

**The Global Economic System and ODA:
Ghana's North-South Spatial Inequality and Japan's
Development Support to Ghana since TICAD**

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ABSTRACT

Throughout Ghana's history, the country has followed a particular economic ideology, either socialism or liberal economics, yet it continues to face many development challenges. One of Ghana's development challenges is the spatial inequality between northern and southern part of Ghana, whereby the southern part in comparison to the northern part of the country is relatively more developed. North-south spatial inequality has been associated with how Ghana was integrated into the global economy as an exporter of primary commodities, with the period during SAP providing further evidence. This has made Ghana an aid dependent country.

One of the major development partners of Ghana is Japan, Ghana's top donor country before Ghana joined HIPC. In 2008, TICAD which is a framework of Japan's development assistance to African countries, began to shift focus from human development aid to promote trade and investment to drive economic growth. This almost coincided with Ghana's new lower-middle-income status. Ghana's lower-middle-income status implies reduced ODA, and therefore the need to drive economic growth for development. TICAD's new approach has been described as reflecting the East Asian model of development in African countries. However, it falls short of some of the key components of the East Asian model of development that produced the East Asian "miracle", in the political, economic, and education context. What, therefore, are the implications of Japanese aid especially with regards to the north-south spatial inequality, in terms of how aid influences inequality within a recipient country?

By looking at the spatial allocation of Japanese aid projects in Ghana between 1999 and 2020, it is realized that more Japanese aid projects have been allocated to southern Ghana than the relatively deprived northern Ghana. However, the number of projects per population ratio was rather in favor of the north, except for economic development projects, where the ratio was in favor of the south, particularly from 2010 to 2020. Moreover, although human development aid projects generally have reduced, it was more to do with education projects and in the north. Through interviews conducted, it was identified that the global economic system contributes to generally more Japanese aid projects in the south than the north, and particularly economic development projects. This no doubt contributes to more economic growth in the south, which bolster southern Ghana to receive more Japanese GGHSP, because more economic growth in the south results in migration from the north to the south, making it irrational to allocate aid projects like GGHSP if only fewer people will benefit, and also the ability to apply for more GGHSP. It may seem that Ghana's development, including Japanese aid to Ghana, have not been much pragmatic, because they are influenced by the neoliberal global economic system which emphasizes economic growth and withdrawing from human development. This is in view that, TICAD's focus on economic development projects in Ghana's context deepens spatial inequality, and its reduction of education aid projects can also lead to more inequality, mainly between the north and the south. This research, therefore, draws the awareness of the Japanese government, stakeholders in Ghana, and other donors that aid emphasizing economic development without also prioritizing human development, especially education, widens inequality.

DEDICATION

To my parents, Mr. Stanislaus Acquah and Mrs. Sophia Acquah for their immense support.

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ABBREVIATIONS/ACRONYMS

ABE	African Business Education
ADB	Asian Development Bank
AfDB	African Development Bank
AFPLAN	Regional Food Plan for Africa
BDS	Business Development Services
CAP	Country Assistance Program
CECAR-Africa	Enhancing Resilience to Climate and Ecosystem Changes in Semi-Arid Africa
CHPS	Community-based Health and Planning Services
CPP	Convention People's Party
COVID 19	Corona Virus Disease 2019
CSO	Civil Society Organizations
DAC	Development Assistance Committee
DACF	District Assembly Common Fund
DDI	Domestic Direct Investment
DFID	Department for International Development
ERP	Economic Recovery Program
FDI	Foreign Direct Investment
GATT	General Agreement on Trade and Tariffs
GCGP	Grant Assistance for Cultural Grassroots Projects
GDP	Gross Domestic Product
GEA	Ghana Enterprises Agency
GEPA	Ghana Export Promotion Authority
GGHSP	Grant Assistance for Grassroots Human Security Projects
GHS	Ghana Health Service
GIPC	Ghana Investment Promotion Centre
GJBPC	Ghana-Japan Business Promotion Committee
GNI	Gross National Income
GPRS	Ghana Poverty Reduction Strategy
GSS	Ghana Statistical Service

HDI	Human Development Index
HIPC	Heavily Indebted Poor Country
HPAEs	High Performing Asian Economies
IDA	International Development Association
IDEA	Initiative for Development in East Asia
IGF	Internally Generated Funds
IMF	International Monetary Fund
INGOs	International Non-Governmental Organizations
ISI	Import Substitution Industrialization
JBIC	Japan Bank International Cooperation
JETRO	Japan External Trade Organization
JICA	Japan International Cooperation Agency
JST	Japan Science and Technology Agency
LDCs	Least Developed Countries
LPA	Lagos Plan of Action
MDGs	Millennium Development Goals
MOFA	Ministry of Foreign Affairs of Japan
MSES	Micro and Small Enterprises
N1	National Road 1
N8	National Road 8
NBSSI	National Board for Small Scale Industries
NEPAD	New Partnership for Africa's Development
NERICA	New Rice for Africa
NGO	Non-Governmental Organizations
NIC	Newly Industrializing Countries
NINJA	Next Innovation with Japan
NLC	National Liberation Council
NPP	New Patriotic Party
NRC	National Redemption Council
NSEZ	Northern Savannah Ecological Zone
ODA	Official Development Assistance

OEC	Observatory of Economic Complexities
OECD	Organisation for Economic Cooperation and Development
PAMSCAD	Program of Action to Mitigate the Social Costs of Adjustment
PNDC	Provisional National Defense Council
PP	Progress Party
SADA	Savannah Accelerated Development Authority
SAL	Structural Adjustment Lending
SAP	Structural Adjustment Program
SATREPS	Science and Technology Research Partnership for Sustainable Development
SDGs	Sustainable Development Goals
SMC	Supreme Military Council
SMEs	Small Medium Enterprises
SNS	Social Network Services
TICAD	Tokyo International Conference on African Development
UN Comtrade	United Nations Commodity Trade Statistics Database
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WTO	World Trade Organization
WWII	World War II

Chapter 1: Introduction: Research Design

1.1. Background: Ghana in Search of Development, North-South Spatial Inequality, and Japan's Promotion of the East Asian Model of Development through TICAD

Ghana faces many development challenges, including spatial inequality, which has persisted throughout the country's history. Ghana's development challenges have sometimes been attributed to the global economic system, especially how it got integrated into the global economy, which leaves it at the periphery with little role and not much control of its own economic destiny (Amin, 1973; Alelazuno, 2014; Dzorgbo, 2012). This same process is regarded as fundamental to the question of spatial inequality between the northern part and the southern part, which has refused to cure (Shepherd et al., 2006; Akolgo, 2017). There have been others who also consider the economic development challenges as being the result of the failure of successive governments since independence (Killick, 2010; Aryeetey and Kanbur, 2017). There have also been instances where economic prudence made some way for political expedience for the Ghanaian government in power as early as the early independence period (Kanbur, 2017). To put it differently, various governments that have ruled the country have tried, but not succeeded to address the development challenges or bring the desired development. While some regimes have attempted import substitution largely through industrialization and socialism (import substitution industrialization), others have adopted a liberal economic stance, in an attempt to find development for Ghana. Considering the diverse environments and cultures of various peoples and countries, there is the need to always interrogate whether an economic theory with its set of policies is appropriate for a particular place and time. The question is whether these Ghanaian governments have been pragmatic with their development agenda or have followed economic ideologies without the needed caution and if they had the choice or not in implementing any economic policies.

Most of the 1970s and the early part of the 1980s were an economically difficult period for Ghana, due to economic deterioration (Fosu and Aryeetey, 2008). This was a period, Ghana's economy became the most cut off from the global economy due to the government's policies and equally adverse responses from the international community. Ghana was described as not creditworthy and aid dropped despite being low already during this period since independence (Tawiah et al. 2018; Tsamenyi, 1983: 156). The early 1980s was a critical period for the country when wild fires destroyed farm crops and an estimated one million Ghanaians were deported from Nigeria in 1983, compounding the dire economic situation (Ghana's population was about 12 million in 1983). In the same year, the government entered a World Bank/International Monetary Fund (IMF) Structural Adjustment Program (SAP). SAP became more or less indispensable for Ghana to access the needed funds from the World Bank, the IMF, and other bilateral donors, thereby increasing aid to Ghana. However, SAP came with economic conditionality to ensure economic liberalization which continues to influence Ghana's economy and its structure. Additionally, cuts in government expenditure resulted in a decline in social services like healthcare and education. For the first time, in the early 1990s to early 2000s, the government introduced health user-fee system called "cash-and-carry" system for healthcare delivery, whereby the sick and the injured had to pay upfront before they could be treated. This no doubt affected the poor.

Considering the country's potential at the time of independence, the question that keeps repeating itself is why Ghana has not developed, while its compatriots like South Korea, Malaysia, and others in East Asia have achieved remarkable economic progress (Ayelazuno and Mawuko-Yevugah, 2019; Aryeetey and Fenny, 2017; Huq and Tribe, 2018; Opoku, 2010; Hwang, 2014). Such comparisons stir up further questions like, what East Asia did right and what Africa, and Ghana in particular as an example, did not do right? While Ghana, was swinging between import substitution and liberal economics, basically experimenting with both ideas, East Asian countries carved for themselves a pragmatic economic approach fashioned according to their circumstances and needs. This is what has been described as the East Asian model of development that produced the East Asian "miracle". Japan was the first country in East Asia to industrialize and also contributed to the industrialization and development of other East Asian countries. The Japanese model of government-industry collaboration is considered the origin of the East Asian model of development (Hwang, 2014; 205). The East Asian model of development has been essentially the Japanese approach of foreign aid policy (Demachi, 2009: 5). One of the areas Japanese aid focused on to drive the East Asian model of development was economic infrastructure (Watanabe, 2003).

The East Asian model of development has been described as a pragmatic approach to economic development that was adopted by the successful East Asian countries. Therefore, although pragmatism as a philosophy or theory is associated with many fields of study, in the field of economics, it has been associated with economic development in the High Performing Asian Economies (HPAEs) and Asia's Newly Industrializing Countries (NICs) like China (Schmiegelow and Schmiegelow, 1989; Shen, 2000; Schein, 1996; Prawiro, 1998). By definition, "pragmatism is a philosophical approach that assesses the truth of meaning of theories or beliefs in terms of the successes of their practical application" (Oxford Reference, 2021). John Dewey (1859-1952) is said to have disseminated pragmatism. Although, pragmatism covers or is applied to various endeavors, including the works of Dewey in fields such as education, psychology, sociology, etc., Thompson (2005) working on 37 volumes of Dewey's works in her dissertation *John Dewey and Pragmatic Economics* describes Dewey's works as having paid so much attention to economics, with the belief that philosophy concerns itself with economics. It can, therefore, be stated that Dewey was one of the pioneers of economic pragmatism. According to Thompson (2005: 62-63), pragmatic economics, therefore: "would acknowledge the fact that human behavior varies as the environment varies, and pragmatic economics would also have to acknowledge that predictions about human behavior will have to adapt as that behavior adapts."

According to Milberg (2005: 370), the propensity for mainstream economics to claim pragmatism comes at a time when a number of other schools of thought are declaring pragmatism as their philosophical foundation. American institutionalists, Friedmanian monetarists, feminists, and complexity theorists are some of the schools of thought (Milbeg, 2005: 370). Institutional economics was born out of adherence to pragmatism by its founders, namely, Veblen, Ayres, and Commons, with Veblen, passionately writing on the incompatibility of pragmatism with the individual rational choice methodology (Milbeg, 2005: 370-371). Akerlof (2005: 54) notes that: "the standard individualistic theories of income distribution and resource allocation are notable by the absence of variables describing social structure." In other words, economic theories that focus on analyzing the individual on income distribution and resource allocation do not pay attention or lose sight of the possibility of social

effects on what the individual gets in terms of what is being allocated or distributed. As Brahm (2014: 9) puts it this way, economics requires the inclusion and the understanding of cultural, religious, and social factors or context pertaining to particular peoples and geographical spheres.

Milbeg (2005: 362) notes that: “the demise of the neoclassical equilibrium model of international trade began...partly in response to the model’s failure to predict some commonly observed phenomena such as the large volume of intra-industry trade, and the cases of successful government intervention along the lines of export-oriented industrial policy, especially in Japan and South Korea.” China proved to other developing countries that there is a viable alternative to the Washington consensus which emphasized market fundamentalism of neoliberalism (Brahm 2014: 10). It skilfully combined the tools of the market economy and central planning by the government to achieve economic success (Brahm, 2014: 10). What China did was to adopt economic pragmatism through back-to-basics economic view rooted in its own local reality without tying or attaching itself to any particularly economic theory or ideology (Brahm, 2014: 10), despite itself being criticized as communist or socialist and not neoliberal. China’s approach is an inspiration and hope for developing countries, for instance those that have tried both neoliberalism and socialism without success, to think out of the box and seek alternatives (Brahm, 2014: 10), in a manner that is pragmatic by paying greater attention to their own realities and circumstance.

The East Asian development model based on pragmatism is different from either liberal or import substitution economic development approaches that have been adopted by the various Ghana governments. Through pragmatic economics, East Asian economies achieved sustained rapid and high rates of economic growth. Economic growth in the East Asian economies was also shared among the wider population, such that there were no major issues of inequality, and human development indicators also improved significantly. Ghana on the other hand has pursued liberal or socialist economic policies. The results have been that Ghana has not been able to achieve sustained economic growth comparable to those of the successful East Asian economies. Economic growth often drops when world market prices of primary products drop, sometimes reaching very low levels, even negative growth rates when the government’s economic policies also fail. Moreover, in Ghana, when there has been appreciable economic growth, income inequality and also spatial inequality increased. A situation that is to a large extent in contrast to the East Asian model of development. Pragmatism in economics or economic pragmatism was central to the East Asian model of development and engineered its success. The question is whether economic pragmatism will work or whether Ghana can base on it to set its own development agenda. This is because the country does not seem to have full control of its economy, it has polity issues (political and social structure issues like corruption) to address, and its development processes have resulted in a north-south spatial inequality.

Japan in 1993 set up the Tokyo International Conference on African Development (TICAD) to draw support for Africa’s development. The TICAD process has become the framework of Japanese development assistance to African countries. TICAD seeks to share the East Asian development experience for African development. However, TICAD’s recognition that no one model of development can simply be transferred from one region to another, is also TICAD’s understanding that pragmatism is the way to go about economic development (MOFA, 1993). Moreover, it is important that TICAD, in trying to suggest pragmatic economics in African countries, is also sensitive to the conditions of African countries. At

TICAD IV in 2008, the TICAD process took a turn, shifting from human development aid to trade and investment (economic growth and development promotion). This reflects the East Asian model of development which focused on economic growth towards effective poverty reduction. In fact, it is regarded as Japan trying to promote the East Asian model of development in African countries like Ghana, just like in East Asia. Ghana is an important country for Japan's economic growth support in Africa (Ohno, 2007; MOFA, 2006). Japanese aid to Ghana is beginning to focus more on trade and investment that will drive economic growth and development. TICAD IV almost coincided with when Ghana became a lower-middle-income country—a status that implies reduced Official Development Assistance (ODA) to Ghana. As a result, Ghana's debt stock, both domestic and foreign as a share of GDP (gross domestic product), has increased as the government has resorted to borrowing on the open financial market. Reduced aid to Ghana including from Japan makes promoting economic growth essential for Ghana's development. However, promotion of economic growth in Ghana has always skewed economic growth resources including aid in favor of development in southern Ghana more than in northern Ghana. As TICAD shifts from human development aid to trade and investment, and therefore to economic growth and development, it is likely more of Japan's economic development aid will be allocated to the southern part of Ghana than northern Ghana. While TICAD may influence the allocation of government-to-government aid, especially economic growth and development aid, the allocation of Japan's grassroots projects may be different. However, Japan's grassroots aid projects, mainly the Grant Assistance for Grassroots Human Security Projects (GGHSP) have been contributing to human security and human development, especially in the deprived communities in Ghana. It is, therefore, important to examine the allocation of Japan's aid projects, especially GGHSP (grassroots) aid projects. This is significant, especially when the northern part of Ghana lags behind the south in human development indicators.

