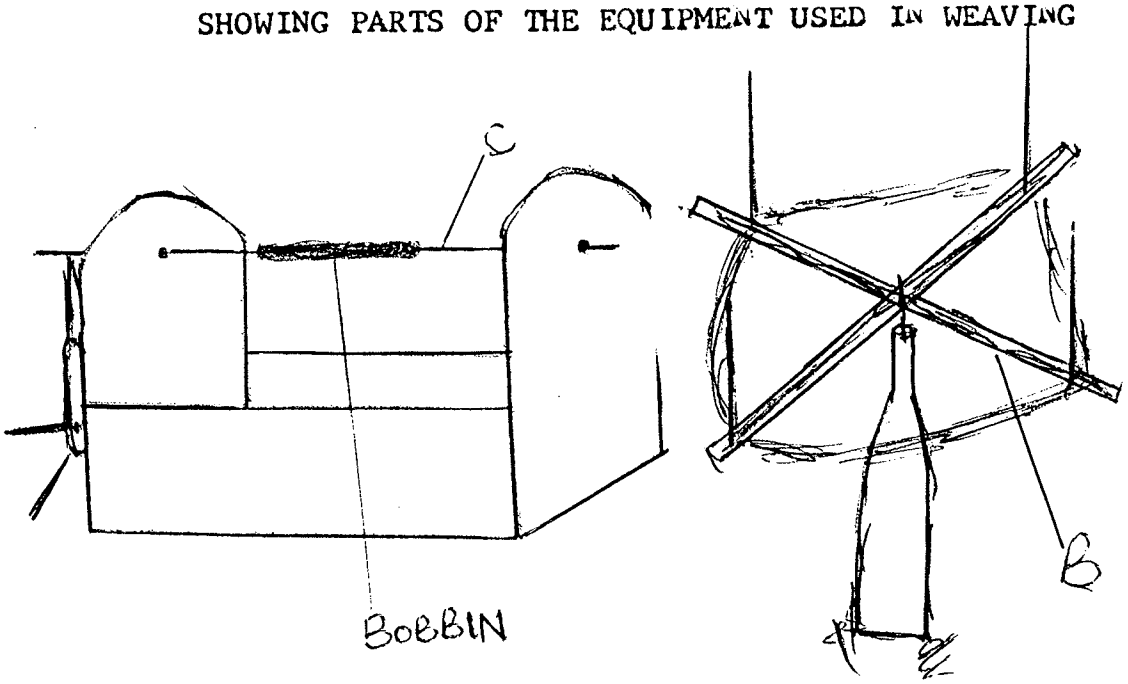
SHOWING THE STRUCTURE OF THE WOODEN LOOM AS USED BY THE KENTE WEAVERS IN ASHANTI



A - is the belly stick (Ayase-dua), technically called the breast-beam. In traditional Ghanaian weaving, the breast-beam serves as cloth-roller.
B and C - are two sticks which are attached to the pulleys (Awidie) during weaving. The pulleys support the Healds and the Reed. B support the bigger Healds (traditionally called "asanan") while C supports the smaller Healds (asatia).
D - is the cross front bar over which lie the warp threads.

FIGURE 6

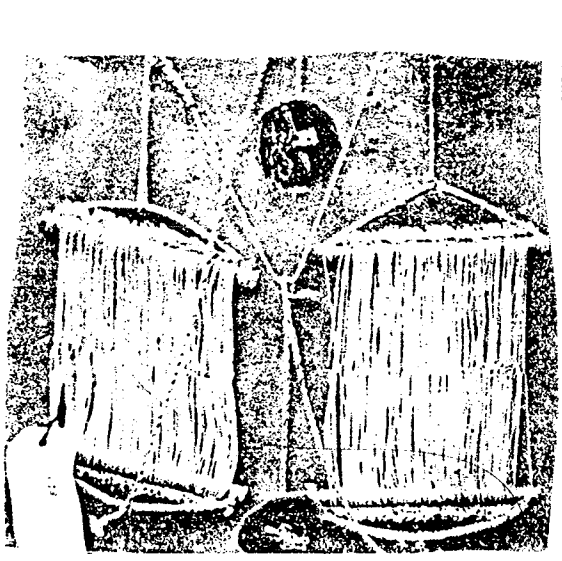
SHOWING PARTS OF THE EQUIPMENT USED IN WEAVING



THE SKEINER



SWORD/SHED-STICK



SMALL HEALD
(Asatia)



BIG HEALD
(Asanan)

thickness of the thread used in making them. The smaller heald has a lighter thread, while the bigger heald is made of thicker thread. Figure 6 shows the distinction.

Sword

This is used as a shed-stick. It becomes useful only when the weaver is working on webbed designs. This facilitates the rapid movement of the hand and speeds up the process. See Figure 6 for illustration.

Method Of Weaving

Before a weaver sets out to weave the Kente, he first fills his spools with cotton thread. He goes to the warping mill where he trails out the thread. He indicates the type and style of Kente he weaves by the number and order of thread he trails out as well as the colour combinations. He then passes the warp through the healds, bearing in mind what he wants to weave, which is determined greatly by the colour combination he has outlined on a small flat piece of wood. The weaver then passes the warp through the reed after which he attaches the weft to his breast-beam. The warp is stretched over the front bar and held taut by an anchorage of large rock upon a flattened kerosene tin or hide. The reed and healds

are suspended from a bar (See Fig. 5, B and C) at the top of the loom by pulleys and the healds are worked through the feet with tow-treadles. The loom is set for weaving to commence as soon as the weaver pulls his weft out taut. Meanwhile, the shuttles of the weaver are loaded with the needed coloured yarns. The alternating movement of the pulley by the feet of the weaver and the beating on from time to time by the reed eventually produces the Kente. As it is being woven, the strip of cloth is wound round the breast-beam, and tension on the warpage is maintained by the anchorage.

The loom is easy and inexpensive to construct and is easily dismantled in case the weaver wants to change location. At the end of the day, he unties the bundle warpage from his anchor and rolls the healds, reed and the woven portion of the Kente around the breast-beam and carries it home. As Johnson (1979:60) describes the whole process of weaving:

> "... the method of weaving in narrow strips is very flexible. A great variety of patterns and textures can be achieved by using either one or two sets of heddles, which may be either coarse or fine, giving variety in the weft. The 'chessboard' pattern, achieved when the strips are sewn together to make the completed Ashanti cloth is one of the distinctive achievements of narrow-loom

weaving and one which could not be replicated easily on a European loom."

POTTERY

The art of pot-making is exclusively reserved for women, even though tradition does not forbid men from engaging in it. It has however, become a hereditary craft which is handed down from mother to daughter, with sometimes all women in a family being pottresses. They are taught the art during their childhood, in some instances as early as three years of age. But as indicated by Browne (1981:318), pot-making in Ashanti is becoming the exclusive occupation of the elderly since the young girls tend to regard the occupation as the work of older women and that they might consider once they themselves are old. One influencing factor she found was education. Since pottery was not incorporated into the educational system, school girls often regard the work as demeaning, befitting only the illiterate but not someone with academic qualification.[6]

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6 Those interviewed by Browne were in the Senior Elementary School - Standard Seven by the British Educational Structure.

In Ghana, every region has its locality where pot-making is undertaken. For example in Ashanti, Tafo-Pankrono and Apiadu are widely known as centres of pottery; in the Volta region Logba and Kpandu; Zaare and Vea in the Northern Ghana. Clay, which is mainly used for making pots, is obtained locally along river courses. Two types of clay are usually used by the potters. Clay types usually determine the kind of pot the potter is making.

Before the pot is made, the potter digs the clay and breaks it up, sometimes by pounding it in a mortar. The mass is then softened with water and thoroughly worked up with the hands until the required plasticity is reached. The potter ensures that all foreign substances such as pebbles and grit are removed. She then puts the clay on a board to keep it from contact with the ground. The traditional method of working the pot continues to be used today and Rattray's 1927 description is still in use.

The pot is first hollowed out and dragged up from a lump of clay, with extra rolls of clay being added from time to time to make the size of pot required. The only implements used in pot making consist of palm cobs, a piece of rag, a couple of small blocks of wood, a strip

of palm stem bent into a form of a ring used as a scraper and a smooth pebble. No potters wheel is involved and the implements used are locally acquired. The half-completed pot is left to dry before the base is added by the potter, using only two further tools - a ring made from a strip of palm stem and a pebble. The final parts of the manufacturing process are the pre-heating of the pot to remove moisture, burnishing with a red firing clay and lastly firing (Browne 1981:316). The firing is communally done, involving usually a group of up to 5 potters. According to Browne (1981), the bonfires are made in specially cleared places in the village and the firing process lasts 30 to 40 minutes. Breakages during the firing are few, with only one or two pots being lost from each bonfire involving about 100 pots.

Marketing

Browne (1981) describes the process of marketing in the pottery industry and it involves a two-tier mechanism. Either the potter sells the earthenware direct to traders who come to the villages to purchase them or they transport the pots to the urban centres, usually, Kumasi and retail them to market traders who sell earthenwares. The former method is usually considered since it is more

convenient to the potters in terms of time and transportation cost. Figure 7 illustrates the areas of pottery making concentration in Ghana. According to the 1962 Industrial Statistics, there were 4,482 pottery-making units in the informal sector and 22 in the formal sector in Ghana. As Figure 7 shows the concentration was mainly in the South, that is, Eastern, Volta and Ashanti Regions.

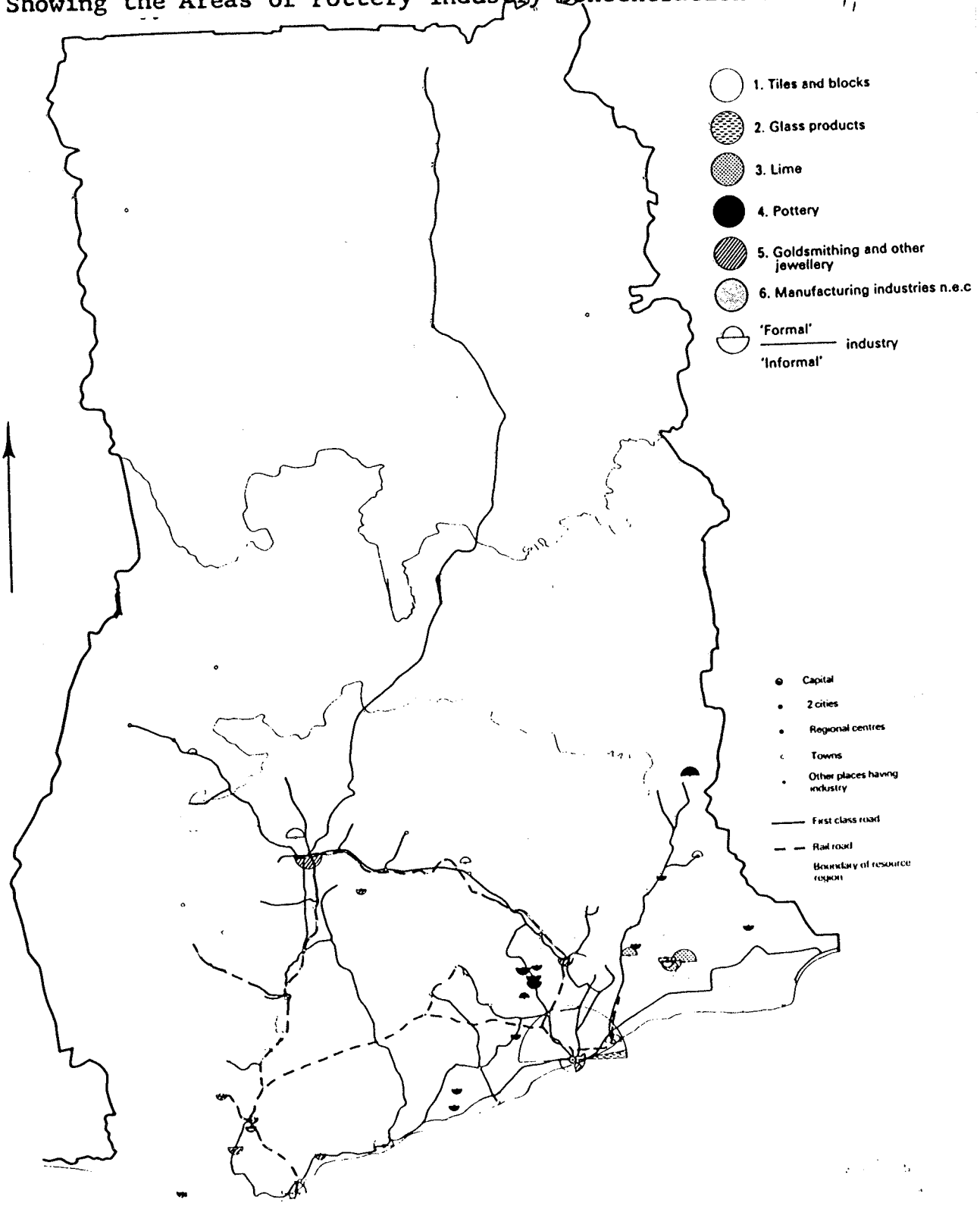
The tools the potters use in making the pots are illustrated in Figure 8.