1. 2. Literature on the East Asian Model of Development in Africa and Ghana

There are literature that discuss about TICAD's shift from human development aid to trade and investment, business, and economic growth. A number of these literature identify that TICAD's evolving or shifting is Japan attempting to play out in Africa its role in the East Asian development phenomenon—first of all, from its own development experience and also from its contribution to East Asia's development (Yamada, 2015; Watanabe, 2008; Donnelly, 2008; Demachi, 2009). Donnelly (2008) remarked that the provision of loans for infrastructure development to encourage private-sector investment was central to Japan's development experience and is key to its strategy for Africa.

However, this new approach of TICAD from human development to economics is deemed to face some challenges in Africa, or at least not expected to achieve the same success story as in East Asia. Yamada (2015) notes that the political and economic environments and conditions surrounding developing countries in Africa now are quite different from when Japan was at a similar level of development as Africa. Watanabe (2008) mentions that African countries are not achieving the levels of economic growth required and unlike East Asia, Africa is not in the position to attract Japanese investors. Demachi (2009) considering Japanese aid to Africa compares the factors that led to East Asian industrialization, and goes on to describe contrasting factors in Africa that make industrialization in Africa difficult. Demachi (2009) notes especially that, the nature of Japanese aid that is focused on loan aid, is likely to burden African

countries with debt. This is true if African countries are not able to industrialize to raise growth that will strengthen their ability to repay the debt.

Other literature examining the replicating of the East Asian model of development in developing countries or Africa note the obstacles and lessons that can be learned. Stein (1995a; 1995b) criticizes the World Bank's linkage of the neo-classical economic model with East Asia's development to justify structural adjustment in Africa. He (Stein, 1995a, 1995b) concludes that East Asian countries took a different path to development, expressing the challenges of reproducing or replicating the East Asian model of development in Africa. Campos and Roots (1996) highlight certain key factors that led to the East Asian "miracle" that may be contrary to the situation in developing countries, especially in African countries. Chief among these factors is the sharing of economic growth in the High Performing Asian Economies (HPAEs) (Campos and Roots, 1996). Mills et al. (2020) discuss about why and how Africa should emulate East Asia noting, importantly, "inclusive growth" in East Asia and ask the question whether Africa can be the next East Asia. They go on to indicate that the value of culture in East Asia has been the primacy of pragmatism over principle, whether religious, racial, ethnic or political, and the ability of East Asians to operate successfully within and without their own cultural context is central to explaining their development success (Mills et al., 2020: 210). Ohno Kenichi (2014) highlights the contradiction in the expectations of low income countries to develop, especially in trying to draw lessons from the East Asian development. He points out the state of their private sector, and the weakness and failures of their governments (Ohno Kenichi, 2014).

Hwang (2014) writing about the emulation and duplication of the Korean model of development (an example of the East Asian model of development) in Africa notes that the processes and pragmatism of South Korea's experiences offer ample insights but not necessarily specific guidelines for countries with very different, policy environment, such as culture, governance system, resources endowment, policy process, and implementation capacities. Hwang (2014) narrows down to the applicability of the Korean model of development in Rwanda as an example, expressing that the current global trade environment makes it more difficult for Africa to achieve the success East Asian countries were able to achieve. While Hwang (2014) lauded Korea's rapid economic growth along with redistribution that ensured equity, Ohno Kenichi (2014) highlights some of the social policies generally adopted by the successful East Asian economies to forestall inequality induced by rapid economic growth. Campos and Root (1996) and Stein (1995b) go further to give details of the policies and programs implemented by some of the successful East Asian countries to ensure income redistribution and maintain low inequality. Some of these social interventions reached down to the grassroots, economically marginalized groups, and rural communities that most often than not become geographically marginalized in times of economic growth and development. There are many literature that mainly identify the factors that created the East Asian model of development and lessons that can be learned from it, whether it can be reproduced in other countries (Yusuf, 2001; Page, 1994; Chu, 1997; Fukasaku, 2004).

Undoubtedly, one of the most discussed and debated phenomena since the 1990s is the East Asian model of development. This obviously is because it departed from mainstream economic growth and development ideologies in a pragmatic manner that is novel. The East Asian "miracle", therefore, challenged the liberal economic theory in many ways. It should, therefore, not be surprising that academics from various fields of study sought to understand

what could account for the high performing economic growth, development, and poverty reduction in East Asia. However, it is important to understand that any attempt to reproduce or replicate the East Asian model in any part of the world will be within the liberal global economic system, whether countries will be capable or whether they can find their own pragmatic economic models. This research adds to existing knowledge in the previous literature by looking at how TICAD's promotion of the East Asian model of development through Japanese aid to Ghana is impacting the north-south spatial inequality in Ghana.

1.3. Problem Statement, Research Objectives, Scope, and Significance of Study

1.3.1. Problem Statement

Since the colonial era, public funded human and economic development, along with private sector investments have been concentrated in southern Ghana. This notwithstanding, during the period of state-led import substitution in Ghana under Nkrumah (first half of the 1960s), and even somehow under the Acheampong-led military rule (second half of the 1970s), northern Ghana benefitted from a number of economic infrastructure and industries. However, since Ghana entered the neoliberal economic system from the period of the Structural Adjustment Program (SAP), northern Ghana lost a number of these infrastructure and industries as the existing ones were abandoned to deteriorate and has since not received similar attention. In a neoliberal global economic system of comparative advantage, Ghana's comparative advantage of primary products is concentrated in southern Ghana. Moreover, the government is expected to withdraw from government-led industrialization, and private investments decide where, when, and how to apply their capital/investments. There is the temptation to continue the trend due to the notion of external economies of scale, instead of expanding to new areas. There is the view, particularly within the liberal economic theory, that economic investments, both public and private, should build on existing ones to achieve faster economic growth instead of trying to create new ones in new locations, which may take a longer time to achieve their outcomes. As a result, the situation may not be expected to change anytime soon.

The northern part of Ghana does not seem to be an important investment destination, as it faces various challenges such as being far from international air and sea ports, limited external economies of scale, market, etc., equally due to factors that can be attributable to the negative aspects of the global economic system. It is not surprising that Abdulai (2017) mentions that aid obtained by the Government of Ghana is used to benefit southern Ghana more than northern Ghana. Has this also been the same for Japanese aid in Ghana? This has led to inadequate economic activities in northern Ghana, resulting in broader implications for human development indicators in the north. This became clearly noticeable when SAP, which re-established and re-emphasized Ghana's liberal/neoliberal economic status, improved economic activities in southern Ghana to the neglect of the north, resulting in deteriorating human conditions. From what Abdulai (2017) is saying, and based on Japanese aid principles of self-help and request, and Ghana's neoliberal economic environment, it may be fair to suggest that, Japanese aid (through TICAD), which has started to focus on trade and investment (economic growth activities), will benefit southern Ghana more than the north. This has implications for the allocation of Japan's grassroots projects as the more economically developed part of Ghana will likely have more capacity to access Japan's grassroots aid projects which is also based on Japanese aid principles of self-help efforts and request bases. A matter of concern is the

situation of the spatial allocation of Japan's grassroots aid projects between the north and the south of Ghana, especially when TICAD's policies are set at the high-level of governments, while grassroots aid projects application and selection are mainly between the community level and the Embassy of Japan. The question this research aims to answer is: are Japan's aid projects, especially grassroots aid projects since TICAD, which is increasingly depicting an aspect of the East Asian model of development, contributing to deepening the north-south spatial inequality in Ghana?

1.3.2. Research Objectives

This research aims to examine the spatial allocation of Japan's aid projects in Ghana as TICAD focuses on trade and investment, which is regarded as aspects of the East Asian model of development on the African soil, with Ghana as a case study. While the East Asian model of development was based on economic pragmatism and achieved a high rate of economic growth, it is important to examine Japanese aid within the context of spatial inequality. Especially, when Ghana already has enduring north-south spatial inequality, and TICAD's new approach will move Japanese aid from human development to economic development. This is important because of the longing for economic development that sometimes causes human development to be relegated, and Ghana's population which is not fairly distributed, especially between the north and the south. The objectives of this research will lead to findings which may help to understand how the allocation of Japanese aid since TICAD is happening within Ghana's neoliberal economic system. Specifically, this research will address the following objectives:

- 1) To examine how aid relates to inequality in developing countries, with the case of Japanese aid to Ghana
- 2) To identify the factors that influence the allocation of Japan's aid projects in Ghana, especially grassroots projects

1.3.3. Relevance of Ghana as a Case Study

Ghana has been regarded as one of the few African countries that have made significant progress compared to other African countries. It was identified as one of the few countries leading the "Africa rising," when several African countries started achieving high economic growth rates in the later part of the decade after the millennium. This contributed to Ghana becoming a lower-middle-income economy. In as much as Ghana is regarded as promising, its failures are also viewed as disappointing when one considers the development potential afforded Ghana at independence, due to all the resources at its disposal. Within Ghana and elsewhere, Ghana is repeatedly compared with its compatriots in East Asia who have gone far ahead in development, while Ghana continues to face many development challenges. This makes Ghana, a prime country to compare with the East Asian developed economies in the search for why the successful East Asian countries developed while many African countries like Ghana did not.

Ghana has experimented with the two main economic ideologies that have dominated the world since World War II (WWII), namely socialism and liberal economics. While some in favor of socialism consider that, Ghana was not very successful because it had not gone far enough with socialism (Amin, 1973), others who favor liberal economics indicate that Ghana's structural reforms towards liberal economics have not been thorough (Aryeetey and Kanbur, 2008; Fosu and Aryeetey, 2008; Killick, 2008). However, there are others who also consider

that Ghana has gone too far with liberal economics, and either has to draw back or re-enter state-led industrialization (Kwakye, 2020; Ayelazuno, 2014). After trying these two major economic ideologies without much success, there have been calls for Ghana to look east to East Asia, to draw lessons from the East Asian model of development which is arguably not based on any of the dominant economic ideologies but rather (economic) pragmatism. It is, therefore, important to look at what the outcomes will be, as TICAD promotes aspects of the East Asian model of development through Japanese aid in Ghana.

Ghana has been selected for Japan's economic growth in Africa and also a model country for Japanese aid in Africa. With this, Ghana becomes a focal country for Japanese aid targeted at economic growth, which at this point has become very important as Japan's aid through TICAD is reflecting the East Asian model of development with emphasis on promoting trade and investment for economic growth. In addition to this, Ghana is one of the top recipients of Japanese ODA in Africa and Japan is one of the top donor countries for Ghana. Ghana is, therefore, an ideal model country in Africa to examine on Japanese aid based on the economic pragmatism of the East Asian model of development that Japan is promoting in Africa.

1.3.4. Scope of Study

This research does not seek to discuss Ghana's development problems mainly but the focus is how Ghana's development processes influenced by the global economic system have created north-south spatial inequality which is a serious development issue in Ghana. It also focuses on how Japanese aid which is evolving to reflect an aspect of the Asian model of development relate to addressing the north-south spatial inequality in Ghana.

1.3.5. Significance of Study

Ghana has tried or experimented with both liberal and socialist economic policies, both of which have not generated the expected economic development. Many have, therefore, suggested that Ghana should learn from the East Asian countries and the East Asian model of development. SAP was the most recent major economic turn in Ghana's history which has influenced the country's current economy towards liberal economics. However, the liberal economic system SAP introduced has shortcomings within the Ghanaian situation. This study will remind policy makers and development partners of the shortcomings of SAP so that new development paths and new development supports like the approach TICAD is adopting do not repeat such shortcomings. It is also to highlight some conditions which obstruct the East Asian model of development in Ghana. Whereas the East Asian model of development is based on pragmatism, this study will look at how it helps address Ghana's development issues. Finally, it draws attention to the problem of deepening spatial inequality in Ghana with Japanese aid promoting economic growth through infrastructure, trade, and investment which are characteristic of the East Asian model of development and the role Japan played in it.

1.4. Description of Chapters

This thesis has 6 chapters. Chapter 1 sets out to design and focus the research on the specific issues that are being studied to add to existing literature and to bring clarity for a better understanding of the thesis. It puts the study within a theoretical framework and also sets the methodology for addressing the main issue of the research.

Chapter 2 discusses the global economic system driven by economic theories and whether any economic theory can be universal. It also looks at how the liberal economic theory has been globalized particularly in Africa, through colonization and the SAP. It also examines the arguments that have been made for or against the global economic system. It then looks at the role of aid in the global economic system.

Chapter 3 looks at Ghana's economy and development, its origins and current state. The chapter considers the various economic strategies that have been undertaken by the various governments and their outcomes. It discusses the role of SAP in the structure of Ghana's economy. ODA is also touched on in relation to the various governments' attitudes towards aid. The chapter also considers the development indicators of Ghana and the issue of spatial inequality between the northern and southern parts of Ghana.

Chapter 4 looks at Japanese aid to Ghana, the TICAD process, and the East Asian model of development. It discusses how Japan aims to use aid to promote Ghana's development as it did with some East Asian countries in what has been termed as the East Asian model of development. It focuses on the challenges that the East Asian model faces in African countries like Ghana.

Chapter 5 is about Japanese projects allocation between the north and the south of Ghana, and factors that influence the allocation of Japanese aid in Ghana. It analyzes at the allocation of Japanese aid projects in relation to bridging the north-south spatial inequality in Ghana.

Chapter 6, which is the final chapter of this thesis, discusses the findings of the thesis. It also draws a number of conclusions and makes recommendations. In sum, chapter 2 talks about the global economic system, and chapter 3 discusses its effects on Ghana's economy. Chapter 4 discusses Japanese aid, trade, and investment to Ghana through TICAD and how it is reflecting the East Asian model of development. Chapter 5 looks at the spatial allocation of Japanese aid projects in Ghana in relation to spatial inequality in Ghana, especially when Japanese aid is becoming focused on promoting economic growth through trade and investment.

1.5. Methodology

The research combined several methodologies to achieve the research objectives. Methodology for this research was done through literature review, internet sources of secondary data, data analysis and qualitative interviews.

Literature Review

The research relied on a number of literature to discuss the global economic system and Japanese aid through TICAD which is shifting to reflect the East Asian model of development in Africa. The literature also discussed some aspects of the East Asian model of development and examined the challenges of introducing it in Africa, and particularly Ghana. Literature also discussed economic pragmatism as being the main approach of the East Asian model of development.

Data Analysis

Data obtained from the Ministry of Foreign Affairs of Japan on Japanese aid projects in Ghana was discussed and analyzed in chapter 5. Japanese aid projects selected are projects

whose agreements were signed between 1999 and 2020. This period marks ten years before and ten years after Ghana became a lower-middle-income country in 2010, which is expected to have effect on development assistance to Ghana. Similarly, it also marks a time Japan's aid to African countries started going through changes, as seen from TICAD IV in 2008, when TICAD started to shift focus to trade and investment. Projects which are sited in the Upper West, Upper East, Savannah, Northern, and North East Regions in Ghana were classified as projects in northern Ghana. Projects in the remaining regions of Ghana: Bono, Ahafo, Bono East, Ashanti, Eastern, Oti, Western North, Western, Central, and Greater Accra Regions were classified as projects in southern Ghana (see map in chapter 5). This was to find the total number of Japanese aid projects within the period in northern Ghana and in southern Ghana.

Projects found were in these two main categories: government-to-government¹ (Aids from Government of Japan to Government of Ghana) and grassroots projects (from Government of Japan to local governments, local public institutions, and local Non-Governmental Organizations (NGOs)). Government-to-government projects were also classified into four as: human development, economic development, environment, and culture projects according to the purpose of these projects as described in the exchange of notes or agreement documents. This was to find out how they are allocated between the northern and the southern part of Ghana. The data was analyzed by comparing the number and type of Japanese aid projects between the northern and southern part of Ghana. Therefore, the total number of Japanese aid projects between the northern and southern part of Ghana, as to which part of Ghana between the north and south received more Japanese aid projects between 1999 and 2020, were compared. Then, the total number of Japanese grassroots projects between the north and south were also compared. Finally, the total number of government-to-government projects were compared between the north and the south by the type of project: human development, economic development, environment, and culture projects. The number of Government-to-government economic development projects allocation between the north and south was examined in relation to the East Asian model of development, the global economic system and the north-south spatial inequality. This was to find out if the number and the type of Japanese aid projects allocated between the north and south are contributing to north-south spatial inequality in Ghana.

Qualitative Interviews

Qualitative interviews were also conducted to help identify the factors that influence the allocation of Japanese aid projects in Ghana, considering the influences of the global economic system and Japanese aid shifting to reflect the East Asian model of development. The first part focused on interviews regarding Japan's Grant Assistance for Grassroots Human Security Projects (GGHSP) which is meant to support community development at the grassroots level. The second part of the qualitative interviews focused on TICAD's promotion of the East Asian model of development in Ghana which is reflected in TICAD shifting from aid to trade and investment, in the context of the global economic system and the north-south spatial inequality in Ghana.

¹ Government-to-Government included projects provided to Ghana by Japan through international organizations, since those projects also involve to a great extent, the Ghanaian government and the Japanese government.

For the interviews on GGHSP, projects selected were projects whose agreements were signed between the Embassy of Japan in Ghana and grant recipient organizations between 2015 and 2020, according to the international (Gregorian) calendar and not the Japanese fiscal calendar. Projects on health and education were then selected because they had the highest number of projects of 22 and 10 respectively within this period (see table 1.1). From these, selected projects were projects that were provided to the more deprived and needy communities according to records of the GGHSP section of the Embassy of Japan in Ghana.

Table 1.1: The Number of GGHSP Projects in Ghana from 2015 to 2020 by Type of Project

Category of Project	Health	Education	Water and Sanitation	Disaster Prevention	Conflict Resolution	Industry	Others
Number of Projects	22	10	8	1	1	2	1

Source: MOFA (2020)

Persons/organizations intended to be interviewed were into two main categories:

1) 8 officials of GGHSP recipient organizations explained in table 1.2 below were identified for interview. Recipient organizations were Non-Governmental Organizations (NGOs) and Local Governments split between northern and southern Ghana and the type of project they received.

Table 1.2: Number of GGHSP Recipient Organizations Planned for Interview by Type of Recipient and by Type of Project

Category of Project/Type of recipient	Northern NGO	Northern Local Government	Southern NGO	Southern Local Government
Education	1	1	1	1
Health	1	1	1	1

2) Non-GGHSP recipient NGO/Civil Society Organizations (CSOs) operating in a GGHSP beneficiary districts or nationwide as may be identified were also to be interviewed. The idea of interviewing non-recipient organizations of GGHSP was to get independent views on the GGHSP and projects funded by GGHSP grants.

Prospective interviewees were selected by the author in consultation with the GGHSP Section of the Embassy of Japan in Ghana. From the list of GGHSP projects in table 1.1, all the health and education projects were initially selected. The health projects were grouped into those received by NGOs in northern Ghana, those received by local government in northern Ghana, those received by NGOs in southern Ghana and those received by local governments in southern Ghana. The same groupings were done for education projects. Therefore, there were eight groupings in total. The list was sent to the Embassy of Japan in Ghana to help select the most deprived or needy project community under each of the eight groupings and to provide the contact of the grant recipient organizations. Later on, water and sanitation projects were included to substitute for some health and education projects when there were challenges in getting officials for interviews described as limitations to the interview (below). Contacts of non-GGHSP recipient organizations interviewed were obtained through friends who knew

about them and some of the GGHSP recipient organizations. Phone calls were made to all the selected prospective interviewees, followed by emails.

Table 1.3 shows the categories of GGHSP projects and the types of recipient organizations of GGHSP that were finally interviewed. The table shows that 4 GGHSP recipient NGOs and 4 GGHSP recipient local government organizations were interviewed. It also shows that 5 of the GGHSP recipient organizations are from northern Ghana and 3 GGHSP recipient organizations are from southern Ghana. Table 1.3 shows further that the interviews involved 3 education, 3 health, and 2 water and sanitation projects. The ethical rules and guidelines were applied during the interviews. In all, 11 persons or organizations were interviewed. 8 were recipient organizations of GGHSP grants (appendix 2) and 3 were non-recipient organizations of GGHSP grants (appendix 3). The agreement (appendix 23) and questionnaires (appendices 5, 6 and 7) were sent to respondents prior to the interview and the interviews were conducted and recorded with the acceptance and approval of the interviewees at a time convenient to them. Interviews were conducted by phone calls and online by Zoom or WhatsApp (Social Network Services (SNS)) or email attachment or a mixture of these.

Limitations

There were some limitations that affected the interview plans. There were challenges in getting to interview some of the people/organizations initially identified for the interview because they were no longer working for the particular organization or their contact information seemed not active or they were unwilling to grant the interviews. This meant that some of the more deprived communities earlier identified for the interview were replaced as well as some of the type of projects. Therefore, the plan for the interview was revised to include organizations that were not selected according to the initial plan. As a result, the persons/organizations interviewed did not reflect exactly the plan in table 1.2. Table 1.3 explains that instead of the initial plan to interview 4 organizations in northern Ghana, 5 were rather interviewed. Whereas 3 were interviewed for southern Ghana instead of the intended 4 organizations. Also, instead of 1 local NGO for education project in northern Ghana, 2 were interviewed and instead of 1 local government for education and health each, 2 local governments were interviewed for water and sanitation projects as substitutes in northern Ghana. The higher number of NGOs that received GGHSP grant than local governments in northern Ghana reflected in their numbers interviewed. For Southern Ghana, interviews went according to plan, except for 1 NGO for education that could not be interviewed. Although the interview sought to make neutral findings of the influence of GGHSP projects on the lives of project communities, it was difficult to establish that after the interviews. However, field research could not also be conducted because of COVID 19 (Corona Virus Disease 2019) travel restrictions and safety measures.

Table 1.3: Number of GGHSP Recipient Organizations Interviewed by Type of Recipient and by Type of Project

Type of Project/Type of recipient	Northern NGO	Northern Local Government	Southern NGO	Southern Local Government
Education	2	-	-	1
Health	1	-	1	1
Water and Sanitation	-	2	-	-

The second part of qualitative interviews were done with informants selected by the author because they are associated, knowledgeable, and interested in the global economic system, the East Asian model of development, TICAD, Japanese aid, trade, and investment in Ghana, as well as the development of northern Ghana (north-south spatial inequality) and Ghana as a whole. The objective for this second part of interviews was to find out how TICAD focuses on trade and investment, with aid shifting to economic infrastructure is influencing the allocation of Japan's economic development projects as a background to the allocation of grassroots projects and north-south spatial inequality. Two persons were interviewed: the trade attaché at the Embassy of Ghana in Japan and a Ghanaian economics journalist who participated in TICAD IV and V (appendix 4). The agreement (appendix 23) and questionnaires (appendices 8 and 9) were sent to them prior to the interview.

Sources of Data

The research also relied on secondary data from the following internet sources: Ministry of Foreign Affairs of Japan (MOFA, Japan), the Organisation for Economic Cooperation and Development (OECD), the World Bank, Ghana Statistical Service (GSS), United Nations Conference on Trade and Development (UNCTAD), the Observatory of Economic Complexities (OEC), United Nations Commodity Trade Statistics Database (UN Comtrade), United Nations Development Programme (UNDP), and Ghana Health Service (GHS) (appendix 1).

1.6. Definition of Key Terminologies

East Asia: Geographically, East Asia is made up of all the economies or countries of the Far East Southeast Asia, and the Pacific, numbering about 23 countries or economies. For the purpose of this thesis, East Asia refers to the successful economies or countries that achieved remarkable high and sustained economic growth with improved incomes and social transformation albeit at different levels, described as the High Performing Asian Economies (namely: Japan, South Korea, Taiwan, Hong Kong, Singapore, Thailand, Malaysia, and Indonesia) and Asia's Newly Industrializing Countries (namely: China and Vietnam). From this, it is important to note that, overtime and between authors, the countries that have been described as part of the successful East Asian countries, and therefore part of the East Asian model of development have evolved or fluctuated. Although the World Bank in 1993 mentioned that there were eight HPAEs, it listed nine countries to include China as the 9th country. (See World Bank, 1993; Campos and Root, 1996; Kenichi Ohno, 2014; Mills et al., 2020).

Human Development Aid: This is aid meant for the promotion of any of the three foundations of human development, namely: long and healthy life, knowledge, and decent standard of living (defined by United Nations Development Programme). TICAD describes them as aid for promoting education, health and poverty alleviation (MOFA, 1993). Projects that are done with human development aid are described as human development (aid) projects in this thesis. This include emergency relief aid.

Economic Development Aid: This is aid meant for the purposes of promoting economic growth and economic development (through the provision of economic infrastructure and promotion

of trade and investment by the private sector (MOFA, 1993). Projects done with economic development aid are described as economic development (aid) projects.

Enclave economy: This is an economic region that differs itself from the rest of an economy in terms of high level of capital investment, technology, and skilled labor that can emerge spontaneously as a government initiative in cooperation with its members or by its members.²

Economic (geographical) Clusters: An economic cluster is a dense network of companies and institutions in a certain geographic sphere.³

Agglomeration Economy: It is a localized economy in which a large number of companies, services, and industries exist in close proximity to one another and benefit from the cost reductions and gains in efficiency that result from this proximity.⁴

² Economic Point, Enclave Economy, <https://economicpoint.com/enclave-economy>

³ The Reut Institute, Economic Cluster, <http://reut-institute.org/en/Publication.aspx?PublicationId=3753#:~:text=An%20economic%20cluster%20is%20a%20dense%20network%20of,institutions%20%28such%20as%20research%2C%20training%20and%20standardization%20institutions%29>.

⁴ Merriam-Webster, Definition of agglomeration economy, <https://www.merriam-webster.com/dictionary/agglomeration%20economy>

Chapter 2: The Global Economic System, ODA, and Africa

The global economic system has been based largely on economic theories. These economic theories have always not only evolved, but also generated debates among scholars. The evolution of economic theories and the introduction of new ones are evidence of how diverse the world is. Economic globalization has driven dominant economic theories across the world. As a matter of fact, the dominant economic theory in the world, neoliberal economics, has been the main engine of economic globalization. For Africa, their integration into the global economy and economic globalization of Africa mainly through colonization gave them little role to play in the process. A situation which has not changed much after their independence. Just like economic theories, there are arguments in favor and against the global economic system as it pertains now. ODA plays an important role in the global economic system, providing assistance to developing and poor countries. There have been calls for more ODA to make it more effective or a “perfect” balance of ODA and trade or replacing ODA with a “fairer” trade. This chapter of the thesis sets the background for discussions of the other chapters on the role of economic theories or ideologies and ODA in development and on issues of inequality, particularly spatial inequality.

2.1. Economic Theories: Do they Apply Always?

There are many economic theories and their offshoots that have been propounded throughout history. Some have been very well famous, at the core of economics and much written on, while others are at the fringes. It can be said that there may be certain human or economic practices or ideas or new phenomena which in themselves can be or are yet to be theorized into economic theories. Economic theories may also emerge by means of finding solutions to economic problems, in a way that can be described as being pragmatic towards the prevailing situation. This implies that there could be more economic theories in the future. Tsoulfidis (2017: 103) mentions that new economic theories might be the result of four non-mutually exclusive conditions. He (Tsoulfidis, 2017: 103) enumerates them as follows: “first, a new theory might be the product of the elaboration of an existing theory; second, it might be the outcome of systematic failures of the dominant theory to account for phenomena that it was designed to explain; third, it may lead to economic policy conclusions that are more relevant to dealing with current problems than the policies proposed by the existing and prevailing theory; and last, but not least, a theory may prevail on the basis of the interests that it serves regardless of its ability to aid in prediction and the formulation of economic policy.” One of these conditions when met could lead to further advancement or evolution of an existing theory or even the replacement of an existing theory completely with a new theory (Tsoulfidis, 2017: 103). The new economic theory can also be an addition to those existing already. For instance, neo-classical economic theory can be said to elaborate on classical economic theory, opposing aspects of it and introducing some alternative aspects of it (Brenner, 1966).

Adam Smith, the 18th century economist who is considered the founder and father of the classical economic theory admitted that, earlier economic theories, namely, mercantilism and physiocracy, each as a system was related to the historical and economic environment of its time and place, especially on the subject on social structure and religion (Brenner, 1966: 30; Smith, 1976). However, sometimes economic theories have been treated as universal—fitting

all times, fitting all places, and fitting all people. It is more so, once these theories are able to be represented mathematically. Then, they are deemed as complete science without recourse to the sometimes unpredictability of human behavior, to be “perfectly” scientific and apply anywhere and anytime. For instance one of the early theories, physiocracy, a school of thought that dominated French economic discourse in the middle of the eighteenth century abandoned reality and focused on searching for the basic underlying rule or principle (Brenner, 1966: 20-21). They were convinced that any idea which was correct could and should be proven by mathematical analysis (Brenner, 1966: 21). For physiocrats, their theory had discovered a natural law which was universal (Schumpeter, 1997: 221-225). Also, for the neoclassical economists, mathematics is basically a form and branch of logic which is in fact a representation and an explanation of a real proposition or situation with equations that can be inferred back to reality (Brenner, 1966: 108). Amin (1998: 116) criticizes the mathematizing of economic science as meant to prove that markets are self-regulating and they lead to the best possible outcome for society but without success.

Brenner (1966: 58) explains that John Stuart Mill, the 19th century economist in the sixth edition of *System of Logic* published in 1865, tried to deal with the human behavioral aspect of economics by introducing into it the complication of psychological motivation, although he thought it was irrelevant as a means for the prediction of future development. Mill remarks that: “differences in the state of different portions (or diversity) of the human race (in a diverse world) with regards to the production and distribution of wealth depend on causes which can be moral or psychological, dependent on institutions, and social relations or on the principles of human nature, and therefore object of what can be called Political Economy” (Mill, 2004: 18). This, Mill thought was “because human psychological element was assumed to be subject to changing cultural influences” (Brenner, 1966: 58). Mill did not want to rely on culture either, as he thought culture itself was subject to change, and “the best that could be expected from the study of political economy in a world of changing cultures or cultural change, was the encouragement and discouragement of prevailing tendencies” (Brenner, 1966: 58). Unlike the laws pertaining to production, those of distribution are partly of human institutions depending on statutes and usages in any given society which often than not differ and subject to change (Mill, 2004: 18).