CARVING AND CARPENTRY

Carving and Carpentry constitute another important industrial establishment where artisans express their artistic skills through the carving of stools, wooden figures, drums, umbrella frames, wooden plates, doors, stave of office, canoes, indoor games (wari,draught chess), furniture et cetera. Surprisingly, the craftsmen with such latent artistic talents and genius have never been exposed to Western (formal) education, yet their peculiar merit astonishes many people from the developed societies whosee these crafts for the first time. Like other forms of traditional industries - Kente, pottery, and smithing,

FIGURE 7

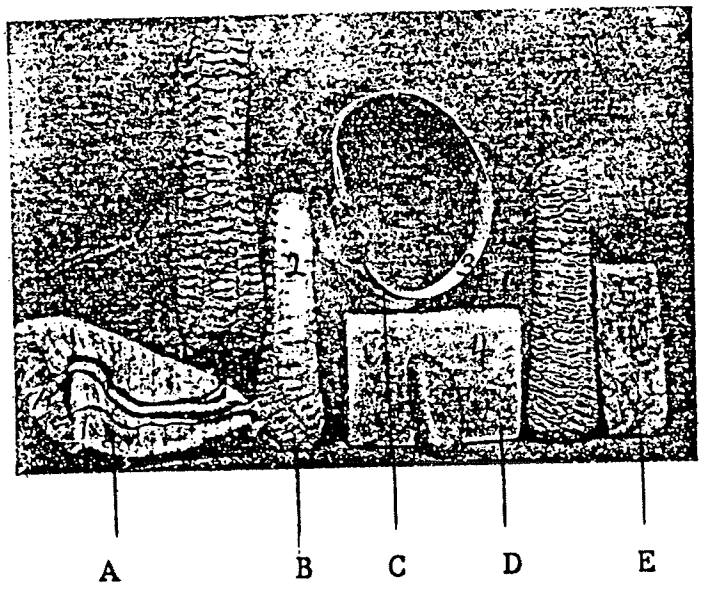
Showing the Areas of Pottery Industry Concentration In Ghana



Source: Andrae (1981:62)

FIGURE 8

SHOWING TOOLS POTTERS USE



A - a piece of rag

B - palm cob(s)

C - a strip of palm stem bent into the form of a ring used as a scraper

D - a smooth pebble

E - small blocks of wood

tradition has preserved the art of carving till today. As Rattray (1927:270) puts it,

> "Even the tools and appliances used to obtain these effects, the forge itself, the shuttle, the mesher used for making nets, are ornamental being decorated with artistic effect which, however crude, are never vulgar and unartistic"

Carpentry, unlike indigenous wood-carving and sculpturing, has had some degree of outside influence due to its coastal dominance and the nature of tools used by the artisans. Hinderrink and Sterkenburg (1975) have shown that in Cape Coast, for instance, most of the well-established proprietors and excellent craftsmen in the carpentry industry worked with the colonial civil service as foremen or skilled labourers.

Complementarity exist between carving and carpentry industry and other industries in the informal sector. For instance, most of the equipment used by weavers in the informal textile industries are produced by carpenter/carvers. The loom, shuttle, mesher, forge are all made by the carpenter or the carver. The implements used by sculptures (carvers) are locally acquired, however, in the case of carpentry industry, some of the equipment are imported, particularly those which use electricity.

Figure 9 shows the density of concentration of industrial establishments in the sawing, sawmilling and carving as well as furniture and fixtures throughout Ghana. The combination of sawing, sawmilling and carving is due to the complementarity they have. However, it could be explained from Figure 9 that sawing and sawmilling are mostly in the formal sector due to the number and level of technology they employ, while carving is mostly in the informal sector. In 1962, for instance, there were 1,481 units of wood carving establishments in the informal sector, and 12 in the formal establishments. In the same period, 8,253 units were in the informal furniture and fixtures (carpentry) sector whilst 173 units were in the formal establishments.

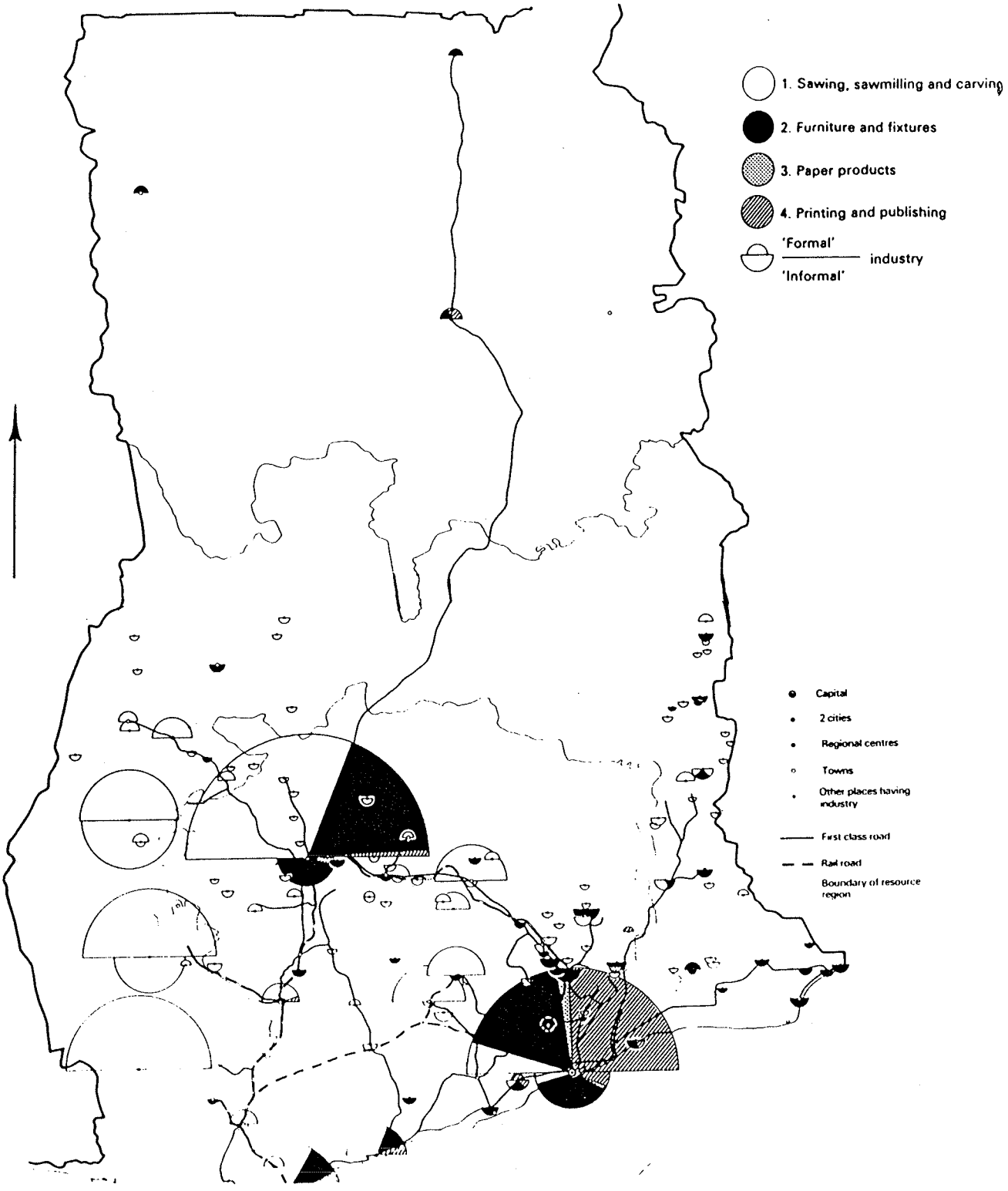
SMITHING

Artisans in the smithing industry produce farming implements like hoes, ploughs, knives and matchets, mattock and spears which are used for hunting and farming in the subsistence agricultural sector.

Of all the handicrafts considered so far, smithing seems to be the only traditional craft industry which seems to be decaying rapidly as a result of the introduction of imported iron and steel from Europe in the 18th and 19th

FIGURE 9

SHOWING THE DISTRIBUTION OF CARVING AND CARPENTRY (FURNITURE AND FIXTURES) INDUSTRIES IN 1962

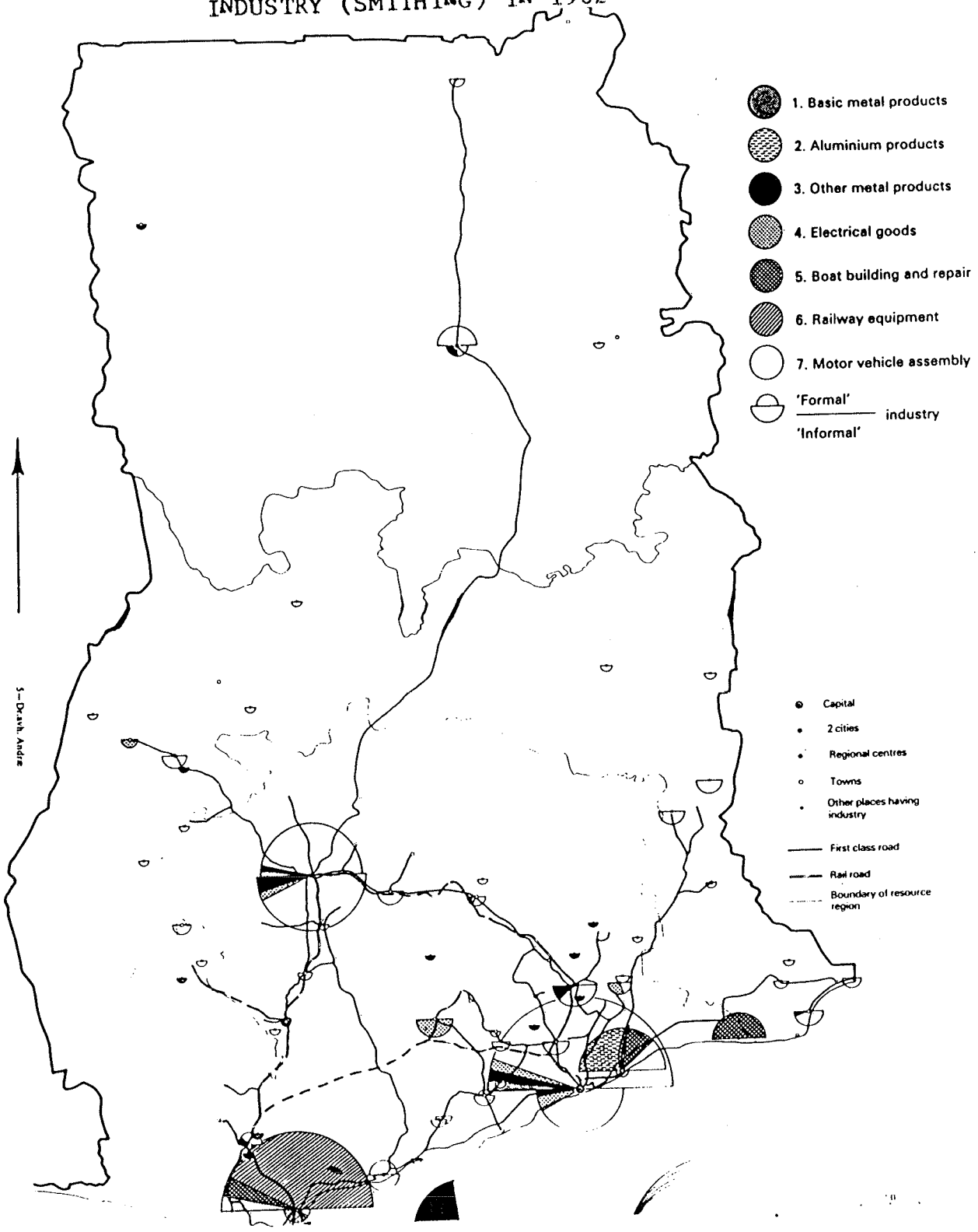


Source: Andrae (1981:58)