Strongly opposed to the dominant classical/neoclassical theories is Marxism, the main theory of dialectical materialism. Karl Marx, the father of Marxism or socialism (communism), and by extension the dependency theory makes some critical assertions. For Marx, production is subject at all times to material limits imposed by nature-society interaction (Foster, 2008: 93-94). This presupposes that different ecological situations in different societies may also influence the kind of economic system that may be applicable. However, for Marx, socialism was also going to be universal as class struggles lead to it replacing capitalism (Foster, 2008: 104). Socialism proposes full intervention of the “state” in economics. The English economist, John Maynard Keynes, though not at all socialist also proposed some state intervention in capitalism, when it becomes necessary. For instance during a period of economic depression, neoclassical thinking offers no answer in such circumstance (Dunn, 2009: 26). Therefore, during economic crisis in neoliberal economies the state is called to rescue the economy, although it is said to be self-regulating (Voutsas and Boravas, 2015: 46). By this Keynes was attacking neoclassical thinking as being too rigid, and at the same time, “trying to save capitalism from itself and from the threat of communism” (Dunn, 2009: 26). It can be said that

Keynes, to some extent was being a pragmatist (discussed in chapter 1), but well within the capitalist/liberalist sphere. This implies that there are some, although aligned to a particular economic theory may be pragmatic to find practical solutions, when their kind of economic theory is failing, but not to abandon it completely. For instance, the kind of socialism in Ghana and Tanzania during the time of Nkrumah and Nyerere respectively, have been described by some as pragmatic socialism, but others disagree (Biney, 2007; Metz, 1982). For other African countries that were not comfortable to be strictly identified as capitalists, such as Malawi, Cote d'Ivoire, and Cameroon, although many may not agree, preferred to describe themselves as pragmatists (Biney, 2007: 7).

To draw some distinction, while neoliberalism is often associated with more growth and increased income inequality, and socialism is sometimes associated with less growth but low inequality, pragmatism has been associated with more growth but low inequality. That is not to say that there is no inequality, but inequality is low compared to similar growth in the neoliberal economies. This is evident with the successful East Asian countries that have been associated with economic pragmatism. Mills et al. (2020: 8) show the growth of GDP per capita for East Asia and Pacific and compares with that of Africa. They show that, GDP per capita of East Asia and Pacific grew from about 34 percent of the amount of world's GDP per capita in 1960 to about 94 percent in 2016 (Mills et al., 2020: 8). For Africa, it actually declined from about 30 percent in 1960 to about 17 percent in 2016 (Mills et al., 2020: 8). In real terms, Maddison (2012) shows that while GDP per capita in East Asia grew from about USD 700 in 1950 to about USD 6000 in 2008, that of Africa only grew from about USD 900 in 1950 to about USD 1800 USD in 2008. Campos and Root (1996: 8-9) show that while the average Gini coefficients for the eight HPAEs dropped from 0.41 in 1965-1970 to 0.36 in 1981-1990, that for all other countries the index is available only dropped from 0.50 in 1965-1970 to 0.48 in 1981-1990. Mills et al. (2020: 18) show that while the Gini coefficient for East Asia and the Pacific remained mostly below 0.4 from 1992 to 2016 that of Sub-Saharan Africa during the same period was almost always above 0.4.

China has lifted 640 million of its people out of extreme poverty by reducing extreme poverty from 84 percent to 10 percent in 33 years from 1980 (Mills et al., 2020: 8). In 2021, the Chinese government announced the end of poverty in China by taking almost 100 million people from extreme poverty of the national poverty line of USD 1.69 per day, and more than 100 rural counties and villages from the poverty list between 2012 and 2020 (MercoPress, 2021; The Hill, 2021). According to the President of China, Xi Jinping, the eradication of extreme poverty has been possible with a realistic and pragmatic approach (MercoPress, 2021). By this China has lifted about 770 million people out of poverty since the late 1970s (MercoPress, 2021). For the two Koreas, while South Korea pursuing pragmatic economics has made remarkable economic progress in the last 30 to 40 years, the North Korea, which followed stringent socialism (communism), has been described as one of the poorest countries in the world. Vietnam, a latecomer in East Asia in development has made remarkable progress since reunification. Vietnam's economic approach has been described as pragmatic (Mills et al., 2020: 226). While Venezuela, Myanmar, North Korea and others doubled down on ideology, Vietnam took some free market reform paths to get rid of some aspects of socialism/communism (Mills et al., 2020: 195-196). An Asian Development Bank (ADB) report indicated that Vietnam will lead South East Asia in growth in 2021 with 6.7 growth rate, driven by a manufacturing recovery and trade boom (VNExpress International, 2021).

The fact that economists challenge and criticize the theories and models of one another is enough indication that there should be great caution in applying these theories or models. Wolff and Resnick (2012: 5) hold that even individuals may hold more than one view as times change. Wolff and Resnick (2012: 5) give this illustration: “For example, when economic times are good, a person may affirm the neoclassical position that all is best if markets are left alone to self-correct. Then, when hard economic times arrive, the same person may change their view to a more state interventionist theory and policy (in favor of the Keynesian model). And if and when hard times become very bad, the same person may adopt a more Marxist position demanding class change.” Tsoulfidis (2017: 119) reflecting on the prevailing situation of the long economic downturn which started in 2007 suggests that there is a need for an adequate or “new” economic theory. He (Tsoulfidis, 2017: 118) specifically suggests the need for a synthesis between the classical analysis and the theory of effective demand of Keynesian economists. Tsoulfidis seems to suggest that there should be some level of government intervention to ensure effective demand, despite the classic economists’ view that production and distribution, that is, the market should be allowed to regulate itself without government intervention. For developing countries and African countries in particular, both socialism and capitalism have not been relevant to their development. In all this, it may sound that proactiveness and pragmatism should be the guiding principles, but not rigid theories or ideologies. However, there is the need to scrutinize how pragmatism can work in African countries.

2. 2. Economic Globalization of Africa: Creating Dependent and Peripheral States

Economic globalization has been described particularly by proponents of neoclassical theory as inevitable, and largely a good phenomenon for economic growth and development in all countries, at least theoretically (Gao, 2000; Steger and Roy, 2010; Voutsas and Borosa, 2015). However, it is important to know that economic globalization is mainly driven by developed countries while developing or underdeveloped countries have only become appendages of it. Economic globalization is also characterized by the spreading and imposition of the economic theories, philosophies and ideologies of the developed countries on the developing or underdeveloped countries. It is also important to critically examine the global economic integration process historically and its impacts on various societies. Although many African peoples and kingdoms had traded among themselves and with Arabs, contact with Europeans took it to a different direction and dimension especially when they became colonies of European powers. This section looks at the spread of economic theories or ideologies as an aspect of economic globalization in Africa.

2.2.1. Economic Globalization

Globalization was strongly apparent from the operations and activities of the mercantilist era (Amin 2009: 271). The main driving force of globalization can be traced in the economic field and it is conditioned as well as facilitated by economic processes that have consequential effects on all its sectors (Voutsas and Boravas, 2015: 40). The strong presence of economics in the processes and expansion of globalization has been associated with the neoclassical/neoliberal model, although in strict terms it does not claim any theoretical background to itself (Voutsas and Boravas, 2015: 39). The capitalist world economy has come to dominate the structure of economic relations on a world scale since the sixteenth century (Berberoglu, 2003: 17). Amin (1998: 54) notes that there is globalized neoliberal economics which is not only prevalent in the world today but also dominating. Globalization, driven by

the global capitalist system has witnessed a period of vast economic expansion with some contractions (Hopkins and Wallerstein, 1996: 9), with Friedman (1999) describing as more or less practically unpredictable, unpreventable, uncontrollable and unstoppable. “Since the end of WWII, a gradual reopening of the international economy was observed with institutions like the Bretton Woods institutions (World Bank and International Monetary Fund) and the General Agreement on Trade and Tariffs (GATT)⁵ pioneering this procedure, as a “shallow” globalization system was established” (Voutsas and Boravas, 2015: 39-40). “The globalization of the capitalist system is certainly nothing new, but it has undeniably taken a qualitative step forward during the most recent period” (Amin 2014: 31). As Amin (1998: 42) notes: “for the third world countries, an equally important objective was to overcome their backwardness through effective and controlled entry into a world system undergoing sustained growth.”

2.2.2. Economic Globalization in Pre-Colonial Africa

Amin (1973: ix) notes in the introduction of *Neo-Colonialism in West Africa* that the origins of the trading economy in Africa go back to the pre-colonial pre-capitalist era. Dike (1956: 6-7) explains that for the four hundred years of trade that existed between Europeans and Africans before colonization, the Europeans were restricted to the very coasts and the adjacent Islands, and did not have access to the African hinterland or interior. “Before the colonial period the European monopoly had stopped at the coast and African states and merchants carried it from there” (Amin, 1973: ix). This benefitted African middlemen and was a disadvantage to the foreigner (Dike, 1956: 7). “From the late eighteenth century to the end of the nineteenth there was a concerted movement, directed chiefly at first from Britain and later from France, Belgium, and Germany, to enter the West African interior, exploit its resources, and open new markets for European manufactures” (Dike, 1956: 13). Amin (1973: viii) adds that, the period between 1830 and 1880 that preceded colonial conquest was decisive, critical and revolutionary. Yet during this period, the African dealt with the foreigner on equal terms and did not feel themselves pressured, although themselves on to a path which was alien and not suitable to them (Brunschwig, 1963: 177, 212). This arrangement was destroyed by colonization and the African states and merchants were replaced with Europeans (Amin, 1973: ix). The European conquest and colonization did not give a different direction to the new path on which the Africans found themselves as a result of interactions with Europeans and through European influences, but from a brutal thrust which snatched from the African control and self-determination over their progress on this new path (Brunschwig, 1963: 177, 113).

2.2.3. Economic Globalization in Colonial Africa

Colonialism was to cause a major change in this form of globalization in Africa as many nation-states were made to operate an economic system largely alien to them, without enough time to adequately adapt and adjust to the new system. Colonialism introduced in Africa an economic system embedded with economic theories or philosophies without the consent and inputs of the Africans. Radical African writers argue that colonialism integrated Africa into the global capitalist system but in a way that impeded its advancement (Taiwo, 2010: 35). Africa was transformed from mainly self-sufficient village communities, where there was no private property in land, to being manipulated into the capitalist world economy dominated and controlled by Europeans which was completed through colonial rule (Szymanski 1981: 382-386). In Africa like many colonized parts of the world, “feudal land-tenure practices were introduced, together with merchants’ capital tied to the colonial center” (Berberoglu, 2003:

⁵ GATT was replaced with the World Trade Organization in 1995

119). This system was an imposition of the capitalist production mechanisms from the imperial center states and adjusted itself to satisfy the needs of accumulation of the center, deepening unequal development between the center and the colonies, and within the colonies (Berberoglu, 2003: 117). As a result, most African colonies as appendages specialized in one or a few raw materials and food products for export to the center, and became markets for finished manufactured goods imported from the center, both prices determined at the imperial center (Rodney, 1982: 22; Nabudere, 1982: 9, 18). Despite resistance against European colonial dictates, the introduction of feudal and commercial modes of production effectively formed the base of the capitalism the African and the African states had to contend with (Berberoglu, 2003: 119). Until when most African colonies became formally “independent” states, their local economies were a mere appendage of the colonial imperial center, which controlled their direction of development (Berberoglu, 2003: 116-117).

2.2.4. Economic Globalization and Neo-Colonialism in Africa

Despite formal independence from the center states, independent African states were really not fully independent but developed as appendages of the center states, the former colonial masters (Berberoglu, 2003: 119). “The classic colonial relationship prevailed in a number of African countries after the granting of formal independence and led to the restructuring of socioeconomic relations on a neocolonial basis” (Berberoglu, 2003: 117). After independence, African states could not break away from the traditional colonial role of being primary product exporters which they equally had to depend on for their development, while their inability to compete with imports has become a blockade to industrialization (Saul and Leys, 1999). Eurocentrism is forced to assume that the same (capitalist) social relations and interactions that made the distribution of the benefits from progress viable and allowed for social cohesion in the center can or should be reproduced in the development of the (colonial) periphery (Amin, 2009: 268). However, despite the long period of the introduction of capitalism in Africa, the predominant social relations, and the prevailing logic of production are not capitalist in African states (Saul and Leys, 1999). Therefore, African states, especially south of the Sahara, “exist in a capitalist world... but are not of it” (Saul and Leys, 1999). In other words, African states exist in a global system they don’t belong to or not really part of. It was, therefore, not strange that many African countries after independence sought to abandon capitalism created through colonialism and adopted socialism. For instance, Nyerere adopted “African socialism” as a means of returning to traditional African society, whereas as Nkrumah adopted the more Marxist orthodox “scientific socialism” because for him African societies had become a fusion of the traditional African way of life, Euro-Christian, and Islamic influences (Biney, 2007: 7).

2.2.5. Structural Adjustment in Africa

African countries after independence had great hopes of developing and the early days of independence looked promising. However, things started moving from bad to worse and in the late 1970s, African economies were near collapse. “The structural weaknesses of African economies which led to the economic crises do not date from the 1970s but are the result of economic structures inherited from colonialism and perpetuated by decades of ill-advised economic policies” (Mills, 1989: 6), and failure to follow through with the implementation of even the good economic policies. For most of African countries, slow economic growth, poor agricultural performance with high rates of population growth, and balance of payment and fiscal challenges were troubling economic indicators (World Bank, 1981: 2). Between 1960 and 1979, 19 African countries recorded less than 1 percent growth of per capita income per

year, while 15, during the decade from 1970 (about from 1970 to 1980), recorded negative growth of per capita income (World Bank 1981: 2). In reacting to the crisis, the Lagos Plan of Action (LPA) and the Regional Food Plan for Africa (AFPLAN) were adopted by African countries in the late 1970s to address the economic and development issues (Heidues and Obare, 2011: 56-57). However, they failed partly due to the lack of support from the World Bank and the International Monetary Fund (IMF), and the institutional weakness of African countries (Heidues and Obare, 2011: 56-57).

A report published by the World Bank in 1981, popularly known as the Berg's report, *Towards Accelerated Development in Sub-Saharan Africa*, notes that Africa's economic crises are as a result of poor policies to increase the efficiency of resource use, overvaluing of real official exchange rate, import restriction through tariffs to protect local industries, bloated public sector, subsidizing agriculture input, and subsidizing food and other necessities for urban dwellers (World Bank, 1981). The core recommendation of the report was that African governments' should desist from intervening in their economies in terms of local and foreign trade, and currency exchange controls to liberate the markets (Heidues and Obare, 2011: 56-57). Such recommendations became conditionality for structural adjustment and sectorial adjustment loans, commonly referred to as Structural Adjustment Program (SAP) (Heidues and Obare, 2011: 56-57). SAP was introduced in more than 30 Sub-Saharan African countries (out of about 50) in the 1980s and 1990s due to economic challenges being faced by these countries.

2.2.5.1. Characteristics of Structural Adjustment Program in Africa

Structural Adjustment policies were based on the neoliberal economic understanding held by donors and international institutions at the time and which were captured in the Berg's report (Heidues and Obare, 2011: 56-57). The belief in liberalization was to promote privatization, market determined prices (including exchange and interest rates), and promotion of free trade and free access (Mills, 1989: 7-8). In simple terms, SAP meant economic liberalization and privatization (Logan 2015: 1). Berg's report recommended that exchange rates are kept at the realistic levels, currencies devalued, and tariffs reduced (World Bank, 1981: 30). Liberalization of the economy was to promote exports and also to remove import controls (Cleary, 1989: 45). Other objectives were the promotion of foreign private investment and a reduction of the state's role in the economy (Cleary, 1989: 45). "There were increasing calls for developing countries to adopt a free trade, free access posture while protectionist sentiment was growing in the developed world" (Mills, 1989: 7). Berg's report recommended that African countries produce those things which they could best and more efficiently produce as compared with other countries (World Bank, 1981: 24). In other words, the adjusting countries should pursue the comparative advantage economic theory. "To many African policymakers, the strategy probably implied an excessive focus on a narrow range of agricultural exports already facing severe competition from producers in other developing countries with the resulting decline in international prices" (Mills, 1989: 1-2).

2.2.5.2 Criticisms of the Structural Adjustment Program in Africa

SAP has been criticized for its failures. Heidues and Obare (2011: 61-62) argue that the neoliberal approach, on which SAP was purely founded, while theoretically sound, neoliberalism alone in Africa without developing the markets and the private sector as well as institutional development that could accommodate neoliberalism, was bound to fail. "The perception remains that, despite the single-country approach the World Bank and the International Monetary Fund adopted, the adjustment program for African countries rather

exhibited uniformity across countries with only minor differences in detail” (Mills, 1989: 7). There was failure on the part of staff of multilateral lending institutions to fully appreciate the social, cultural, and political as well as the temporal context for policymaking for each of the African countries or even all of them as a whole (Mills, 1989: 1-2). “Furthermore, while SAP continued to emphasize the benefits of unimpeded markets for all societies, it also demonstrated a lack of understanding of how particular markets work and how culture and habits of thought shape “African markets” to operate differently from “Western markets”” (Heidues and Obare, 2011: 62).

SAP was seen as an overly economic approach with excessive conditionality and lacking real ownership by the African countries that were to implement it (Heidues and Obare, 2011: 59). The Structuring Adjustment Program was perceived as imposed from outside with President Nyerere of Tanzania describing the Bank as having assumed the role of finance minister of the SAP countries (Mills 1989: 9). African states had to implement structural adjustment and economic reforms, not in the Lagos Plan of Action (designed by Adebayo Adedeji, a renowned Nigerian economist) which they deemed appropriate for their crises, but in compliance with “dictates” of the IMF, which came along with inescapable conditionality (Logan, 2015: 3; Marais, 2011: 111). Therefore, there were issues of conflicts between the actions prescribed by the adjustment program and other development policy goals in the participating countries, with dire consequences (Mohs, 1988: 27). “There was an apparent contradiction between the goals of self-reliance and self-sustaining non-dependent development of African countries on the one side, and measures that were designed to ensure greater and sustained openness to and participation in the international economy on the other side” (Cleary, 1989: 47). This resulted in a situation in the Ivory Coast for instance, where extensive and rapid liberalization of imports led to collapse of many enterprises (Mohs, 1988: 27). Also, although SAP aimed to increase exports, the value of the region’s exports fell in 1988, while its imports value remained stable, despite the drop in the value of the US dollar (Cleary, 1989: 48). “Thus, despite at least three years of applying SAP, the future of Africa’s people appeared bleak” (Cleary, 1989: 48). SAP was presented as a bitter pill that was going to heal Africa’s economic and development infirmities, but for Africans, its side effects were severe due to their underlining conditions which were being ignored.

There are also questions about what SAP aimed to achieve. Although imports could immediately enter the SAP countries, their exports, and the expected foreign private investment were going to take much longer. This implied that the countries were going to have difficulties balancing their trade and most likely be in a trade deficit until sometime later. There was also the possibility that the influx of cheaper imports was going to overwhelm the system such that local industries could collapse or not develop, and foreign private investments could also be discouraged because of the possible high cost of production due to lack of external economies of scale as a result of undeveloped industries. It generally meant that SAP countries could only or mainly produce primary products for export which was the neoclassical economic ideology of the SAP based on comparative advantage, despite their declining commodity terms of trade according to the Prebisch-Singer hypothesis. It further implied with the influx of imports, SAP through the comparative advantage did not expect the production and therefore the export of non-primary products. This more or less reaffirmed the dependence and the peripheral state of SAP countries, as a supplier of primary commodities to the center or metropolis countries and the importer of finished goods. Therefore, in Ghana for instance, foreign private investments

that came in as a result of SAP were mainly in the extractive sector for the export of extractive primary products. Moreover, during SAP, there was no talk about value-addition of primary products which could have helped improve the terms of trade. In terms of balance of payments, the ODA loans and grants which came and some foreign private investments as a result of SAP, were initially going to help but that was not going to be sustainable when ODA reduced and when there was repatriation of profit and capital flight of the foreign private investments.

2.3. Global Economic System

The overall framework of the international economic order that emerged after WWII was created by the 1943-1944 Bretton Woods Conferences, held in New Hampshire in the United States. The global economic system has been dominated by neo-classical and neo-liberal economic theories and practices especially after the collapse of the Soviet Union. Neo-classical and neo-liberal concepts are promoted across the world as universal concepts that have the greatest potential of bringing economic growth and development to countries and peoples of the world. “The current international economic system is modelled mainly on the economic systems of the industrialized countries especially that of the United States discipline” (Huang et al., 2011: 29). This system demands adherence to free trade, free investments, and allowing the market forces to operate unrestricted (Huang et al., 2011: 29). In a capitalist fashion, the global economic system almost always entails attracting foreign capital from abroad (or internally) to make use of the abundance of labor and valuable natural resources for the production of agricultural, extractive or manufactured products to be sold within or outside the country of production (Audley et al., 2003: 3). It encourages countries to produce what they have a comparative advantage in for export and import what other countries have comparative advantage in. This arrangement, therefore, makes trade very vital. On the surface of it, everyone wins and prospers. However, the experience of many countries that have pursued this reveal that simply opening borders to flows of products and investment does not always result in development (Audley et al., 2003: 3). One characteristic of the global economic system is competition which has the potential that people and countries reach their optimum potential and abilities. However, there are questions whether this is fair when there are both strong and weak players having to compete against each other on the same field.

2.3.1. Arguments for the Global Economy System

The main arguments in favor of the classical/liberal global economic system has been that owing to difference in factor endowment, a country will be more efficient in the production of a commodity than other commodities at a relatively cheaper cost. International trade becomes necessary because countries could benefit from exchanging goods that are produced at different relative costs and hence different relative prices due to comparatively different factor endowment (Batra, 1973: 46). Therefore, it brings about more efficiency in production through the international division of labor as different countries specialize in the production of different goods, and their skills improve over the years. It is often argued that, free trade allows for the purchase of capital goods like machinery that can be used for the more efficient production of commodities that are a country’s comparative advantage. It has been argued that sometimes, some countries try to produce goods which are at a higher cost of production than the price of those goods on the world market, even when the cost of importation is included. Another major argument in favor of the liberal global economic system is that free trade is far superior or better than no trade (Batra, 1973: 86-87). One reason is that it improves consumption and

community welfare (Batra, 1973: 86-87). It implies that no trade will result in a situation of want in certain goods and services in a country, because of the impossibility of reaching a state of autarky.

Some economies have achieved sustained economic growth and development to move from underdevelopment within the global economic system and have been described as emerging economies/markets. Emerging economies have benefited from the financial globalization through increased exchange of goods and services, heightened foreign direct investment flows and enhanced investment strategies (Blommestein and Santiso, 2007: 1). Some developing countries, particularly: China, the Indian information technology sector, and some other East Asian economies have experienced the benefits of trade liberalization (Audley et al., 2003: 3). Today, companies are able to easily access markets in other countries, which could open new opportunities for their businesses, and consumers in one country can access goods and services in other countries (Surugiu and Surugiu, 2015: 132). According to Vokina et al. (2016: 353-362) developing and underdeveloped countries should turn to the policy of uninhibited free trade through the processes and opportunities of globalization so that the economic systems in the global economy can be unified. By unification, it implies further increased and explosion of free trade.

2.3.2. Arguments against the Global Economic System

The current global economic system was created through such institutions as the International Monetary Fund, the World Bank and GATT with almost no involvement of the developing countries (Pavlić and Hamelink, 1985: 47). Without the involvement of developing countries in creating the global economic system, its implementation was not to involve them either. For poor countries, neoliberal practices were imposed on them by the World Bank and the IMF to accept “to become junior partners to capitals operating from the advanced countries” (Morady, 2017: 43). In theory, “free trade benefits everyone, even the least advantaged but unfortunately, the real world falls short of trade theory” (Audley et al., 2003: 1). It is argued that trade rules are made to advantage economic interests in the powerful countries who use their governments to negotiate and determine the rules of international trade (Audley et al., 2003: 1-3). “Moreover, the developed countries erect a growing number of protective walls against imports from the developing countries” (Pavlić and Hamelink, 1985: 47), which creates an unlevelled field for trade. “The trading system is based upon bargaining and with partners of unequal power that aggravates the position of the weakest parties” (Pavlić and Hamelink, 1985: 47). Even if trade rules are to be made fairer, the issue of unequal yet competing countries makes fair competition far from reach (Audley et al., 2003: 5).

The liberalization of global trade, under the guidance of World Trade Organization (WTO) has not benefited all countries and all people (Voutsas and Boravas, 2015: 46). Proponents of the current global system concede that it has provided lopsided benefits and needs to be reviewed (Rodrik, 2019: 26). “Except for the indubitable advantage for some mainly industrialized countries, many others were severely inflicted with their domestic production incurring severe pressures, which led to either deindustrialization and replacement of domestic production with cheap imports” (Voutsas and Boravas, 2015: 46). It has been observed that moving as rapidly to remove trade barriers may not be ideal if developing countries’ economies remain too fragile to withstand the attendant shocks of unbridled exposure to the global economy (Audley et al., 2003: 6). The 1997 East Asian crisis, the collapse of the East Asian “miracle”, showed the risks that rapid liberalization of financial and capital markets may inflict

on national economies and make them vulnerable to the system instabilities and speculators (Voutsas and Boravas, 2015: 46). This obviously indicated that the crisis was as a result of Asian countries foregoing their pragmatism to follow policies promoted by the IMF. The IMF hoping their policies will work had projected high economic growth in East Asia (Voutsas and Borava, 2015: 46). In South Korea, the IMF's recommendations of high interest rates in relation to the East Asian financial crises were detrimental to the economy as it has often been the case, leading to widespread unemployment and worsening the situation (Hwang, 2014: 225).

Although there have been suggestions that rich countries have benefitted more from the global economic system than poor countries (see Freeman and Oostendorp, 2001), there are also concerns of widening income inequality within the rich or higher wage income countries (Brainard et al., 2007: 8-9). It is argued that, essentially, the rich get richer and the poor get poorer— between countries and within them (Audley et al., 2003: 2). Where income inequality becomes marked in the global economic system is within the peripheral or developing countries. Nel (2008) considers data since the 16th century and notes that the easing of trade especially during the period between 1870 and 1914 contributed to a general increase in income inequality in the developing periphery and that during the 19th century income inequality worsened in most parts of the developing world. Nel (2008: 54) points out that Western colonial expansion overseas contributed significantly to the rapid deterioration of economic inequality in the periphery. Kanbur and Venables (2005: 3) note that spatial and/or regional inequalities have greater significance and concern when they are aligned with political and ethnic tensions that can or undermine political and social stability.

Zhu and Trefler (2005) note that, contrary to Stolper-Samuelson theorem that the liberal global economic system will cause inequality to fall in southern or peripheral countries among unskilled labor, inequality rather increased between skilled and unskilled labor in these countries. Meschi and Vivarelli (2009) discovered that increase in trade among low-income countries reduce income inequality within these countries, while increased trade between developing countries and high-income countries worsens income distribution in the developing countries. Sen (2006) identifies that in Kenya, increase in open economy may have had impact on income inequality between individuals and between regions because real wages declined when comparing the levels between 1986 and 2000. Although trade liberalization helped to reduce poverty generally in Uganda, there were regional variations, with the coffee growing regions experiencing the largest reduction in poverty than the other regions (Morrissey et al., 2006: 70). In Bolivia, economic liberalization led to fall in poverty in regions that were already less poor but dramatically increased inequalities in capital cities (Andersen et al., 2006).

Countries have adopted the concept of enclave economies, economic (geographical) clusters, or agglomeration economies of concentrating industries in particular regions for driving economic growth and development. However, while these economic strategies can bring about economic growth, they have also been associated with inequality, and particularly spatial inequality between urban and rural areas. Kuznets (1955) in his seminal paper, *Economic Growth and Income Inequality*, indicated that during the period of about 50 to 75 years, there was widening income inequality in the developed countries before it started narrowing or declining. Therefore suggesting that, economic growth in transition economies will experience widening income inequality before declining as they reach matured or developed state. Odedokun and Round (2004) using a cross-country (or quasi-panel) data for 35 African countries through the period from 1960s to 1990s to examine Kuznets' hypothesis

from an African perspective, discover that the level of economic development (or per capita income) attained had an effect on increased inequality but did not experience a fall in income inequality at the latter stage. They (Odedokun and Round, 2004: 321), therefore, concluded that the African countries had not attained the latter stage of development that would lead to a fall in income inequality. For African countries, it may seem that this latter stage of development that may bring down income inequality if it may happen, will take much longer time than for instance developed western countries. However, Campos and Roots (1996), contrary to this conventional wisdom, reveal that in East Asia (HPAEs) where governments sought to play a “strategic” role in economic development and the sharing of growth, rapid economic growth over a period of 25 years has been associated with relatively low and declining levels of income inequality. This suggests that when governments play a “strategic” role in economic development like the HPAEs, enclave economies, economic (geographical) clusters or agglomeration economies can generate rapid economic growth without necessarily bringing along with it increasing inequality or spatial inequality.

2.4. ODA and the Global Economic System

ODA is quite recent in the international system, having started just after WWII. African countries, technically, started receiving ODA after they became independent mainly in the late 1950s and in the early 1960s. ODA has been very essential in supporting the development of underdeveloped countries. However, there have been various debates on whether aid really brings development. While aid has been life-saving in a number of cases, it is sometimes blamed as the cause of underdevelopment in some parts of the world. For governments receiving ODA, ODA is both needful and helpful, and sometimes considered as contributing to ensuring political stability. ODA started with and has been part of the current global economic system (so far as sovereign states are concerned). For donor countries, it can serve as a tool of influence, clout, and access to natural resources and markets.

2.4.1. “Aid” or “Trade” or “All of That”

Despite the role of ODA in development as witnessed in Europe through the Marshall Plan and in some East Asian countries, there have been failures in many parts of the world like Africa, where poverty and underdevelopment still persist despite various aid efforts. According to Edwards (2014: 1), there are those who believe that aid is ineffective and has harmed poor countries, while others believe that more aid is rather what is required to help reduce poverty. While Moyo (2009: 56) considers aid just like natural resources as a curse rather than a blessing for Africa, Sachs (2005) suggests that there is a need to increase aid as it has not been sufficient to end poverty. On a per capita basis, the Marshall Plan provided about 8 times the amount of aid to developing countries now, although the development problems of Europe at that time was much less than those faced by developing countries today (Klees, 2010:15).