Centuries. The dependence on imported iron and steel rods for building and other needs continue to persist today. This has almost replaced the traditional metal casting. In spite of this competition from imported metals, blacksmiths in the Northern Ghana and some parts of the South continue to perform important economic functions by providing basic tools needed by farmers in the agricultural sector. In the Northern Ghana, for instance, production of metalworks is almost exclusive to Zaare, Vea and Dulugu areas. In the Southern Ghana, apart from a few dispersed artisans in the smithing industry, Akpafu in the Volta region still maintains the old traditional form of metal casting. Figure 10 shows the geographical distribution of various matal industries in Ghana in 1962. In the same year, the Central Bureau of Statistics Industrial Census revealed 3,891 blacksmithing units in the informal sector (establishments with less than 10 people engaged) and 22 were in the formal industrial sector (with more than 10 people engaged). We shall take a look at some of the equipment the artisans use in the smithing industry to produce some of the basic metal products used in farming, hunting and gathering. Figure 11 illustrates that.

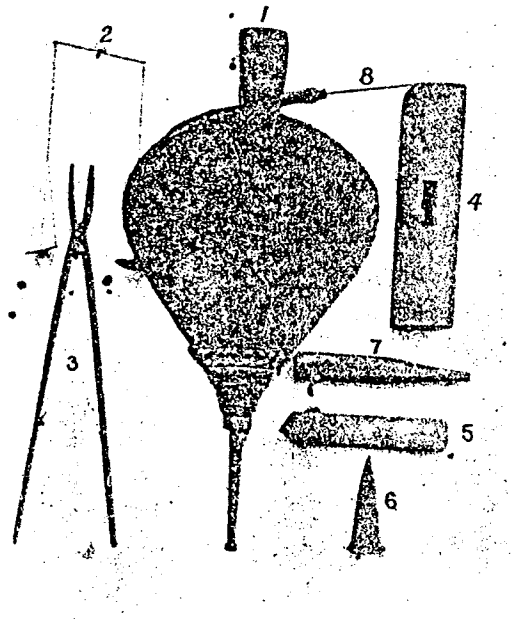
FIGURE 10

SHOWING THE DISTRIBUTION OF BASIC METAL PRODUCTS INDUSTRY (SMITHING) IN 1962



Source: Andrae (1981:64)

FIGURE 11: EQUIPMENT USED BY ARTISANS IN SMITHING INDUSTRY



Growth Inhibiting Factors

We shall now consider some of the fundamental problems that have affected the growth of small-scale industries (handicraft and cottage industries) in Ghana. The inability of the indigenous industries to expand and grow so as to contribute meaningfully to the development

of Ghana could be attributed to numerous social and economic factors. These include: lack of adequate finance to renew and expand existing technology, continuous dependence on outmoded technology, inaccessibility to external markets and organizational and managerial difficulties which have tended to disintegrate the small industrial units.

Finance

The financial institutions in Ghana are well developed enough to channel savings into productive sectors of the economy, yet such services have not been expanded in such a way as to enable artisans in the rural and urban areas to benefit from the loan and other technical services offered to large-scale manufacturing industries and other entrepreneurs in the medium industries in urban areas. The artisans are confronted with the problem of meeting the colateral for loans demanded by the financial institutions as well as competing with the well-established large-scale industries. Since most of the medium and large-scale establishments are either government-owned or government-owned with foreign interests, they have easy access to the financial resources from the banks. At worst,

the government bails them out in times of financial crisis. Artisans in the small industrial sector are compelled to rely on personal savings and family sources to operate their businesses successfully. In most cases, they solicit the support of money lenders who charge high interest rates. By law, money lenders are prohibited from charging more than 30 percent interest per annum, but the de facto rate is 15-50 percent per month, usually 25 percent (Hart 1970:114). This hampers any motivation to engage the services of experts to upgrade their industrial operations. Extensive discussions on the small interprises in other developing countries by Davenport (1967), Levy (1960), Fei and Ranis (1963), Garlick (1971), Schatz (1962), Basak (1963), and Bosa (1965) seem to confirm the fact that the development of small industries in developing countries have been hampered by lack of capital and other credit facilities from the financial institutions.

Schadler's (1968) study of crafts and small-scale industries in Tanzania concluded that almost 80 percent of craftsmen depended on their own savings to start their businesses. Both I.L.O. (1972) study of the informal sector in Kenya and Hakam's (1972) study of Ghana's informal

sector have shown that credit facilities and import licence policies up to 1968 consistently favoured larger industries. In a similar study by Hart (1970) in Ghana he concluded that most of the entrepreneurs depended on their personal savings for investment. Garlick (1971) mentions that 21 of the 111 African (Ghanaian) storeowners he interviewed in Ghana listed relatives and friends as the source of their original capital, while 73 others mentioned their own savings as the initial source. Nypan (1960), too, speaking of women market traders in Accra claims that "... the family fulfills certain obligations by providing starting capital" (p 35). Browne's (1983) latest studies on Kente weavers in Ashanti also concluded that for the majority of weavers (72 percent) the source of capital was savings which they had made from being hired as weavers. What these studies suggest is that the small entrepreneurs in general are hampered in their growth by the lack of financial assistance from the financial institutions.

Marketing

Products from the handicraft and cottage industries cater for both domestic and external markets. In spite

of their potentialities as a source of foreign exchange earners due to their tourist attractions, minimum efforts have been made by the government of Ghana to open the export market to the artisans in this sector of the economy. Export procedures are complicated and cumbersome and unless these are simplified to enable the artisans to enter the world market, they will not be able to derive due profits from their endeavours. The great artistic skills in carving, smithing, weaving and pottery have impressed tourists from Europe and America. These are the markets that have to be explored by the artisans with government assistance.

Technology

The traditional nature of production methods in the handicraft industry inhibit the adaptation of new techniques of production. But there is the need to provide a framework in which constant technical guidance is readily available to the small industries sector in the country. Improvement or modernisation of technology should be more than a mere replacement of obsolete machinery; it involves a completely different approach to the problem of the small industry, and should show itself in

every aspect of it. As stated by I.L.O. (1961:30)

> "It may not be necessary or possible to 'de-integrate' a particular production process, but rather to adapt existing, or devise new tools or simple machinery so as to enable it to be performed efficiently within a small undertaking. Technological research carried out by a joint or state-aided agency may make this possible"

However primitive the technology of the artisans, there is scope for improvement. This does not mean a substitution of capital intensive or advanced technology for the existing one but the adaptation of simple appropriate technology that can be operated and managed at the village level. As Schumacher (1961) said to the Indian Government regarding the improvement of village industries, "Find out what they are doing and help them do it better ... study their needs and help them to help themselves". (Vepa, 1971:224) This same point was earlier stressed by President Hoover (USA) in 1946 when he told Gandhi (then leader of India) that "what India needs urgently is not a heavy tractor but an improved plough" (Vepa, 1971:224).

By any inference, the present state of technology in the handicraft sector could be said to be appropriate since it is indigenous and does not depend on any outside resources. By appropriate technology, we mean the

set of techniques which makes optimum use of available resources in a given environment (Morawetz (1974):517). This does not imply that the present technology cannot be improved or upgraded. Stewart (1978) mentions that a technology might be appropriate, but not necessarily the only appropriate technology. In those industries considered so far, we realise that traditional values continue to preserve the old production methods, particularly the equipment used by the artisans. These are potential areas worth looking at if handicraft and cottage industries are to be revitalised to contribute socially and economically to the development of Ghana.

Organization

The handicraft sector is widely dispersed throughout the country, with certain localities being known for the production of particular crafts. In spite of the communality of operations inherrent in the handicraft industries, it is apparent that there is no organisation which seeks to bring the artisans together as a group. Cooperation among the artisans does not go beyond kinship or friendship relations (Browne, 1980; Kuffuor-Berko, 1978). Such a tendency limits the abilities of artisans to pool

their resources on a wider basis. Unlike other countries like Sweden, Japan and India where the governments have established institutions to coordinate the activities of the small industrialists so as to assist them to acquire improved skills, Ghana lacks such initiatives. In Sweden, for instance, the government has established the Institute for Handicrafts which promotes the training of artisans. Besides, there is the Small Industry Sales Corporation which undertakes the promotion and marketing of products of handicrafts and small industries. The same Corporation cooperates with a privately owned compaby to export furniture, hardware and other products of small-scale industries (I.L.O.; 1961:37).

Until 1981, when the Government of Ghana passed a Bill in Parliament (West Africa, August 19, 1981) establishing a National Board for Small-Scale Industries, the activities and interests of the small industrialists were not coordinated under any central body. The Ministry of Industries, the Ministry of Rural Development and the Ghanaian Enterprises Development Commission were responsible for the small industries with overlapping functions. Such a Board could have provided resources, continuity and the coordination in the context of an overall view of

the needs of the national economy. Representatives of small producers could have provided enthusiasm, ideas and voluntary work for the efficient running of such organizations. Unfortunately, this Board lasted for only 3 months and disbanded when the government was overthrown.

As stated by I.L.O. (1961:38) "helping people to help themselves is usually much more effective than doing things for them, and people are much more likely to avail themselves of services and facilities provided if they have felt the need for them and if they or their representatives have some say in the way in which they are organized".

The absence of an organization to bring the artisans together as a group and the failure of the government to establish an autonomous institution to coordinate the activities of the small scale industrialists are two other problems which combine to retard the growth of the small industrial sector. The next chapter will discuss the role the small industrial sector (handicraft and cottage industries) has been playing in the economic and social development of Ghana even though this sector continues to be hampered by the lack of access to capital, dependence on outmoded technology, inaccessibility to external market

and the lack of proper organization to ensure efficient resource mobilization by artisans in that sector.

CHAPTER 5

THE ROLE OF SMALL-SCALE INDUSTRIES

The preceding chapter focused on the problems which have combined to contribute to the declining state in the handicraft and cottage industries. We saw that the continuous dependence on traditional technology, the absence of any comprehensive organizational and managerial programmes for the artisans and the lack of adequate finance to expand the scope of operations have had some impact on the progress of the handicraft sector. This chapter will, however, attempt to explore the potential contributions of this sector to the economic and social development of Ghana. The traditional techniques used by the artisans are labour intensive, low cost, small-scale and decentralized and thus appear to offer both the possibility of absorption of productive labour which would otherwise be unemployed and a potential source of increased output if their productivity could be raised (Browne, 1981:30). Furthermore, the handicraft industries utilize about 80 percent of local raw materials, have greater ability to enhance skill aquisition and

transfer to the local labour force because of the social milieu within which the artisans operate and the fact that the technology used is simple.