The inability of aid to bring the expected development in Africa raises questions about aid to Africa and therefore the calls to replace it with fair trade. “Trade not aid” has been a popular slogan which implies that free trade will allow countries to grow and develop by their own self-help effort, rather than dependence on aid (Audley et al., 2003: 3). It was to be understood that trade not aid, did not mean more or just trade but fair trade with emphasis on “fair”. The biggest challenge this has faced is: what is meant by “fair trade”? Obviously what is fair trade to one country or individual may not be fair trade to another country or individual. For countries and

individuals who benefit from the status quo, there is fair trade and for those who do not benefit, this is not fair trade. This has resulted in the stalled WTO Doha Rounds.

A UN report in 2008 stressed that both trade and aid are crucial to the development of the Least Developed Countries (LDCs) (UN News 2008). Although the prevailing rationale for trade preferences (that saved Least Developed Countries hundreds of millions of dollars a year) had been that “trade is better than aid,” the new paradigm has become “aid for trade” (UN News, 2008). This is in recognition that the trade preferences alone are not enough for economic growth and development (UN News, 2008). “The international development community is starting to expand “aid for trade” as a way to improve aid effectiveness” (Naito, 2015: 2). This is to help developing countries to facilitate their international trade to contribute to faster economic growth (Naito, 2015: 2). The vast majority of developing countries face difficulties in benefitting from economic and trade reforms, and development promotion which reveal that the “trade, not aid” and even “trade, as aid” prescriptions also have limits (UNCTAD, 2008: 1). Therefore, the logic has evolved from “trade, not aid” and “trade and aid”, to include “aid for trade” (UNCTAD, 2008: 1). The international community has been assisting developing countries’ and the Least Developed Countries’ (LDCs) own efforts towards economic diversification and structural transformation through development programs, including “aid for trade” (OECD, 2019: 120). Since 2006, over USD 400 billion of ODA has been disbursed to build trade capacity in developing countries and the LDCs (OECD, 2019: 120). For Ginsburg (2010: 41), while some efforts should be directed in the short term to improve the effectiveness of “development aid,” even such actions should be animated by concerns toward and a focus on transforming the global capitalist system.

In many East Asian countries where aid was effective, aid probably was provided and applied in a pragmatic manner, according to the realities of these countries. Vietnam which has been pragmatic, the United Nations Development Programme (UNDP) country economist, Pincus states that Vietnam has been able to steer donors towards their own needs (Mills et al., 2020: 185, 226). Codjoe (2003) recounts that South Korea had received enormous aid, significant enough to make an impact on its development, while Ghana like many African countries, for instance, has not received such an amount of aid. However, there are concerns of low effectiveness and absorption of aid in developing countries like Ghana due to lack of ownership and corruption. Aid can be used to boost the economies of developing countries like the “aid for trade” concept, however, steps should be taken to avert any negative impact, in a pragmatic manner. It is also important to note that while East Asian countries have developed backed by highly skilled (and educated) labor, which contributed to low income inequality (as discussed above), what should be the objective of aid in developing countries particularly in Africa, for economic or human development (especially education) or both? In any case, there should be ownership of aid by the receiving country, in a way that aid reflects the situation and needs of the receiving country. This can be described as aid being pragmatic.

2.4.2. The Role of ODA: Addressing Issues of Poverty and Inequality

The establishment of the World Bank and the IMF was very key to ODA (Akiyama et al. 2003). In the late 1950s and 1960s, as colonies gained independence, the role of the World Bank expanded to include international financial help for the newly founded states, particularly very poor countries including Sub-Saharan Africa (Akiyama et al. 2003: 45). ODA was central and played an important role in the SAP of the World Bank and IMF. In 1980, the World Bank with support from the Development Assistance Committee (DAC) of the OECD initiated the

Structural Adjustment Lending (SAL) to support major changes in policies and institutions of developing countries (Führer, 1994: 34, 41). “From being a tool designed to contain the advancement of the Soviet Union, and keep influence over formal colonies, ODA turned to focus on institutional reforms and the government agenda, aiming at integrating the periphery of the international system into the liberal-democratic and market-oriented world” (Esteves and Klingebiel, 2021: 197). Although aid has served many purposes including economic, political, social, and cultural, a greater share of aid has been motivated by geopolitical considerations (Severino and Ray, 2009: 2). During the Cold War for instance, the increase in ODA flow was mainly due to competition between the capitalists and communists, and the economic performance of their client or satellite states was measure of the superiority of the ideology of the patron and benefactor state (Severino and Ray, 2009: 2).

However, ODA is never captured in the economic theories underpinning capitalism or socialism. By this, it can be said that it is similar to the kind of intervention by government that Keynes identified as essential to sustain capitalism itself, but this time on the global stage. Keynes himself was instrumental in the establishment of the Bretton Woods Institutions and negotiated aid packages for Britain in the Marshall Plan. The postwar Marshall Plan demonstrated that government aid could be effective, which became bolstered by the new Keynesian approach to the development of Third World countries through state-driven growth (Skousen, 2007: 201). Tekin (2012) researching about the causality relations between development aid and openness to trade in 27 LDCs in Africa observed that development aid has negative impact on international trade probably because of the reversal of trade to the disadvantage of LDCs.

One other major issue of ODA or aid in the global economic system is its role in addressing or solving inequality, including spatial inequality. Generally, the discussions of aid effectiveness have centered on poverty reduction (Collier and Dollar, 2001, 2002; Alvi and Senbeta, 2012; Hirano and Otsubo, 2014; Guillaumont and Wagner, 2014; Mahembe and Odhiambo, 2019). Quite related to poverty, there have been a number of researches that examine aid with regards to addressing inequality in developing countries. Herzer and Nunnenkamp (2012) using data for 21 countries over the period of 1970-1995 indicate that aid has an effect on increasing inequality in income distribution. Chong et al. (2009) examining the effect of foreign aid on income inequality for the period 1971-2002 with data of 133 to 191 countries depending on the type of data and analysis tool being employed, find that aid by itself does not appear to have a statistically significant effect on inequality. However, Shafiullah (2011) employing data of 94 countries over the period 1989-2008 concludes that aid reduces inequality. While the debate on whether aid reduces poverty or even inequality continues, it is important not to lose sight of aid improving the lives of the poorer sections of the receiving countries (Chong et al., 2009). Hadi and Grode (2014) note that small-scale aid programs may be more effective at reducing income disparities than large-scale grants at the national level. There has also been debate about whether the role of government or institutions improve the role of aid in reducing poverty and inequality (Burnside and Dollar, 2000; Chong et al., 2009; Easterly, 2003; Brautigam and Knack, 2004). However, there is no research on the role of aid in addressing spatial inequality in developing countries and what role the receiving governments can play. It is, therefore, important to examine how aid, particularly, bilateral aid, may contribute to addressing or worsening spatial inequality and the role of the receiving or donor country or government.

2.5. Conclusion

Economic theories have been one of the most debated topics in the world. Every country is more or less identified with one of them. Even if it isn't, economists will immediately find one for it. This is largely because, economics has a direct impact on people's lives and countries' existence. Despite the various arguments, the neoclassical/neoliberal theory has had much dominance in the world, spreading from western countries to other parts of the world through economic globalization, sometimes facing resistance from Marxist dialectical materialism. For many countries in Africa, where the liberal capitalist economic system was introduced mainly through colonialism, this form of economic system was used to exploit them and was also alien to their traditional society. Therefore, many African countries at independence sought to counter it with Marxism or socialism which they identified as related to the African traditional society. While African countries, regardless of the economic theory they adopted claimed to some extent to be pragmatic, their experiments with modern economic development failed. Therefore, they entered a World Bank/IMF SAP which aligned or rerouted them to the neoclassical/neoliberal economic policies. Despite the many criticisms of SAP in Africa, its basic policies have remained in the SAP countries in Africa, although there is little to show for it. This has contributed to debates about the neoclassical/neoliberal dominated global economic system. Those in favor of this global economic system argue that, it is by far the hope of all countries which has brought economic advancement to many countries and will bring economic development to the rest of the world. For those against it, they argue that it is exploitative and the cause of poor peripheral countries dependent on aid. This has led to calls for fair trade, and now "aid for trade". Whereas African countries are struggling with the dominant economic theories either by choice or by "force", or a form of "pragmatism" aligned with the dominant economic theories with little success, some East Asian countries created for themselves a form of economic pragmatism that largely worked. As latecomers, many African countries and peoples see as an example, the successful East Asian economies that were able to achieve modern economic development as latecomers. It may seem that aside all the arguments, what African countries and peoples seek is an economic system that brings them economic growth and development, and does not leave them behind or as a periphery or aid/ODA dependent. ODA has generated its own debate since its inception. While some argue against aid, there have also been a strong argument in favor of aid. The debate mainly surrounds its effectiveness especially in addressing poverty reduction, inequality, and the role of the major stakeholders such as donor countries and receiving countries.

Chapter 3: Ghana's Economy and North-South Spatial Inequality

The various peoples and (traditional) states that constitute modern Ghana interacted economically with the rest of the world through trade, although mostly indirectly during the Trans-Saharan trade and later the Trans-Atlantic trade for several centuries. However, colonization formalized and systemized the integration of Ghana's economy into the global economic system. It is important to understand the history, geography, and the processes that led to how Ghana was made part of the global economy to understand its economic system and state of development. This chapter describes Ghana's formation and geography, the origins of its economic system, the economic policies adopted by the various governments to bring economic growth and development, and the outcomes in terms of economy, human development, and inequalities, particularly spatial inequality.

3.1. Ghana: Its Creation and Geography

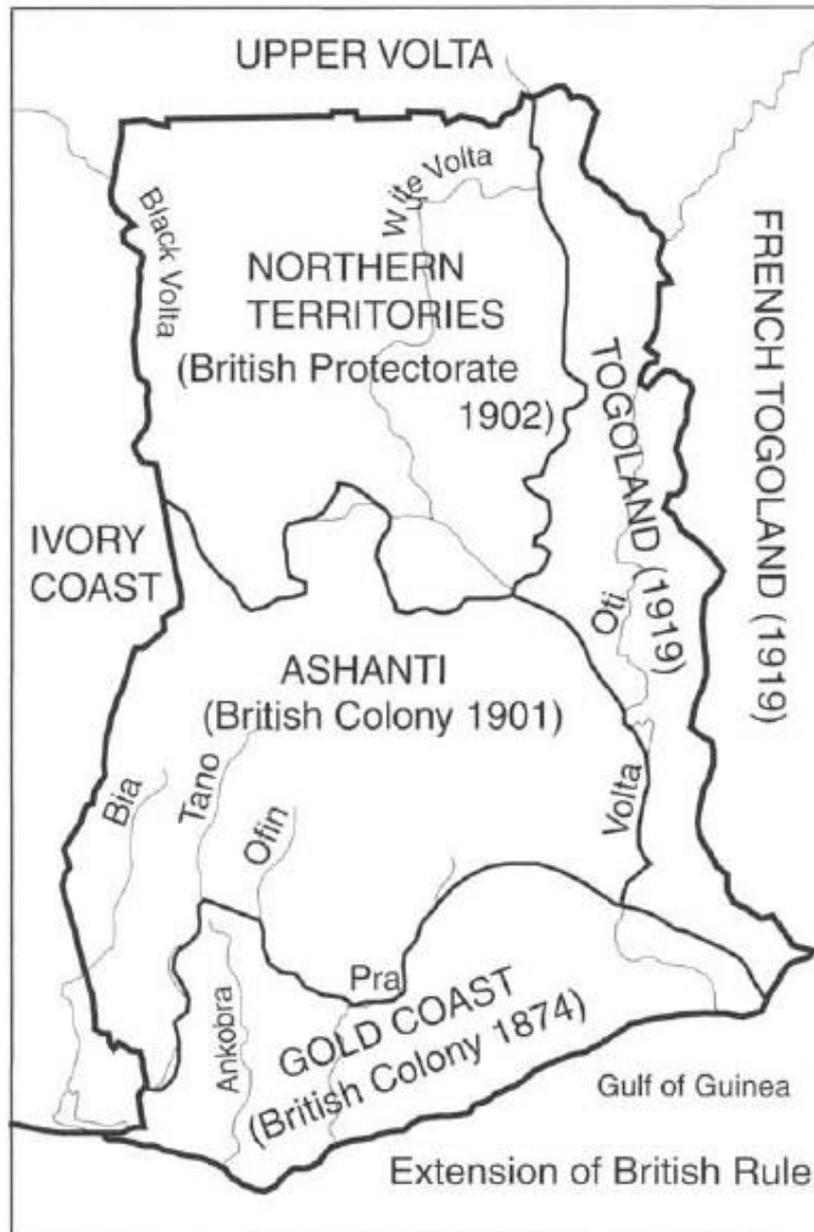
Ghana was first called Gold Coast by the Portuguese who were the first Europeans to come to its coasts in 1471 (Oppong and Oppong, 2003: 9). It was named Gold Coast because of the gold found especially in its forest zone which connected its peoples to the Trans-Saharan trade (Oppong and Oppong, 2003: 9). The Trans-Saharan trade that extended from the West African forest areas through the Sahara to ports on the Mediterranean Sea attracted Europeans to its coasts (Oppong and Oppong, 2003: 9). Having established trade through gold, it would be more than a hundred years for the first slaves through the Trans-Atlantic slave trade to arrive in the United States of America, specifically Virginia in 1619, taken from the Gold Coast's Elmina Castle. The 400th anniversary of the shipment of the first slaves from the Gold Coast that arrived in the United States was marked in 2019. Ghana (named after the Old Ghana Empire) became independent from British colonial rule on 6th March 1957, exactly on the 113th anniversary of the Bond of 1844, and 83 years after its formal proclamation as a British colony in 1874. The Bond of 1844, which was basically an agreement, signed by some traditional rulers from the very southern part of Ghana "was to legalize and define British jurisdiction which had grown up from the "protectorate"" provided by the British (Ward, 1969: 194). The Bond of 1844 is, therefore, considered as the first formal document which gave the British some control, and which expanded to full blown colonialism of the Gold Coast. In 1901, 1902, and 1919, Ashanti, Northern Territories and the Trans-Volta Togoland respectively became parts of the British Gold Coast Colony (See map 3.1).

Essentially, Ghana was formed out of different ethnic groups or African peoples of historical commonalities and diversities through a long history which was finalized by British colonialism (Konadu and Campbell, 2016: 17-18). Map 3.1 shows the territories and the years they were made part of the British colony of the Gold Coast. An attempt to alter the land tenure system from communally owned land to a feudal one, the wholesale expropriation of African lands by European entrepreneurs or officials, was fiercely resisted by a group of native people called the Gold Coast Aborigines Rights Protection Society founded in 1897.⁶ This event has been regarded as a major precursor to the formation of the first political party 50 years later in 1947, and the independence declaration 60 years later. During the colonial times,

⁶ Aborigines' Rights Protection Society (of the Gold Coast), political organization, Africa, (<https://www.britannica.com/topic/Aborigines-Rights-Protection-Society>)

administration of the colony had included traditional chiefs in the indirect rule system. In 1951, educated Africans were elected through universal suffrage to have much involvement in the colonial administration. It was in 1960, when Ghana became a republic that Africans assumed full governance of the country. In 1966, Ghana experienced its first coup d'état that removed the elected Nkrumah government that was in power since independence. This was followed by periods of return to civilian rule and military rule until Ghana finally entered multi-party democracy again since 1992 (Gocking, 2005).

Map 3.1: British Colonial Expansion in the Gold Coast (Ghana)



Source: Gocking (2005)

Geographically, Ghana is located at the middle of the West African coastline and also at the center of the globe/world with the Greenwich (Prime) Meridian (Longitude 0°) and the Equator (Latitude 0°) meeting in Ghana's territorial waters (Oppong and Oppong, 2003: 10).

Ghana lies between the fourth and the eleventh northern parallels, and also the third western parallel and the first eastern parallel (Amin, 1973: 41; Ward, 1969: 22) or from latitude 4° 30' to 11° north of the equator and from longitude 1° 12' east to longitude 3° 15' west of the Greenwich Meridian (Oppong and Oppong, 2003: 11). The country is bordered to the south by the Gulf of Guinea, to the north by Burkina Faso, to the west by the Ivory Coast (Côte d'Ivoire) and to the east by Togo. Ghana has a land area of 238,513 square kilometers (Oppong and Oppong, 2003: 10). Ghana's location means that it has a tropical climate (Gocking, 2005: 2). Ghana is divided into forest and savannah zones which correspond closely with the division between "the southern" mining and "northern" non-mining areas (Ward, 1969: 28). Cocoa, the chief export crop can only be grown in in the forest zone (Ward, 1969: 28). The equatorial forest zone in the southern part is the vital economic region of the country (Amin, 1973: 41). In Ghana, nearly all the export trade, both crops and minerals is concentrated in the southern part (Ward, 1969: 28). In this southern half of the country, much of which comprises of various types of rain forest, there are two rainy seasons (Gocking, 2005: 2). The major rains start from April to July, and the shorter rains from September to November (Ward, 1969: 28). In the savannah north, there is only one rainy season which mainly peaks from August to September (Gocking, 2005: 2). However, both in the north and south, there is a dry season between November and February or March, when the north-east trade winds, the harmattan, descend south-west from the Sahara (Ward, 1969: 28).

3.2. Ghana's Economy and Development

Ghana's economy and its impact on development has origins in the country's colonial past which defined its role in the global economic system and shaped its economic future. After independence, various attempts to bring about rapid economic growth and development have not achieved the expected results. This part, discusses Ghana's economy and development looking at the origin of the economy, the various economic development approaches and the development outcomes.

3.2.1. Origins of the Structure of Ghana's Economy

The origin of Ghana's economy, both formal and informal, can be traced back to the very colonial capitalism in the then Gold Coast and its incorporation into the capitalist global economy (Osei-Boateng and Ampratwum, 2011: 4; Yaro and Hesselberg, 2010; Amin, 1973; Ward, 1969). Right from colonization, Ghana's (Gold Coast's) economy was going to be based mainly on the export of cocoa to support the countries development. Despite the gold which gave the country its name during colonial times, and other minerals like manganese, diamonds, bauxite, timber, and citrus produce, cocoa has been the country's main source of wealth (Ward, 1969: 404). Cocoa created the country's wealth and for a long time made it the richest British colony in Sub-Saharan Africa (Amin, 1973: 42). By 1935, Gold Coast (Ghana) was supplying about half of the world's cocoa (Ward, 1969: 397). The old traditional food crop farming had been largely abandoned in order to concentrate on export production (Ward, 1969: 397). "The Gold Coast, as a result had become a large importer of foreign food, especially of rice, and of tinned meat and fish" (Ward, 1969: 397). In 1919, when Sir Gordon Guggisberg became the British Colonial Governor of the Gold Coast, the colony had enjoyed twenty years of high growth mainly due to the high returns from cocoa exports (Aryeetey and Kanbur, 2017: 4).

Based on cocoa revenues and financed completely by the colony, the colonial government under Governor Guggisberg introduced the first development plan for the Gold Coast (Ghana). This development plan which was for a ten-year period (1920-1930), increased the level of investment in infrastructure, mainly roads, railways, and ports to 7% of GDP (Amin, 1973: 43). Since, for instance, 83 percent of the colony's exports consisted of cocoa by 1920, the Ten-Year Development Plan aimed to also transform the economy from its sole dependence on cocoa, to other commodities like rubber, due to the volatility of cocoa prices on the world market (Aryeetey and Kanbur, 2017: 5). "The Gold Coast has always suffered from being exclusively a primary producer" (Ward, 1969: 404). The cocoa figures for the years 1918 to 1921 exemplify the financial uncertainty which has always impeded the country's development (Ward, 1969: 404). While a ton of cocoa's revenue was about £27 in 1918, it rose to £47 in 1919, and further jumped to £80 in 1920, only to slump to £35 in 1921 (Ward, 1969: 404). Although the Ten-Year Development Plan made some remarkable achievements such as the Takoradi deep-water port, the Prince of Wales College and School (now Achimota School), and the Korle Bu Teaching Hospital built in Accra, due to the drop in export value and the resulting decline in state revenues by the late 1920s, the development plan had to be abandoned (Aryeetey and Kanbur, 2017: 6).

There was another ten-year development plan introduced in 1946 (1946-1956), but was also abandoned due to inadequate funds allocated to the plan, and replaced with another ten-year development plan in 1950 (1950/51-1960/61) (Aryeetey and Kanbur, 2017: 6). Nkrumah's Convention People's Party (CPP) government (1957 to 1966) adopted a seven-year development plan in 1963 (1963/4 to 1969/70 fiscal years). Although the Seven-Year Development Plan was comprehensive and all encompassing, the world market price of cocoa which plunged in 1961 presented a challenge to funding of the plan (Aryeetey and Kanbur, 2017: 7). "By 1965, the price of cocoa had fallen to £87.10 per ton, substantially lower than the £200 that had been assumed, leading to a substantial drop in foreign exchange revenue" (Aryeetey and Kanbur, 2017: 7). From the first development plan from 1920 to the present one through 2020, during these hundred years, there have been about twenty national development plans, some being short/medium term (2-5 years) and others being long term (10 or 25 years). However, the various development programs, despite the different levels of successes and failures, were either abandoned or could not achieve their ultimate goals, because of inadequate funding, overthrow or change of government due mainly to economic hardships or change of strategy by the same government. Economic failures led to IMF and World Bank Structural Adjustment Program from the early 1980s which influenced subsequent development programs.

Aside the direct colonial economic policies which affected and shaped Ghana's present economy, there are a number of colonial legacies which affect the Ghanaian economy and livelihoods of Ghanaians in present times. Some of these colonial legacies are the chieftaincy systems, land systems, corruption, excessive bureaucracy or red tape, the educational system, and unemployment. The indulgence of the British colonial system in the traditional chieftaincy system through the means of indirect rule in many cases has been associated with administrative corruption that will extend to African political elites after independence, and then the public servants (Brooks, 1969; Le Vine, 1975). Colonial introduction of certain institutions, technologies, norms, and values alien to Africa were to abuse certain traditional customary norms like gift giving and gift taking into bribery and corruption that have become prerequisite for access to public service in many institutions (Le Vine, 1975). More often than

not, excessive bureaucracy or red tape which was inherited from the British colonial bureaucratic system has not been for the purpose of due diligence but a means to extort a bribe.

The tenure on land, which is an important factor of production, since colonial distortions in the land systems continues to cause many disputes which affect the economy in terms of land acquisition for various ventures. The government's acquisition of vast traditional lands for government projects which have not been used for the intended purposes have often led to land disputes, when such lands have been sold to private hands either by government officials or traditional chiefs (Gocking, 2005: 282-283; Wendorf, 2010: 31-39). On the issue of employment, during the colonial era, in order for the Ghanaian to pay a monetary tax, some had to leave their jobs as farmers, hunters, fishers etc. which secured them job security, to work as employees which sometimes led to unemployment when they were laid off, a situation of the modern economy (Brooks, 1969: 11-12). In terms of education, while the introduction of western education in Ghana during the pre-colonial and colonial eras have been described as having mercantile, Christianizing, civilizing or mainly to serve British colonial interests, the current educational system which largely remains a British colonial heritage, seems to lack the critical ingredient of "nation-building" (Fletcher, 2013; Nafziger, 1995: 61).

3.2.2. Import Substitution or Liberal Economy: Ghana in Search of a Favorable Policy for Development⁷ (1957-1982)

The various development plans introduced in Ghana have been very revealing of the development policies that have been attempted by the various governments. At the time of independence, Ghana's industrial sector was very small and predominantly made up of small indigenous firms (Owoo and Page, 2017: 177). Nkrumah pursued an import substitution policy which led to the adoption of the Seven-Year Development Plan (1963/4 to 1969/70 fiscal years), aimed at modernization of the economy through industrialization (Fosu and Aryeetey, 2008: 49). Import substitution industrialization (ISI) was driven by a post-independence feeling of nationalism and self-reliance, and to reduce Ghana's economic dependence on other countries (Vernhout, 2013: 16). It was believed that leaving Ghana's industrialization to foreign investors was going to perpetuate colonial dependence (Owoo and Page, 2017: 177). "The radical path of industrialization with the state playing the leading role... nearly all large-scale business operations were owned by the state" (Fosu, 2008: 142-143). "In the process, private enterprises, especially those of medium-to-large size, were squeezed out, through political intimidation or via financial starvation" (Fosu, 2008: 142-143). Huge government spending mainly due to this state-led industrialization (as well as the infrastructural base for industrialization) led Ghana rapidly toward fiscal stress (Fosu, 2008: 142-143).

Another government that attempted import substitution was the Acheampong government (National Redemption Council/Supreme Military Council (NRC/SMC)) from 1972 to 1979.⁸ It mainly adopted a primary inward-looking approach of being self-reliant in food production through agriculture, through the "Operation Feed Yourself" program. As Tamenyi (1981) explains, the Acheampong government in 1972 halted liberalization of imports and introduced import licensing which saw imports fixed at 60 percent of the levels in 1971. In 1975, the

⁷ Limman government's (1979-1981) economic policies have not been included in this discussion because it was short-lived and did not carry out any major economic policies. It is interesting to note that although the Limman government prepared a development plan, the government was removed before it could introduce it.

⁸ From mid-1978 to mid-1979, Frederick Akuffo took over from Acheampong in a palace coup but he did not make any significant economic policies or actions.

Acheampong government introduced another program aimed at industrial self-reliance called “Operation Feed Your Industry.” This can be described as an import substitution program to cut down Ghana’s imports especially in manufactured commodities. As Fosu and Aryeetey (2008: 63) note: “with the subsequent adoption of the principle of self-reliance and the desire to capture the “commanding heights of the economy”..., the state-led import-substituting industrialization (ISI) strategy was revived” during this period (in the 1970s). Furthermore, the government promoted the local ownership or participation in the economy against foreign ownership or foreign direct investment. As a result of these policies, it is estimated that the government in its first year secured a trade surplus in excess of over 100 million Cedis (Tamenyi, 1983: 135-138). At the same time, these policies led to the shortage of essential commodities of basic modern lifestyle, like sugar, milk, corned beef, rice, meat etc. and also other necessities like petrol and vehicle spare parts (Tamenyi, 1983: 135-138).

The National Liberation Council (NLC) government (1966-1969) which overthrew the Nkrumah government in a coup d’état introduced a two-year development plan (Stabilization Plan), which followed liberal economic policies. Busia’s Progress Party (PP) government (1969-1972) promoted liberalization of the economy. Although it had not only focused on the export of primary products which Ghana had comparative advantage in, imports would make it difficult for the economy to diversify into manufacturing. “As a result of the import and interest rate liberalization (to ensure a freer operation of market forces), the high public expenditure, and import boom, the economy began to face severe balance-of-payment problems that led to a 90 percent devaluation of the Cedi” (Ackah et al., 2014: 3). However, the Busia government’s two-year Rural Development Plan had sought to boost the rural economy.

3.2.3. Structural Adjustment Program and Structure of Ghana’s Economy

There have been diverse approaches on how Ghana’s economy should be run by different governments. These approaches have had severe impacts on the economy due to the extreme economic policies adopted. All these policies aimed to create structural transformation of the economy to bring the needed economic growth and development. Throughout the various development policies, Ghana’s economy continued to face serious challenges. Such that, the early 1970s to the early 1980s, has been described as a lost decade. This is very important to understand why the government entered the Structural Adjustment Program (SAP) of the World Bank and IMF. The SAP set to bring finality to the economic development policy of Ghana which had an impact on the structure of the economy. Whether there have been any significant changes in the structure of the economy of Ghana will be discussed. This part looks at Structural Adjustment Program from the early 1980s and how it has influenced the structure of Ghana’s economy.

3.2.3.1. Structural Adjustment Program (1983-1990s)

Structural Adjustment Program (SAP) was introduced in Ghana in April 1983 due to the economic failures of the previous two decades. The serious economic decline compelled the government to seek the World Bank/IMF support through Structural Adjustment loans (Owoo and Page, 2017: 178). SAP, which included the Economic Recovery Program (ERP), was introduced to stop and reverse the rapid decline in all sectors of the Ghanaian economy, as well as restore the productive and social infrastructure which were in ruins (Ackah et al. 2014: 4). “The IMF and the World Bank formulated policies to free the market and to reduce the role of the government” (Vernhout, 2013: 17). Hutchful (1997: 1) described SAP as: “highly orthodox, in most of its initial policies, combining deep exchange rate reform with (...) internal and

external trade liberalization, strict credit ceilings, increases in interest rates, reforms of the tax structure to increase revenue mobilization, and reducing the tax burden on businesses as well as the reliance of the budget on cocoa taxes”. The focus of the SAP was to increase exports, cut government subsidies on imports, reduce budget deficits, and improve government’s revenue collection (Gocking, 2005: 194). ERP removed the import licensing, liberalized exchange rates, removed price controls, and liberalized interest rates (Owoo and Page, 2017: 178). The country’s currency, the Cedi was devalued in October 1983, with the Cedi⁹ going from 2.75 Cedis to 30 Cedis to the U.S. dollar (Gocking, 2005: 194). There was also privatization of the state-owned enterprises under the Divestiture Implementation Program (Ackah et al., 2014: 4-5, 10).

Ghana’s economy became stable to a large extent which helped to restore macroeconomic balance, and inflation fell from an all-time high of 123 percent in 1983 to 11.2 percent by 1992 (Owoo and Page, 2017: 179). The rate of economic growth rose significantly from -6.2 percent in 1982 to 5.3 percent in 1991(Owoo and Page, 2017: 179). However, the recovery of the Ghanaian economy was only transitory and short-lived. “Many industries that were established behind the highly protective barriers of the pre-SAP era found it difficult to cope with the liberalized and more competitive market environment” (Ackah et al., 2014: 10). A number of state-owned enterprises which were closed down also obviously affected the performance of industry, particularly manufacturing. Some of the state-owned enterprises that were privatized also closed down shortly with broader implications for industry. Prior to economic reforms, the manufacturing subsector accounted, on average, about 70 percent of the industrial sector (Ackah et al., 2014: 7). However, its share of real industrial output, which on an annual average, over the period 1984-1990 was 64.5 percent, further declined to 35 percent in 1996-2000 (Ackah et al., 2014: 7).

“In 1994, the government’s review of the ERP concluded that while the market liberalization may have been needed, its implementation had been too rapid, and domestic firms were not given enough time to adjust” (Owoo and Page, 2017: 179). SAP aimed at a number of economic policy reforms to correct the structural macroeconomic imbalances at that time (Ackah et al., 2014: 4). As Killick (2010: 408) notes, part of SAP was intended to extend to address in the longer-term structural economic imbalances and developmental issues. Therefore, improving the infrastructure, removing the many price distortions, and promoting the private sector gained much consideration (Killick, 2010: 408). One other thing that may be overlooked is that, SAP led to improved national survey on poverty and human development for the purpose of obtaining reliable data for development planning.