In Chapter 2, the direction of Nkrumah's industrial strategy in the 1960's which was one of accelerated industrialization and which he saw as the only way to reduce unemployment and economic dependence on imported commodities was analyzed. Killick (1978) mentions that at Independence, the government had at its disposal some options in both agricultural and industrial development which included the building upon what already existed, helping the traditional sector gradually improve its methods and productivity, and breaking with the past by introducing ready-made technology from abroad. According to Apter (1973), the latter option was taken since Nkrumah wanted to build many new factories rather than encourage the growth and improvement of existing small-scale enterprises. Nkrumah lacked confidence in the potentialities of the small indigenous industries and indeed made this clear by declaring that

> "there was little realistic prospect for fostering an indigenous entrepreneurial class capable of industrializing the country at the speed he wanted" (Killick, 1978:37).

Nkrumah did not realise the limitations in embarking on gradiose industrial policies which, rather than reducing unemployment in the country, increased it and made the economy more dependent on imports in general. In spite of the unfavorable atmosphere within which the small entrepreneur operates, the indigenous industries have survived and continue to play a vital role in the economy. We shall briefly consider the role the small industrial sectors have been playing and will be playing if they are given the necessary "push" by the government.

Employment

Under-employment is wide spread particularly in rural areas, although there are mounting problems of unemployment in the urban areas also, especially in the cities where rural residents migrate in the hope of finding jobs and where excessive numbers of petty traders try to eke out a living at tasks that keep them only nominally occupied.

Table 9 provides the structure of manufacturing establishments in Ghana and the number of persons engaged in each sector in 1962.

TABLE 9

MANUFACTURING ESTABLISHMENTS AND NUMBER OF PERSONS EMPLOYED BY SIZE OF ESTABLISHMENT - 1962

SIZE OF ESTABLISHMENT (No. engaged)	ESTABLISHMENTS No.	%	PERSONS ENGAGED No.	%
1	49902	52.4	49902	19.6
2-4	36521	38.4	95283	37.5
5-9	6787	7.1	41112	16.2
10-19	1364	1.4	17023	6.7
20-29	246	0.3	5909	2.3
30-49	132	0.1	4921	1.9
50-99	105	0.1	7212	2.8
100-199	58	0.1	7840	3.1
200-499	38	-	11000	4.3
500+	14	-	14045	5.5
TOTAL	95167	100.0	254247	100.0

Source: 1962 Industrial Statistics, Table 10 and 12, from Andrae, 1981, Table 3.4, p 91.

From Table 9 we see that in 1962, the small industrial sector (informal) employed more people than the larger industries (formal) established by the government to boost employment in the country. We also see that out of

approximately 100,000 establishments ennumerated in 1962, over half (49,902) were one-man enterprises engaging 49,902 people. In general, small establishments (that is, those engaging less than 10 people) employed a total of 186,297 out of a total labour force of 254,247 people. (73.3 percent) Table 9 also shows that those industries with over 30 persons, which are considered large-scale, numbered 347 and employed a total of 45,018 people. The situation had not changed in any way, according to employment statistics in 1970.

TABLE 10

RELATIVE SIZES OF MODERN, INTERMEDIATE AND INFORMAL EMPLOYMENT - 1970

SECTOR	SHARE OF TOTAL WORKERS		SHARE OF SECTOR	
	Modern Sector	Intermediate & Informal	Modern Sector	Inter. & Inf.
Agriculture, Forestry & Fishing	2.7	97.2	12.3	63.5
Mining & Quarrying	81.5	18.5	6.3	0.2
Manufacturing	13.9	86.1	13.3	12.0
Electricity, Gas, Water & Sanitary Services	72.7	27.3	3.7	0.2
Construction	68.0	32.0	12.6	0.9
Commerce	8.2	91.8	9.0	14.6
Transport, Storage, Communication	38.6	61.4	8.2	1.9
Service	43.0	57.0	34.6	6.7
TOTAL ALL SECTORS	12.7	87.3	100.0	100.0

Source: Ghana Labour Statistics, 1970 Population Census IV. From Andrae, Table 2.5, p.31.

Employment in the manufacturing sector was dominated by the intermediate and informal sectors which comprise all small industries. As shown in Table 10, with a sectoral share of 12.0 percent, the intermediate and informal sector employed 86.1 percent of the labour force engaged in manufacturing as against about 14 percent in the modern (large-scale) industries.

There is enough evidence to show that the handicraft and cottage industries in Ghana offer full-time and part-time employment to a vast majority in Ghana. Browne (1981) found among the Ashanti that potters combined their craftwork with farming which was evident from the daily time budget of the people. Pottery making was considered by the potters as their main occupation with farming as a secondary pursuit. (Browne, 1981:315). Similarly, among Kente weavers in Ashanti, the industry offers full-time and part-time employment to the weavers. Like carving, smithing, and other craftworks in Ghana, Kente weaving supplements the income of farmers engaged in the industry, particularly in the lean agricultural seasons (Browne, 1981; Kuffuor-Berko, 1978).

In the urban areas, one sees a similar role played by the informal sector. Hart (1970) found in Accra that

people engaged in artisanal occupations as a way of earning extra income to supplement what they earned from the formal employment. In some cases the informal (service) employment was the main source of income.

What could be inferred from the discussions here is that in spite of the government's continuous support for the modern sector (large-scale industries) the informal (small-scale) sector employs more people than the former. In terms of number too, the small industries outnumber the large industries which are more centralized in few centres. The decentralized nature of the small enterprises seems to suggest their ability to reach out to more people in rural and urban areas. Furthermore, small industries enable an enterprising entrepreneur to set up a productive concern which could offer employment to other people, thus helping to lessen the social tensions that grow in an atmosphere where many people are out of work and are therefore deprived of any source of income.

Indigenous Entrepreneurship

The entrepreneur has peculiar characteristics which include initiative and enterprise, creativity, self-reli-

ance, innovativeness and high motivation. (Levine, 1966; Hart, 1970; Cole, 1953; Gerschenkron, 1953; Hagen, 1962; McClelland, 1961). The initiative and inovativeness of the artisans in the handicraft and cottage industries have produced some of the world's most intriguing forms of art. Their creativity and self-reliance have sustained their skills for over a century. Yet, these craftsmen and women with such artistic skills are mostly illiterates and semi-literates with little or no formal education. The technology used by the artisans is simple and appropriate. This is because the artisans make and operate the necessary tools without depending on any outside support. It is this ingenuity which, given the necessary support and incentive could help lay the foundation for a self-sustaining growth in rural and urban areas.

Transmission of skills in the handicraft industry is hereditary. Such skills are transmitted by either the father, mother or uncle to the son, daughter or nephew. Thus, it is common to see a whole household or township specialising in the manufacturing of a particular craft or trade. It is part of the social obligation in most parts of Ghana for the father, mother or uncle to teach the son, daughter or nephew a skill he/she had been

taught previously. In Ashanti, for instance, most towns and villages are known for their skills in certain art-works. The people of Tafo-Pankrono are known for their craftship in pot-making and ceramics; Ahwia - woodwork and carpentry; Adamasi, Bonwire and Wonoo - Kente Weaving; Konongo, Obuasi, Nyinahin and Kumasi city - smithing. (Figure 3 shows the towns/villages and their peculiar craft industry).

In Japan, the industrialisation programme initiated in the 18th Century concentrated on the growth of small enterprises which provided the base for the new industrial society. This was done by retraining a large body of artisans in the handicraft sector, particularly the handloom weavers as industrial workers. Cottage industries were absorbed into the new structure instead of being replaced. The continuous emphasis on labour intensive form of production encouraged the improvement of skills of the artisans. The opposite situation prevailed in Ghana at the initial stages of industrialisation. Capital intensive industries which depended on outside technology and skills were emphasized. The training programmes initiated by the government to transfer skills to local people so as to manage these industries took some time as well

as a great deal of financial resources. In most cases, the expected results could not be obtained since the foreign technicians were not prepared to lose their jobs to the local people.

The point we are making here is that it is strategically unwise and unsafe for a developing country such as Ghana to ignore the potential contributions of skilled artisans and native entrepreneurs toward economic and social change.

Regional Imbalance

One disturbing feature in Ghana's development in the past has been the disparity between the North and the South, rural and urban areas. The two regions in the North - Northern and Upper - account for 18.5 percent of the total population which is predominantly of village settlements. In the Upper Region, 72.9 percent of the total population still live in villages of less than 1,000 people, while in the Northern Region 61.4 percent of the region's total population live in villages of less than 1,000 inhabitants (1970 Population Census, Vol 11). Yet social and economic welfare has not been sufficiently extended to them. Location of industries in the 60's fa-

voured the Southern part which stimulated migration to the centres of economic activities for jobs. (See Figure 1). Writing on the North-South disparity, Caldwell (1969: 35) puts it this way,

> "Rural Ghana is not itself homogenous. The South especially, the cash cropping areas of Ashanti and the South have more of the facilities of the towns and more of the possibilities of earning money incomes than the North. The Volta Region is, as far as income-earning possibilities go, in an intermediate position. The North has a fearful dry season, which is a strong inducement to at least seasonal migration while the seasons are less starkly contrasted elsewhere. On the other hand, traditional society is more completely preserved in the North, and migration from there to the towns must present strains such as the Southerners never never has to face".

The regional distribution of industrial establishments as shown on Table 11 supports the fact that industrial activities are concentrated only in the South. In particular, Accra-Tema metropolitan area with less than 10 percent of the country's population accomodates over 50 percent of the country's industrial establishments (5-Year Development Plan 1975-80:190).

TABLE 11 REGIONAL DISTRIBUTION OF INDUSTRIAL ESTABLISHMENTS AS OF MAY 1981

SECTOR	REGIONS									
	GREATER ACCRA	ASHANTI	BRONG AHAFO	CENTRAL	EASTERN	NORTHERN	UPPER	WESTERN	VOLTA	TOTAL
Textiles	92	21	1	3	8	-	1	1	9	136
Metals	244	35	2	7	19	3	14	14	-	338
Paper & Printing	125	5	-	4	9	-	1	4	-	148
Miscellaneous	59	12	3	2	6	6	4	1	5	98
Leather	54	26	-	2	4	1	-	1	-	88
Wood Processing	81	82	9	17	33	4	-	27	2	255
Electricals	104	9	-	-	5	-	-	5	-	123
Rubber	20	6	1	2	3	2	-	8	1	43
Plastics	45	2	-	2	2	-	-	1	-	52
Building Construction	85	26	4	15	17	1	1	7	7	163
Cosmetics	34	2	-	1	1	-	-	2	-	40
Pharmaceuticals	25	8	-	2	2	-	-	-	-	37
Chemicals	79	24	-	15	11	1	-	6	10	146
Vehicle Assembly	23	3	-	-	1	2	1	4	-	34
Garments	111	18	1	1	5	2	-	2	2	142
Food/Beverage/Tobacco	128	32	7	30	47	8	3	13	26	294
TOTAL	1,309	311	28	103	173	30	25	96	62	2,137

Note: Table reflects only industries in the Formal Sector (Large-Scale industries)
Source: Government of Ghana, Ministry of Industries. Accra, Ghana

Except for handicraft and cottage industries in the rural areas, industrial locations do not favour rural areas to ensure a balanced approach to development. This disparity tends to encourage rural-urban migration which consequently exerts unnecessary pressure on the physical and social infrastructures in urban areas. It also aggravates the social and economic problems like unemployment, crime, slums, destitution and child-deliquency in urban centres. (Busia, 1953; Acquah, 1958; Little, 1965; Caldwell, 1969).

The dispersed nature of small-scale industries in rural and urban areas play a vital role in offsetting the imbalances in industrial locations in Ghana. Their promotion and development could contribute to the process of decentralization of industries in the country. The promotion of such indigenous industries as Kente weaving, pottery, carving, carpentry and smithing could help provide work for the unemployed and the underemployed in rural and urban areas. Furthermore, the promotion of such industries with indigenous skill could help create centres for innovation and economic and social change in those under-developed areas in Ghana, that is, the Northern peripheral regions and Southern rural areas. Lastly, the outgrowth of social, economic and political evils associa-

ted with centralization of industries in the urban areas would be reduced.

Thus, besides helping to absorb the unemployed, preserve and promote indigenous entrepreneurship and create regional balance in industrial locations, the promotion of indigenous industries could play other vital role which include capital formation in the informal subsistence sector in the economy.

In small industries, the capital cost per unit of production is generally low (Browne, 1981:396). It is generally easier to raise capital for many small industrial units than for a few larger ones. The Ghanaian economy is rural and agricultural and capital has traditionally been invested mostly in land. Under such situation people are reluctant to risk investment in remote manufacturing enterprises, though they may be induced to join a local industrial cooperative which seek to promote industries which are close to them and which they have the skill to operate. Thus, contrary to views held by some economists, Stepanek (1950:66) believes that "a nation need not await a proper economic climate to attract large-scale foreign investment but should put available capital to immediate use". In the case of Ghana, the capital for

investment was available at independence, yet her investment in capital intensive industries has proved to be uneconomic due to the absence of indigenous skilled labour and technology for those industries invested in. As more and more industries were set up, there was a corresponding increase in the amount and degree of skills required, hence, larger investment in training. Yet a labour force that would be useless in modern industry might ideally be suited to operate the simple equipment of a rural plant or small plant in an urban area whose traditional unit of production has been the family.

Linkages

We shall now consider the linkages the indigenous industries have to the economy. Two aspects will be considered - forward and backward linkages. Forward linkage means the capability of a sector to provide inputs for other activities, whilst backward linkage refers to the ability to create demand for inputs in a particular sector. The past industrialisation programmes could not provide the necessary impact (linkages) due to the capital intensiveness of the industries established which produced mainly consumer goods and depended solely on imported raw mate-

rials. As was discussed in Chapter 4, the indigenous industries utilize mainly local resources which make the informal sector more self-dependent than the large-scale industries. The economy of Ghana is agricultural and dominated by subsistence farming. Most agricultural inputs that the farmers use are provided by the artisans in the smithing industry who provide the hoes, matchets (cutlasses), mallots for farming. The use of such simple implements continues to sustain the agricultural economy today.

We also discussed in Chapter 4 that prior to the advent of colonial rule, the weavers obtained yarns from local cotton farmers. Therefore, the growth of indigenous weaving industry could stimulate the cultivation of more raw cotton to feed the textile mills to produce more yarns for the weaving industry. This can reduce considerably the country's dependence on imported cotton by the large textile mills. Secondly, instead of continuously exporting raw or semi-processed timber products, artisans in the carving and carpentry industry could be encouraged to use their traditional artistry to produce wooden frames and other products for exports. It is, however, uncertain how successful such a campaign would be, but this is one

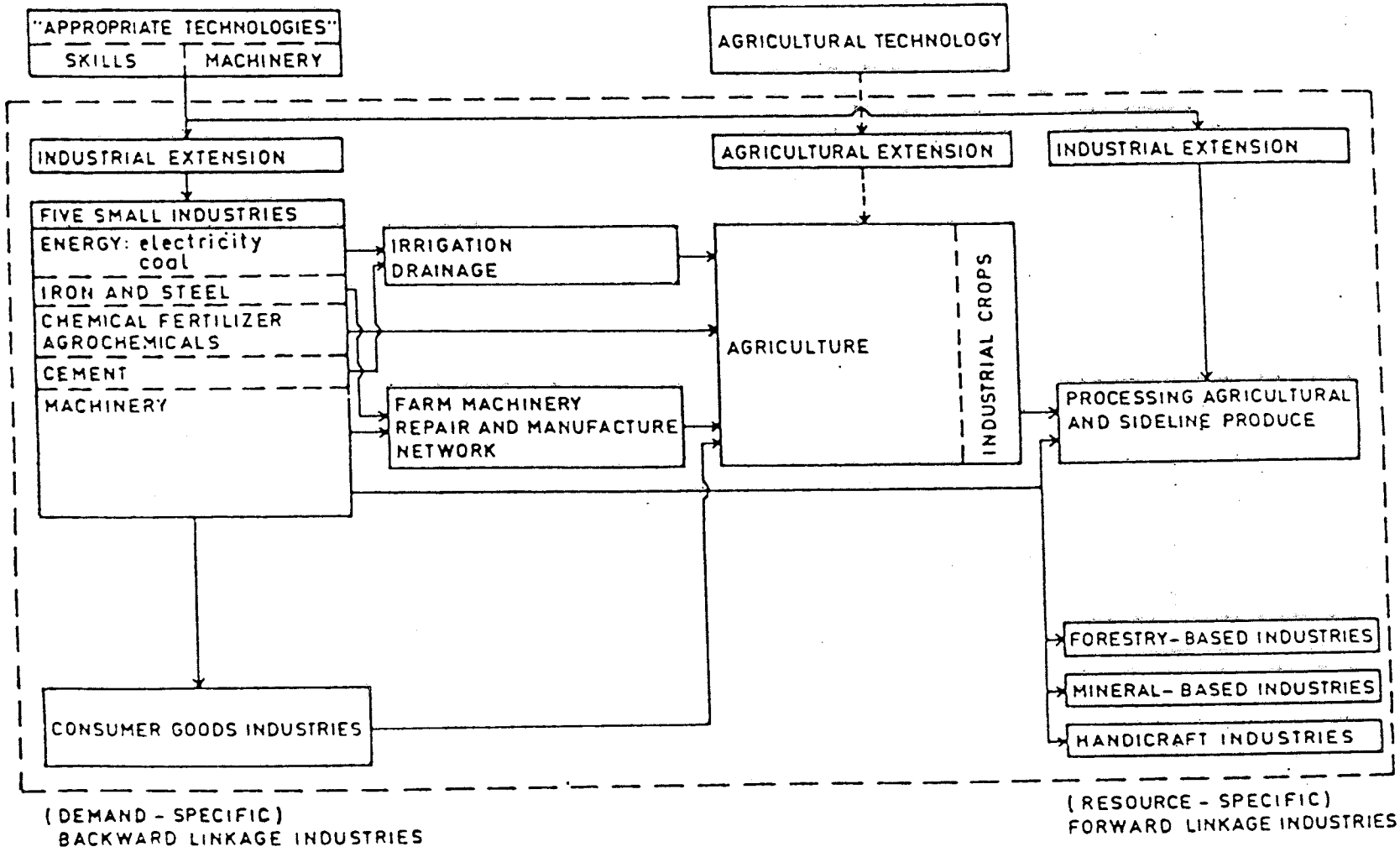
area the government could rely on a more efficient clientele system outside the country and promote the marketability of such products. The encouragement of such ventures could stimulate rural industrialisation and help reduce rural-urban migration. As Sigurdson (1974:25) said,

> "Rural industrialisation, based on local resources of manpower and capital is going to provide the basis for the mechanization of agriculture, which in turn will make it possible for peasants to engage in new tasks (for example, multiple cropping) and raise agricultural yields. With higher yields more industrial crops can be grown, and this, in turn, will give local light industry more raw materials. In the process, labour is absorbed into rural industry and purchasing power is also increased, thus creating a local market for light and other industrial products."

He elaborates on the linkage effect of the informal sector on economic and industrial system in China in this way:

FIGURE 12

Model of Rural Industrial System in China Showing the Commodity Flow According to Sigurdson



Source: Andrae (1981:75)

Sigurdson (1974) believes that small-scale industries in China, as in other countries fulfill multiple objectives which include the provision of industrial inputs for agricultural processing of primary products, and employment and income generation. But a successful programme, like, for example, rural industrialisation will require closer links between rural industry and agriculture because the agricultural sector provides manpower, raw materials and capital. The significance of this model to the Ghanaian situation is that most indigenous industries, particularly, smithing, weaving, pottery and carving perform functions mentioned by Sigurdson. For instance, the smithing industry procides agricultural implements for the rural agricultural sector, whilst wood carving, carpentry, pottery and weaving process primary products. They offer employment, generate income for artisans in the informal sector (Browne, 1981, 1983). Another interesting point made by Sigurdson (1974:22) is the linkages the informal sector should have with the modern (formal) industrial sector. He believes the modern sector could supply the informal (small) sector with the needed technology as well as providing markets for ancillary industries at a later stage of development. What

has been lacking in Ghana's industrialisation programme has been an effective linkage between the two sectors. Apart from the weaving industry which depends on the formal sector for yarns, the other industries do not have any complimentarity with the formal sector. Unlike India, Japan and other countries where government regulations stipulate the allocation of certain types of industrial products to the informal small-scale sector so as to ensure their survivability, such regulations do not exist in Ghana.

CHAPTER 6

STRATEGIES FOR DEVELOPMENT

This chapter will examine some of the strategies needed to resuscitate the decaying indigenous industries in Ghana. The social, economic and political problems facing the country today call for a more positive and pragmatic approach to social and economic development emphasizing the effective mobilization of local skills, technology and other resources. In this regard, the development of Small-Scale Industries (that is, indigenous handicraft and cottage industries) should therefore be part of a concerted national policy with short, medium and long-term development goals rather than the ad-hoc fashion with which past assistance to the small industrial sector in Ghana has taken. This will ensure the best utilization of available resources from where future developmental strategies could start. The thoughtless imitation of Western (advanced) models which emphasize capital-intensive machinery and equipment as a way of achieving economic development has failed to solve the basic socio-

economic and political problems Ghana had to address at independence. Areas to be identified must, however, take into account local skills and resources so as to ensure self-sustaining growth.

The major prerequisite in this direction is to set up an institution to be directly responsible for the promotion of Small-Scale Industries (that is, indigenous industries) in Ghana. This has been conspicuously absent since independence. What had existed had not been adequate enough to ensure complete transformation of the handicraft and cottage industries. Available institutional arrangements and resources are usually devoted to the servicing of modern large-scale industrial sector and modern small-scale businesses. Second, from the point of view of strategy, small-scale enterprise programmes in Ghana,like other developing countries, have been ill-designed to serve the needs of handicrafts and cottage industries. (Schadler, 1968; Vepa, 1971) Nkrumah's government did not consider the potentialities of the small industrial sector for ideological and personal reasons. Instead, large-scale industries which were owned by the state exclusively or with private foreign interests, were encouraged to develop. The governments after Nkrumah, (the

National Liberation Council, NLC) and Busia governments were interested in the development of indigenous private enterprises, that is, the Ghanaianisation of private enterprise.[7] This was contained in the NLC's Promotion of Ghanaian Business Enterprises Decree (1968) and Busia's Ghanaian Business (Promotion) Act (1970), which were implemented by a special Office of Business Promotion (OBP). The development of handicraft industries did not feature prominently in the activities of the Office of Business Promotion. Instead, the Ministry of Industries and the Ministry of Rural Development were each charged with the responsibility of assisting in the development of handicraft and cottage industries. The lack of a central body responsible for the promotion of handicraft and cottage industries did not augur the effective coordination of programmes for the benefit of that sector. Until 1981 when the Limann government (1979-1981) established the

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7 The Ghanaian Business Promotion Act (1970) reserved all trading businesses with an annual turnover of less than 500,000 (about 150,000) to Ghanaians. Alien traders in petit-business concerns suffered from the Act, but by 1072 most larger businesses including the major department stores and supermarkets in urban areas, continued to be owned by Europeans, Asians and Lebanese. For further reading, see "Report on the Role and Activities of the Office of Business Promotion" August 1970-June 1974.

Small-Scale Industries Development Board which was to coordinate all the promotional programmes of the small industrial sector (handicraft and cottage industries), previous governments faced the major problems of centralising the operations of agencies/institution responsible for the handicraft and cottage industries in Ghana. As stated by Allal and Chuta (1983:49)

> "If handicraft policies and programmes are to be successfully implemented, it is suggested that, where budgetary resources and available skills permit, a separate non-profit making institution be set up to coordinate all activities that are related to handicrafts and cottage industry promotion. Such a body should operate at the level of a government ministry, receiving continuous separate budgetary allocations from the government and/or other agencies."

In addition, a 4-tier administrative system should be set up to ensure that every industry in the informal sector is involved in the programme. This should be

a) Central Body

b) Regional Body

c) District Body, and

d) Town/Village Body.

Both the Central and Regional bodies should have experts in the area of organization and management, finance, technology and marketing. In addition to the Re-

gional body serving as liaison between the Central body and the District body, it should be responsible for the informal sector in the respective regions where certain crafts have been targeted for promotion.

The District body should also have experts capable of identifying the needs of the artisans in the districts and be able to offer assistance to the people without necessarily turning to the National Capital or Regional Capital for instructions.

At the Town/Village level, the National Board in charge of small-scale development should evoke and involve the participation of local institutions in different phases of the programme. Local institutions in rural areas are seen to exercise considerable influence on individuals for economic and social decisions and can effectively aid the process of rural industrialization through the necessary adjustments in local development programmes so as to accord, as far as possible, with the needs of the programme. The sincere and broad-based involvement of rural institutions in the programme should considerably help in spelling out the short and the long-term goals of such a developmental strategy. It is these institutions which, if involved in the pre-investment surveys which should be carried out

prior to the implementation of the programme, could help in identifying production areas needing special attention. Further, it is these institutions which could help in pooling rural resources together as a starting point in seeking outside support. To avoid personal rivalry, propaganda of vested interests, traditional social institutions should be enhanced to ensure effective leadership. In addition, elective members could assist the town/village leader in forming a cooperative of mutual interest to represent the particular locality in the District Body.

Organization And Management Policies

The social organization of the handicraft sector in rural areas revolves around kinship ties (Kuffuor-Berko, 1978). In Ashanti and other Akan speaking areas, leadership in certain handicraft and cottage industries is traced to a particular kin group or lineage in the village or town. Such leaders usually become the mastercraftsmen or women in their respective trades and are directly responsible to the tribal chief in that community. They are called Kings or Queens of that particular industry and they are accorded every respect by all the members. In urban areas, however, artisans in the informal sector are

not socially organized. This is due to the nature of urban life which is characterised by heterogeneity, anonymity and individualism. In spite of this, common bondage is noticeable within the informal industrial sector through the establishment of formal and informal social networks which tend to bind members together.

Artisans in the informal sector in rural and urban areas could be organized through the establishment of industrial cooperatives[8] which has to be initiated by the body to be set up by the government to oversee the development of small-scale industries. As Professor Gadgil (1972) observed in the case of India's attempts to develop such cooperatives in rural areas, that

> "the rural economy gets immediately transformed and immensely strengthened. Larger surpluses become available for further investment and larger inputs make for technical and economic advance in both agriculture and industry ... it strengthens the functioning of the agricultural credit and marketing system; ... it provides a wide for rural industrialization." (National Cooperative Union of India (1972), p 57-58).

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8 Cooperative systems have not been working in Ghana due to the manner in which they are implemented. They are usually started by individuals in the private sector of the economy to produce or distribute a commodity with little or no support from the government.

India started this programme in the 1970's and it has been a success, at least till today. What is done to stimulate and motivate the artisans is that all agencies responsible for the development of handicraft and cottage industries visit the artisan at his door step (that is, in rural and urban areas). This itself is a novel method which instills some confidence in the artisan. Before a campaign is launched in a particular area, a quick survey regarding the potentialities of developing small-scale industries (indigenous) in that area is conducted; wide publicity is given to the findings of the survey. A group of technical officers then visit the area and through lectures, demonstrations, visual displays, discussions, create a desire in local entrepreneurs to initiate new ventures, expand their businesses and unite for the benefit of assisting each other. On-the-spot technical advice is provided for the artisans and this helps them to make up their minds on how to start and expand their businesses. (See Government of India, 1972:38)

The establishment of industrial cooperatives will ensure a steady flow of resources to artisans in rural and urban informal sector. For example, materials like metal sheets and iron scraps for blacksmiths to produce improved

tools for agricultural production could pass through the tier of cooperative units - that is, from the cities to the districts; to the rural areas. Madagascar and Upper Volta have been experimenting with this system and according to ILO (Allah & Chunta; 1983), it has been working successfully.

In terms of ensuring efficiency in management in the informal sector, management institutions like Management Development and Productivity Institute (MDPI)[9] and the National Vocational Training Institutes should be decentralized to the districts to enable the artisans in the districts and rural areas to make use of the training facilities in organization (cooperatives), management and technological improvement. The concentration of these institutions in Accra and Kumasi have benefited only the needs of large public or expatriate enterprises. The organization of artisans in rural and urban areas into industrial cooperatives would enable them to take advantage of these training institutes and better their performance.

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9 This was established in 1967 to introduce suitable practices and techniques to increase productivity and to improve and develop the standard of management in industry in the country.

Concessional And Easy Finance

The lack of concessional and easy finance to artisans in the informal industrial sector has been a major factor inhibiting the progress of small-scale industries in Ghana. The National Investment Bank (NIB) was established in 1963 to offer financial support for industrial and agricultural development. Industrial development, however, was to be the core area of concentration so as to achieve Nkrumah's industrial 'paradise' in Ghana. Yet, assistance to the industrial sector favoured only the medium and large-scale industries which were either state-controlled or joint venture with foreign private investors. Besides NIB, Ghana has three main commercial banks operating: Ghana Commercial Bank, Standard Bank (Ghana) and Barclays Bank of Ghana. In addition, the National Savings and Credit BAnk started operating as semi-commercial in 1972.

Apart from the inability of the artisans to meet the collateral requirements of lending institutions, the services of the banks do not get to artisans in the informal sector, particularly, those in the rural areas. In the urban areas, the situation is no different since artisans in the informal sector are compelled to compete with the

well-established medium and large-scale industries.

In developing countries like India, Philippines, Brazil, and Taiwan, where small-scale industrial development is part of a national policy, financial support is coordinated by the Central Banks in those countries. According to UNIDO,[10] the Central Banks in Asia play a greater role in small-scale financing through augmenting funds with commercial banks for the purpose, credit guarantee and insurance schemes, simplification of procedure and liberalisation of firms and conditions are part of the support offered the small industrialists. (Vepa, 1971:202)

In the Philippines, for instance, Rural Banks have been established by an Act of Parliament to "promote and expand the rural economy in an orderly and effective manner by means of facilitating and improving their productive activities." (Vepa, 1971:203) Those eligible to borrow from it include a small farmer owning or cultiva-

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10 This is the United Nations Industrial Development Organization. In 1971, it organized a conference for financial institutions interested in the development of small-scale industries in Asia and the far East. The conference emphasized the role Central BAnks could play in coordinating financial support for the small industrial sector. For further reading, see UNIDO Conference in New Delhi, 1971.

ting not more than 50 hectares of land, a retail or wholesale marchant, an operator of an industry whose assets are below $6250, and an agro-based industry without any such ceiling.

In the United States, assistance to the Small industrialists is well enhanced. The Farmers Home Administration (FHA) encourages business and industries in rural areas through its guaranteed business and industrial loans programme. Its principal thrust is to provide jobs, to increase local business activity and to supply credit, investment and equity capital in rural areas. This is meant to check migration of rural youths to the metropolitan centres. The loan scheme also offers technical and management assistance to develop non-farm enterprises to supplement farmer income. (U.S. Department of Agriculture, 1973).

Similarly, in Britain, there exist agencies which help the small industries financially. The Rural Industries Bureau and the Scottish Country Industries Development Trust are central agencies for the development of rural industries in Britain. These agencies provide technical help, advice and instruction to craftsmen and small businesses which are located in rural areas and small coun-

try towns and are engaged in production or provision of services. They also provide finance to the latter for acquiring equipment, workshops etc and for working capital.

Financial assistance to the handicraft and cottage industries in Ghana should be done by establishing the necessary institutions that assume responsibility. There is however, the need for a liberal and sympathetic attitude in administering the policies of the government since often, much of the assistance is lost in long delays in decision-making and red tape. What is needed is a policy that is administered efficiently and speedily to remove any difficulties that are posed to the administration of the financial programme. In the long run, it is effective implementation that seems even more important than the mere formulation of an assistance policy. The effectiveness of the policy could be guaranteed by ensuring that aid arrangements for small-scale industrialists are done on an integrated and supervised manner. This means the combination of services of finance, technical and management assistance because none of these services would help the promotion of small-scale industries in a developing economy grappled with several socio-economic problems,

by itself. But this requires direct government involvement and initiative. The initiative and participation should, first,take the form of persuading commercial banks to assist in making easy and concessional finance available to the artisans, particularly, those in the urban centres where these banks have branches. Secondly, like in the Philippines, the Government should, through the Central Bank of Ghana, expand Rural Banks to every district, particularly, in areas where certain projects (industries) have been earmarked for assistance and development. The Rural Banks should have technical personnel who could advise the artisans on management, marketing and technical aspects of production.

Rural financial resources could be mopped up by the government by institutionalising the 'susu' system which is dominant in the rural areas. The 'susu' is a traditional financial system which operates mostly in the informal (peasant) sectors of the economy. Under this system, individuals in a community or establishment come together in a cooperative spirit to make financial contributions with the aim of helping each other. The bulk collected at a particular time is given to one member and the process goes on until each member has had his/her turn.

This system has persisted till today in spite of the proliferation of formal banking institutions in Ghana. Kinship ties among members of the group reduces the risk of deception. The institutionalisation of such a system is likely to help mobilise financial resources in rural areas and forge the spirit of cooperation among artisans.

Technological Development

By any standard, the technology being used by the artisans in the handicraft and cottage industries under study could be said to be appropriate in that they make optimum use of available resources in their given situations (Morawetz, 1974:517).[11] But this does not necessarily mean the only appropriate technology (Stewart, 1978). In order to make the traditional techniques of production more adaptive and dynamic, it is important on the part of agencies to be responsible for the development of small-

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11 Morawetz, D. "Employment Implications of Industrialization in Developing Countries: A Survey" in The Economic Journal No 84, 1974. In this paper Morawetz defines appropriate technology as "the set of techniques which make optimum use of available resources in a given environment (p 517). See also H. Singer, "Technologies for Basic Needs", (Geneva, ILO, 1977) in which the author considers the whole question of technological selection in the satisfaction of basic human needs.

scale (indigenous) industries to upgrade the level of technology in the traditional sector. This does not mean a complete substitution of existing technology but an improvement (modernization) of those which exist at the moment. As Schumacher advised the Government of India in 1961 on technological improvement in small-scale industries, that the government should

> "find out what they (small industrialists) are doing and help them to do it better ... (to) study their needs and help them to help themselves" (From Vepa, 1971, p 224).

Something in line with Schumacher's suggestions here was adopted in China where a "tri-cycle technology" was adopted which utilized local resources and needs, mobilized local talents to the fullest for the achievement of national goals. This process was a success, particularly in the rural areas (IMF, 1966). The technology adopted was contigent on the availability and the nature of industrial inputs required for the programme to be undertaken. (See Bihari & Baldwin, 1966).

Japan attained greatness in technology because it utilized traditional skills and modern technology in its economic programme. As Lockwood (1954:198-199) puts it:

> "If Japan experience teaches any single lesson regarding the process of economic development in Asia, it is the cumulative importance of myriad of relatively small improvements in technology, which do not depart radically from tradition or require large units of new investment ... Much of the real substance of Japanese economic growth however, is found in the more modest types of improvements which were more easily and pervasively adopted, more economical in cost and often more productive of immediate returns in income. For any poor country beginning to industrialize, one of the crucial problems is to introduce and spread such innovations as widely as possible"

The acute shortage of skills required of modern technology gives credence to the need to emphasize the important role traditional technology could play in socio-economic development of developing societies emerging out of colonialism. The irony of the Ghanaian situation, after Independence was that the existing stage of traditional technology in the informal sector was completely ignored and substituted in its place, imported technology and skills which resulted in the establishment of large-scale industries (formal). The woeful performance of imported technology requires a new approach to technological application in Ghana. The new approach should be an improvement upon traditional skills and technology. Two international agencies have been assisting developing countries

in adapting new technology to suit their respective situations. These are the Intermediate Technology Development Group in the United Kingdom and the Volunteers for International Technical Assistance (VITA). The two agencies recognize the need for the adapted technology to be cheap, simple, capital-saving and labour intensive.

The Intermediate Technology Development Group (ITDG)'s university liason unit promotes the developmental work for appropriate technology in the universities of developing countries. It has, for instance, enabled the University of Science and Technology, Kumasi, Ghana, to set up a Technology Consultancy Centre to promote the involvement of the University in local industry and rural development. Already, the Technology Consultancy Centre (T.C.C.) has initiated modernization programmes in Pottery and Weaving (Kente) industries. In 1973, the TCC initiated the broadloom weaving project as a modification of the traditional narrow-loom weaving to some weavers in Ashanti. According to the Director of TCC, the Broadloom Project was intended to "extend the range of products of the weavers, increase their productivity and promote sales for the domestic market which are not seasonally attached to the tourist trade." (Browne, 1983:36) According to Browne (1983), the

broadloom weaving unit started by making tea towels and table napkins and later started weaving men's cloth. The TCC also tried in 1974 to upgrade the pottery industry by introducing improved manufacturing techniques - that is, improved Potters' Wheel. The new techniques however, failed to effect any meaningful change of attitude among the artisans simply because of the way the new techniques were introduced. Without any form of organization of the artisans the centre hoped those trained to acquire the new techniques could impart the new knowledge to other artisans encouraging them to adapt the new techniques in weaving and pottery. The new technique was embraced with some scepticism and fear of social and economic disorganazation. Besides, the artisans could not afford the cost and maintenance of the new equipment (Browne, 1981:320).

What the Centre could have done would have been to encourage the artisans through the mass media, to come together to form an industrial cooperative with the hope of getting financial and technical assistance from the government. Promotional and communication channels could have been established after the improved equipment and processes had been developed and tested in the field. The promotional agency could have fabricated the adapted equipment and

carry the message of its use to the concerned persons in rural and urban areas through the respective cooperative units. The communication channels could have been provided by the technology transfer centres (that is, from the Regions to the Districts, to the rural areas) through demonstration of the new technology and equipment and their use propagated through training and on-the-spot advice.

The adaptation of new techniques of production in the weaving and pottery industries could introduce some diversifications into the operations of the industries and thus broaden the supply line of these industries. But this cannot be achieved without any concerted efforts on the part of the government to educate and organize the artisans concerned.

Artisans in the smithing industry could also be organized and given the necessary incentives to produce improved tools for agricultural production. The dependence on heavy agricultural machinery like tractors, combined harvesters, has continuously perperuated the social and economic dependence on the developed societies which, at the moment, cannot be sustained due to the economic difficulties the country has been going through. A positive measure in this direction is the need to embark on rural

electrification programme so as to improve the energy requirement in the smithing industry. This will ensure efficiency in production and help reduce the agony farmers go through in trying to get farming implements during the farming seasons.

Apart from the need for minor technological innovation in carving and carpentry industry, it is important to mention the important role rural electrification would play in injecting more dynamic innovations and diversification in the industry.

The need to have a technology that saves on capital and uses more labour is considered more suitable for a developing country like Ghana. This is important from the point of view of limited employment opportunities in developing countries. With rapidly increasing population due to improved health care, the number of new entrants to the active labour force is outstepping the new jobs created by investment in the large-scale industries (formal sector). Added to this is underemployment in rural areas. It seems, therefore, urgent that new employment opportunities must be created if acute social tensions which threaten the stability of Ghana are to be curbed. Small-scale (handicraft and cottage) industries which depend

greatly on local resources offer a suitable alternative for development.

Marketing Assistance And Organization

Two important measures in this perspective are, first, to assist the small industrialists in the cottage and handicraft sector to gain access to outside market and second, to encourage the industrialists to diversify their products to meet domestic demand.

With the assistance from the Ministry of Trade and the Office of Export Promotion Council, the necessary market information could be given to the Small-Scale Industry Development Board to enable the respective industrial cooperatives to gain access to the outside market. Ghana's dependence on traditional primary products as main exports has proved to be inadequate in view of the current fluctuations in world market prices and changes in demand for these products. This has seriously affected the foreign exchange earnings from the export of these commodities. The export of handicrafts offers another potential sector of diversifying the country's export earnings in view of the already established demand for certain handicrafts in Europe and North America. This does not, however, mean the

promotion of all handicraft products without any proper assessment of their potential foreign markets.

The Board to be set up to assist in the promotion of small-scale industries should through Ghana's diplomatic and trade missions abroad, establish the necessary clientele in these countries to promote such decorative handicrafts as Kente, Adinkra and Carvings. In addition, the Missions could advertise the selected crafts in foreign fairs and exhibits to attract potential dealers in these products outside. Allah and Chuta (1983:138) recommended the establishment of permanent exhibits in a few selected countries and the identification of a few importers who would supply a large number of well-established retail outlets to ensure long-term esports of selected commodities. This caution is necessary in view of the possibility of facing undue competition from other countries. Already, India, Brazil, Mexico have established markets for textile and leather handicrafts in most Western countries.

The second aspect of marketing improvement revolves around the improvement of internal markets to enable the small industrialists in the handicraft and cottage industries to benefit fully from inputs from other sources. Both

textile manufacturing industries (Kente, Adinkra-Stamped Cloth, tie and dye) and Blacksmiths depend on yarns and metal scraps from the formal industrial sector but due to the dispersed and unorganized nature of the artisans in the informal sector, inputs to them are not effectively coordinated. Kente weavers obtain their yarns from wholesalers in the Regional capitals who purchase these yarns from sources in Accra-Tema industrial area. Due to the uncoordinated nature of distribution of inputs in the Kente industry, weavers have had to pay higher and differential prices for their materials. The situation is further aggravated by the fact that the raw cotton needed for the manufacture of the yarns is imported. Financial constraints on the government have affected the flow of raw cotton for the textile industries to produce yarns. To be able to tap indigenous skills and resources and reduce the financial burden on the country, the Government could encourage the revitalization of the traditional cotton spinning which died out with the mass importation of European imported yarns by the colonial authority and which was continued by the independent government. Today, Northern Ghana continues to depend on local cotton in the weaving of the Smock. The use of home produced raw mate-

rials is an advantage and to this end a long-term solution will be for the government to encourage greater output of home produced cotton yarns. Local cottons could be mesmerised, could be produced with colours, textures and sheens equal to the quality demanded for Kente cloth and others in the same category. (Browne, 1983:40)

The organization of the handicraft sector to coincide with the tourist season is another way Ghana can benefit from the sale of its culture to the outside world. As Browne (1983) found in her study of Kente weaving in Ashanti, the industry was hardly related to tourism. This is, however, an area Ghana stands to gain financially.

The National Museum of Ghana started issuing out certificates of Non-Antique objects for the export of handicrafts abroad in 1969. Since then, individuals in and outside Ghana have exported a variety of handicrafts through the National Museum of Ghana to other parts of the world. The Museum merely charges a token fee of N 10.00 (ten cedis) for each object presented for certification by exporters. To validate the fact that handicrafts have demand outside Ghana, we have presented in Appendix 1, a list of handicrafts exported by individuals and organizations to various parts of the world. The list

shows the diversity of handicrafts which are exported every day. Even though the list covers only 8 days (from July 15 th to July 23rd, 1981), it is startling to note how many of these handicrafts have been exported by individuals and private organizations since 1969.

CHAPTER 7

SUMMARY AND CONCLUSION

We shall recapitulate what we have discussed so far in this thesis. We discussed in Chapter 1 studies already done that suggest that for developing countries lacking in traditions required in large-scale organizations, (that is, skilled labour, technology) small-scale enterprises offer a potential for simultaneous promotion of employment, more equitable distribution of income, higher rates of investments and a smoother transformation from primary to a secondary production. I have tried to focus attention on a few selected indigenous industries whose potentialities could be harnessed in the socio-economic development of the country.

We examined in Chapter 2, the main issues in what constitute 'development' and the central focus was the need for any developmental strategy to attack the chief evils of the world today, that is, inequality, unemployment, poverty, and illiteracy. Until late 60's, the prescription for development in third world societies had em-

phasized the need for a mixture of savings, investment and foreign aid in order to proceed along an economic growth path that historically had been followed by the more developed societies. Large scale industrialisation which involved imported skills and technology was considered the panacea to solve the multi-faceted problems of underemployment and unemployment, illiteracy, poverty and economic dependence. Not only has this "religion of development" failed woefully, but also, the problems inherited at independence continue to grow from bad to worse.

The diverse political systems and ideologies has had some impact on economic and social development of Ghana. The colonial economy emphasized the development of the agricultural sector and neglected industrial development. Since independence, Ghana has had several civilian (democratic) and military rules with different ideological commitment which has contributed to what Damachi (1976) calls "negative competition", that is, the tendency to obliterate the legacy of a predecessor. The diversity of ideology has influenced the economic and social policies of each succeeding government which have had a determining factor on important social issues like

employment in the country.

Unemployment since 1960 has been growing steadily from 164,000 to about 500,000 in 1975. The present situation is worsened by the recent expulsion of over one million people from Nigeria.

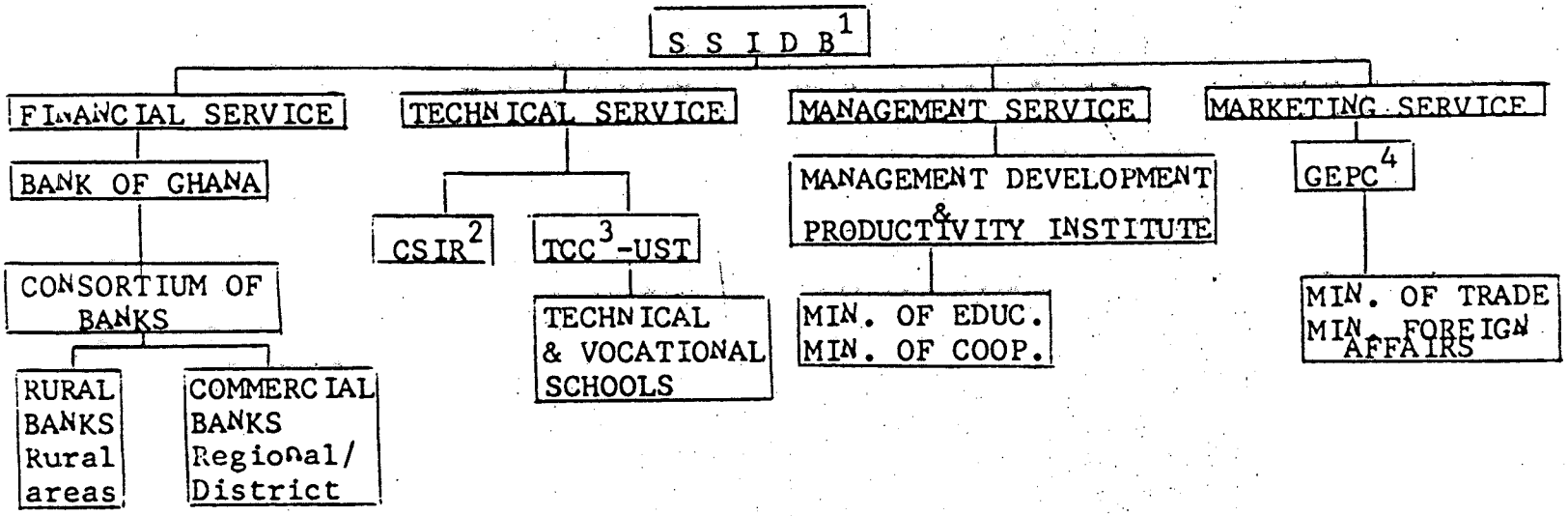
Nkrumah sought to tackle the unemployment problem in the 60's by embarking on a massive industrialisation programme which was capital-intensive and became increasingly dependent on imported raw materials. Besides, the unemployment situation could not be controlled since the industries could employ only a few at a time. The economy could not achieve self-sustaining growth due to drop in foreign earnings from the main export crop, cocoa and increased cost of foreign debt. The informal, indigenous sector which had available skill and technology was completely ignored by Nkrumah for fear of breeding what he called "indigenous bourgeoisie" which would have been contrary to his ideological belief. Since Nkrumah, Ghana has been exposed to a range of ideologies including socialism, capitalism, and combinations and variants of these which has done little to revive the decaying informal industrial sector.

We discussed in Chapters 4 and 5 the small-scale industries which form the focus of this thesis, the problems confronting the industries as well as the role they perform in the socio-economic development of Ghana. We saw that in spite of the technological, financial, organizational and marketing problems, the artisans in the weaving, smithing, carving and carpentry, and pottery depend on local resources and utilize traditional skills and technology in their operation. They are dispersed throughout the country and together with other indigenous industries in the country, offer employment to about 86 percent of the labour force engaged in manufacturing activity in Ghana. They offer the opportunity for ensuring a balanced growth and development in the country and a potential source of foreign exchange due to the tourist attractiveness of their products. Underlying these problems is the fact that governments in Ghana have not involved themselves seriously in the development and promotion of handicraft and cottage industries in Ghana.

We have outlined in Chapter 6 the strategy for the development of the small industrial sector which is summarised in a flow chart below:

FIGURE 13

SHOWING THE FLOW OF SERVICES TO SMALL-SCALE INDUSTRIES IN GHANA



Note: [1]SSIDB = Small-Scale Industries Development Board

[2]CSIR = Council for Scientific and Industrial Research

[3]TCC = Technology Consultant Centre at University of Science and Technology

[4]GEPC = Ghana Export Promotion Council

Source: Ministry of Industries, 1981. (redrawn)

The establishment of a Small-Scale Industries Development Board could coordinate the financial, technical, managerial (organisational) and marketing policies which would be beneficial to the artisans in the handicraft and cottage industries.

In conclusion, the political history of Ghana and the impact it has had on social and economic development of the country seems to suggest that Ghana is yet to have a stable system capable of transforming the country socially and economically. Political leaders should, however, attempt to safeguard and promote the development of indigenous resources so as to eliminate the peripheral nature of the economy which has long been dependent on outside support.

Thus, if the economy is to be transformed from its present dependence and peripheral stages, a strategy for economic and social development should be initiated from within, as well as reorientating the economy away from its excessive external integration towards the creation of what Samir Amin calls "an inward-looking and self-initiated process of development" (1972:312). The present social and economic conditions facing the country demand that the

structure of production should be geared towards the needs of the Ghanaian society which should be based on the locally available resources.

Industrialisation policies in Ghana, like in other developing countries, have concentrated on the introduction of new forms of enterprise which are mostly capital intensive and depend on imported resources, while virtually ignoring altogether those indigenous forms which flourish locally and which have had a long history of existence. They have been tolerated for social reasons and treated as peripheral to the mainstream strategy for economic development. But studies have shown that such small enterprises do better than the large-scale enterprises whose crave has become more of an economic and political 'ritual' among young nations emerging from colonialism.

The promotion of handicraft and cottage industries in Ghana could contribute to the process of industrialisation in the country. It could provide productive employment opportunities directly to the unemployed in rural and urban areas. In rural areas for instance, such a programme could encourage the process of rural industrialisation which could form the basis of a sound rural development programme for a country whose population is predominantly rural and agricultural.

In the urban areas, support for the informal sector, that is, the indigenous industries, is most likely to tackle urban poverty which has created many social problems for the government. This could help reduce the income inequality among urban workers.

Besides employment and the promotion of indigenous entrepreneurship, the development of small-scale industries could promote a regional balance in terms of industrial development. The proliferation and promotion of indigenous industries could play other vital roles like the production of import substitutes using local resources which could minimise the use of foreign exchange for imports. The production of goods for the tourist market and for export offer an alternative means of earning foreign exchange. Furthermore, this sector could satisfy the basic needs of people in the lower income group, by producing essential consumer goods such as clothing, foot-wear, basic agricultural implements, and earthenware.

Further, it is unwise to disrupt the traditional ties of a society, vis-a-vis, the economic and social institutions of the people. The partial industrialisation of some areas in Ghana has created overcrowded slums and social disorganisation. Such conditions will be unavoidable

while a limitless reservoir of destitute, underemployed labour exists in rural and urban areas. Large-scale industries will not for many years, if ever, be able to absorb this surplus labour. Only through the provision of new opportunities for local employment in the small-scale industries can the situation be alleviated. Ghana has a reservoir of traditional skills which it would be wrong for the government not to build upon for the benefit of the country's development. Not only do these skills produce artistic products that are much admired elsewhere, but they also form the base on which the development of the country can be raised. Japan, for instance, started her industrial development on the fine silks her master-craftsmen produced. It would, therefore, not be advantageous for Ghana to ignore the traditional skills she possesses. We should rather identify them and foster them.

Ghana has reached a cross-road in her political history. The economy is now static, if not disorganized, but it is not too late to seek simple and workable solutions to the problems. As Damachi (1976) mentions, that for Ghana as for many other African countries, the question still remains which way leads to paradise, the Western way, the Eastern or the Chinese? Ghana has indeed

sojourned through both the Western and Eastern forms of development but neither has been able to transform the society. Perhaps what she needs is a system that is based on the maximum utilization of available resources. Small-scale (indigenous) industries seem to offer a suitable alternative to development in Ghana due to the tremendous contributions the small industrial sector has made to the socio-economic development of the country.

APPENDIX I

HANDICRAFTS EXPORTED BY INDIVIDUALS AND ORGANISATIONS TO VARIOUS PARTS OF THE WORLD - 15th July to 23rd July 1981

ENGLAND

3 Jute bags
1 Leather hand bag
6 Leather mats
1 Metal bracelet
2 Leather necklaces
4 Ebony napkin rings
2 Carved wooden antelopes
3 Leather wallets
1 Bead bracelet
5 Necklaces
2 Carved wooden drummer
1 Carved wooden elephant
3 Carved heads in one statue
3 Carved wall plaques
2 Carved wooden monks
2 Carved hunter with antelope
2 Leather cushions (puffs) empty

FRANCE

5 Carved wooden stools
1 Carved wooden plaque (large)
1 Carved wooden plaque (small)
3 Carved wooden masks
1 Brass bird
6 Pottery
3 Bamboo arm chairs
1 Bamboo (three in one seat)
3 Bamboo coffee tables
1 Bamboo large table

JAPAN

2 Carved wooden plaques
3 Carved Ewe drums
2 Carved wooden figures
1 Carved wooden chain
1 Kente cloth
2 Carved wooden stools
1 Carved wooden drummer
1 Horn carving
4 Carved ebony heads
1 Tie and dye dress
1 Batakari
4 Big carved ebony heads
1 Carved black power hand
2 Carved small wooden stools

CANADA

1 Set wooden dinning tables
6 Pieces wooden coffee tables
1 Set of wooden furniture (5)
1 Side board (wood)
3 Pieces wooden carvings
2 Pieces wooden boxes
4 Pieces elephant coffee tables
1 Carved writing desk
1 Carved centre table
10 Pieces wooden decoration

U.S.A.

2 Kente cloths (for men)
1 Women's Kente cloth
3 Pieces African prints
1 Mali blanket
2 1/4 pieces Kente cloth
2 Kente strips
2 Elephant tables
9 Fans
8 Napkins
4 Set of wooden elephants
2 Thorn carvings
2 Bone carvings
1 Flute
5 Dolls
2 Leather maps
2 Walking stick
1 Chess board
1 Mortar and pestle
3 Talking drum
1 Pair of sandals
2 Butterfly pictures
5 Wooden stools
1 Brass statue
1 Chess set of brass
8 Set napkin rings
1 Pair of ebony head
1 Deer (wood)
1 Wooden comb
1 Water colour painting
2 Brass graneries
1 Pierre bone
3 Carved wooden plaques
2 (two) bracelets
1 Set of brass manger scene (20 pieces)
20 Small wooden elephant
30 Small ebony beads
17 Wooden plates
101 Carved wooden maps
2 Oware games
1 Spear in leather sheath
2 Leather puffs
1 Leather neck wallet
6 Leather waist bangles
2 Bronze wrist bangles
1 Pair of wooden spoon & fork
3 Carved wooden elephants
9 Carved wooden masks
2 Carved Akwaba dolls
1 Carved wooden bowl
3 Leather bags
7 Leather purses
1 Jewellery box
1 Dondo
4 Necklaces
2 Shell necklaces
1 String of bead
2 Bronze bracelets & rubber brace
2 Key holders
1 Cloth centre table
1 Small elephant
1 Straw hat
2 Butterfly paintings
1 Carved fertility doll
1 Bow & arrow
2 Joromi dresses
1 Carved wooden chief

CZECHOSLOVAKIA

2 Carved drums
1 Carved wooden plaque
2 Carved ebony heads
1 Carved wooden elephant
1 Carved ebony figure
1 Carved wooden walking stick

W. GERMANY

6 Carved round masks
3 Carved ebony heads
1 Carved Akuaba doll
1 Carved Oware board
3 Carved wooden drummer
1 Carved wooden elephant
1 Carved wooden lamp
1 Carved wooden heads
1 Carved wooden crocodile
1 Carved wooden stool
1 Carved wooden elephant
2 Carved small ebony heads
5 Carved wooden figures (female)
2 Carved small wooden elephant
1 Pair of ebony elephant book ends
3 Horn carvings (bird & fishes)
3 Carved wooden antelopes

SWITZERLAND & HOLLAND

1 Asipim chair
3 Wooden spoons
2 Dishes "Asanka"
5 Cooking pots "Kutu"
1 Abusua Kupuwaa (family pot)
1 Liquid food strainer
1 Wooden "tapore" (food masher)
1 Wooden banku stick
4 Wooden laddles "Kwankora"
2 Mashing bowls "Apotoyewa"
1 Wooden figure with 2 heads
1 Earthen-ware cooking pot "Asiaa"

NIGERIA, LIBERIA, TOGO, UPPER VOLTA

1 Ceramic lamp stand
4 Leather hand bags
5 Brass chiefs
3 Brass Fufu eaters
1 Carved wooden figure
98 Brass figures
20 Snake skin bags
15 Wooden antelopes
14 Carved Akuaba dolls
23 Pairs wooden elephants
61 Brass pot (Kuduo)
20 Carved wooden salad spoons
34 Carved wooden Bakuta masks
10 Carved ebony small antelopes
10 Carved ebony small elephants
1 Fulani (pair) head carvings
5 Carved top of Linquist Staff
4 Different sizes ceramic flower vases
2 Carved wooden statue
6 Brass sasabonsam
2 Brass Oware players
3 Brass figures pounding fufu
2 Brass paddles
30 Carved Oware Boards
25 Pairs horn carvings
12 Carved wooden masks
12 Raha bags
11 Carved ebony women
10 Carved wooden key holders

Source: Ghana Museum and Monument Board, Accra, 1981.

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