3.2.3.2. Structure of Ghana’s Economy (The 1990s and on)

SAP has had some effect on the current structure of Ghana’s economy, looking at its policies which have basically been maintained since its introduction and the performance of the various sectors of the economy. SAP encouraged both export and import. It also encouraged foreign direct investment (FDI). However, the FDI that came went into the extractive industry (mining and quarrying subsector), mainly into gold and later crude oil. Although, there have been FDI into other sectors of the economy like the agriculture sector and the service sector, particularly information and technology, investments into the manufacturing sub-sector of the

⁹ The Cedi (¢) was Ghana’s currency and was redenominated to the Ghana cedi (GH¢) in 2007 with ¢ 10,000 becoming equivalent or converted to GH¢ 1.00 and ¢1000 became equivalent or converted to 10 Ghana pesewas (GHp), due to depreciation. Over the years the value of the Ghana cedi has also depreciated strongly.

industrial sector has not been significant. Most of the investments went into the extractive industry because the necessary infrastructure and systems have not been well developed to attract FDI into other sectors, particularly manufacturing. Another reason why FDI mainly went into the extractive industry was that SAP had encouraged the concept of comparative advantage which meant that Ghana which has a comparative advantage in the production of primary products would have to produce and export primary products. Of course, the extractive industry seemed more profitable and the deliverer of returns within the shortest possible time, considering the many risks associated with investing in African countries, including threats of political instability and what is becoming a new nuisance in Ghana, regarding termination of contracts done with previous governments for various reasons. The idea of import substitution which had dominated much of Ghana's economic history between independence and the introduction of SAP has not, therefore, been promoted during and after SAP. The growth of the information and communication subsector in Ghana, obviously can be regarded as largely resulting from the spread of information and communication technology around the world, just like in virtually every country in the world.

The agriculture sector has been declining in terms of its share of GDP (table 3.1), although for a very long time has been considered as the backbone of the Ghanaian economy (due to the revenues from the sector, especially cocoa, the production of food for the populace and as a source of employment for a large section of the labor force). The industrial sector has not grown as might have been expected, especially the manufacturing sub-sector. In 2019, industry's share of GDP stood at 34.2 percent. The highest in recent time was 38.1 percent in 2014 (table 3.1). A major contributor to industry's share of GDP in recent times has been the mining and quarrying sector (particularly oil and gold). Ghana started exporting crude oil in commercial quantities in 2011, which has made a significant contribution to industry. This is despite the fact that gold and crude oil prices on the world market had dropped significantly in 2013 and 2014 respectively. The fall in gold prices contributed to the shutdown of mines of a major gold mining company, AngloGold Ashanti in Obuasi (Ashanti Region) in 2014, until it was reopened in 2020. In 2013-2019, manufacturing's average share of the industrial sector was 35.2 percent (calculated from table 3.1). Manufacture's average percentage share of the industrial sector has remained almost the same for the last 25 years, since declining to 35 percent in 1996-2000 (Ackah et al., 2014: 7).

The service sector has been the sector which has shown continuous rise in its share of GDP. It has grown from about 35 percent in 1984 (Owoo and Page, 2017: 178) to 47.2 in 2019 (table 3.1). In recent times, the major contributor of the service sector has been trade. However, throughout the period since SAP, Ghana has experienced trade deficits almost every year (see figure 3.1). This raises the question of whether trade's share of the service sector has been mainly as a result of an increase in imports. Meanwhile, Ghana's exports have remained largely primary products, mainly cocoa beans, gold, and crude oil (figure 3.2). In terms of employment by sector, the agriculture sector employed the majority of the labor force in Ghana up to 2013 (45.38 percent) (World Bank, 2021a) until it was overtaken by the service sector. The agriculture sector in 2017 employed 38.8 percent of the labor force. The service sector which employed 31 percent in 1999, employed more of the labor force at 43.5 percent in 2017, more than any other sector (table 3.2). Industry, employing 14 percent in 1999 (with only 11.7 percent of employment in industry being in manufacture), increased to 18.2 percent in 2017 (with only 11.9 percent of employment in industry being in manufacture) (table 3.2). The

increase in industry’s share of employment can be attributed to an upsurge in small scale mining, particularly illegal small-scale mining (popularly called in local parlance as “galamsey”¹⁰), which employs more labor than machinery, unlike the large scale mining companies.

Table 3.1: Distribution of Gross Domestic Product (at GH¢ Basic Prices) by Economic Activity in Percentage (%)

	2013*	2014*	2015*	2016*	2017*	2018*	2019*
1. AGRICULTURE	21.7	22.0	22.1	22.7	21.2	19.7	18.5
1.01 Crops	14.6	14.6	14.8	16.2	15.4	14.5	13.8
<i>o.w. Cocoa</i>	1.7	2.3	2.2	1.9	1.8	1.6	1.4
1.02 Livestock	3.7	4.0	3.7	3.3	3.0	2.7	2.5
1.03 Forestry and Logging	1.8	2.1	2.1	1.8	1.7	1.5	1.3
1.04 Fishing	1.6	1.4	1.5	1.4	1.2	1.0	0.9
2. INDUSTRY	36.9	38.1	34.6	30.6	32.7	34.0	34.2
2.01 Mining and Quarrying	13.6	15.4	10.4	8.5	10.9	13.6	14.9
<i>o.w. Oil***</i>	5.8	6.4	2.8	0.5	3.5	3.8	4.5
<i>o.w. Gold</i>	7.2	8.2	6.6	7.2	6.5	7.3	7.1
2.02 Manufacturing	12.4	12.5	12.4	12.1	11.3	11.3	11.2
2.03 Electricity	1.1	1.0	1.8	1.8	1.8	1.5	1.3
2.04 Water and Sewerage	0.6	0.6	0.7	0.7	0.6	0.5	0.4
2.05 Construction	9.1	8.6	9.3	7.6	8.2	7.1	6.4
3. SERVICES	41.4	39.8	43.2	46.7	46.0	46.3	47.2
3.01 Trade; Repair Of Vehicles, Household Goods	11.2	11.3	12.4	14.1	14.0	15.2	15.6
3.02 Hotels and Restaurants	3.9	3.2	3.5	3.7	3.9	3.8	3.7
3.03 Transport and Storage	6.0	5.5	6.0	6.6	7.2	7.5	7.1
3.04 Information and communication	1.6	2.0	2.2	2.2	2.1	2.4	3.0
3.05 Financial and Insurance Activities	5.1	5.1	5.8	6.8	5.0	4.2	3.9
3.06 Real Estate	1.0	0.9	1.3	1.7	2.3	2.2	2.7
3.07 Professional, Administrative & Support Service activities	1.4	1.5	1.6	1.6	1.5	1.5	1.5
3.08 Public Administration & Defence; Social Security	3.7	3.2	3.2	3.3	3.3	3.3	3.3
3.09 Education	4.0	3.7	3.8	3.5	3.4	3.2	3.3
3.10 Health And Social Work	2.2	2.2	2.1	2.0	2.1	2.1	2.1
3.11 Other Service Activities	1.4	1.2	1.3	1.3	1.2	1.0	1.0
4. GROSS DOMESTIC PRODUCT at basic prices	100.0						
ow informal GDP at purchasers' value	29.2	28.1	28.6	30.0	28.6	27.0	26.5
*provisional							
***Oil means Oil and Gas							

Source: GSS (2020: 5)

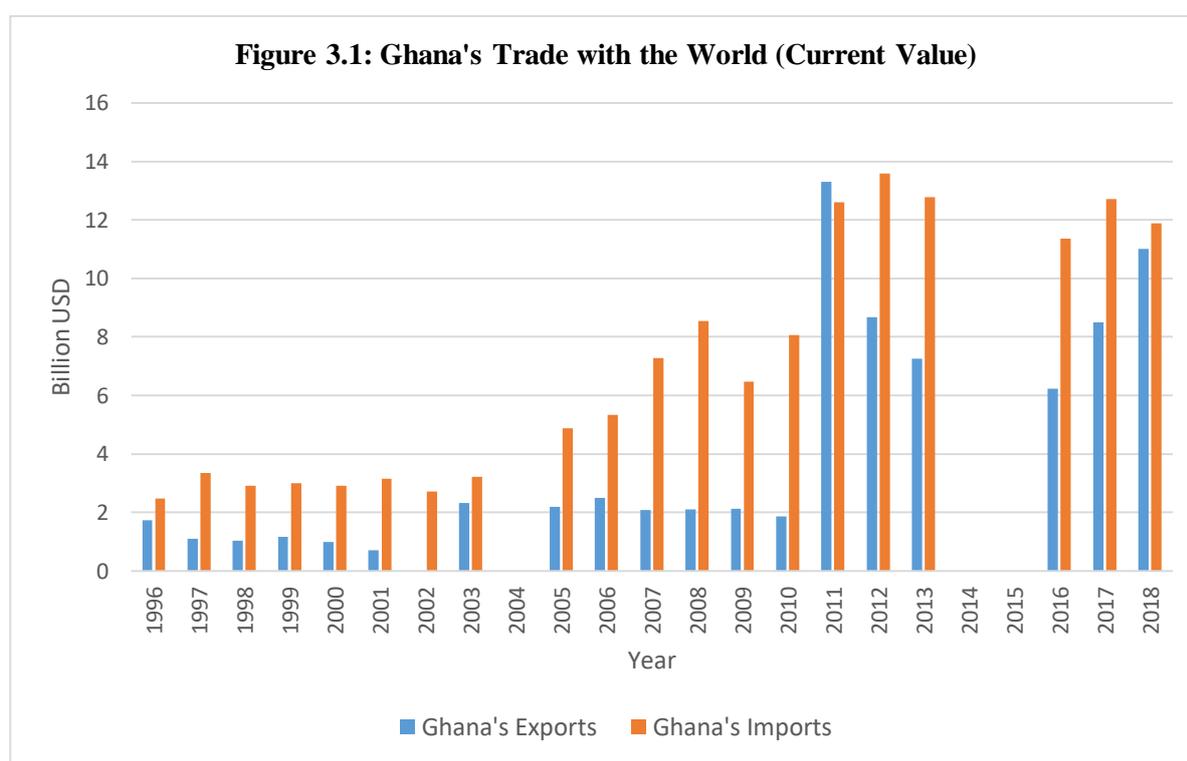
¹⁰ “Galamsey” has been described to be the corrupted form of the phrase “gather and sell” in reference to gold.

Table 3.2: Employment by Sector, Percentage (%)

Sector	1999	2007	2013	2017
Agriculture	55	57.2	44.7	38.3
Industry (including manufacture)	14	13.6	14.4	18.2
Manufacture	11.7	10.9	9.1	11.9
Service	31	29.2	40.9	43.5

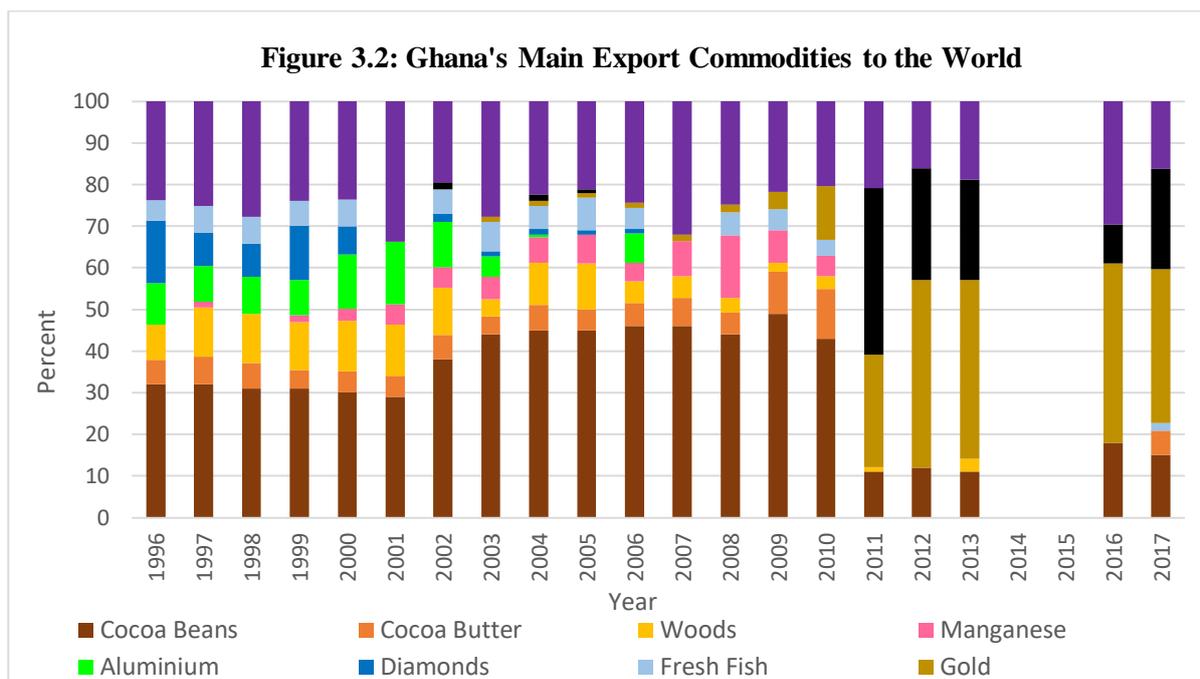
Note: Manufacture is a subsector of industry (sector). Here, it represents a percentage share of industry (sector) alone.

Source: Created by author with data from GSS (2000); GSS (2008); GSS (2014); GSS (2019)



Note: Years with missing data not reported by Government of Ghana)

Source: Created by author with data from UN Comtrade (2020)



Note: Years with missing data not reported by Government of Ghana

Source: Created by author with data from Observatory of Economic Complexities (2020)

3.3. ODA (Official Development Assistance) and Ghana's Economic Development: ODA Trends in Ghana

The various governments in Ghana since independence have approached aid differently based on their ideology, economic development plan or the economic situation of the time. Donors have also responded to the various governments based on the same factors. Whether Ghana should receive or refuse aid has not really been a debate, but what Ghana gives in return for aid is what is sometimes debated, especially regarding the country's sovereignty. Although people in Ghana do not want the country to depend on aid, there is a recognition that aid has provided substantial assistance towards Ghana's development. This section discusses the trend of ODA to Ghana pre-SAP, during and post-SAP, and when Ghana became a lower-middle-income country. Figure 3.3 shows ODA to Ghana over the years.

3.3.1. ODA from Independence to Pre-Structural Adjustment Period (1957-1982)

The Nkrumah government from 1957 had not relied so much on aid. Nevertheless, some amount of aid was sought when it became necessary or when it was in line with the government's strategy. According to Killick (2010: 42-43), Nkrumah requested for aid and it was considered that about a quarter of the Seven-Year Development Plan was going to be aid financed. For instance, the construction of the Akosombo Hydro-electric Dam in the early 1960s to drive industrialization was partly financed with loan aid from the World Bank, the United States, and the United Kingdom, even though Ghana had enough foreign reserves that could have been used to finance the project (Barnafo, 1982: 40-41). However, Nkrumah's criticism of aid as neocolonialist fairly explains what led to little official long-term aid (Killick, 2010: 112). The National Liberation Council (NLC) government (1966-1969) that overthrew Nkrumah, and came into power briefly, and its successor Busia government (1969-1972) made major efforts to obtain aid and debt relief, leading to significant net aid between 1966 and 1972 (Killick, 2010: 61-62). However, in 1969-70, the country was actually paying out more for

servicing its debt than it was receiving as aid (Gocking 2005:158). In the 1970s under the NRC/SMC Acheampong government, due to the refusal of payment of some external debts in the famous or infamous “yentua”¹¹ policy or mantra, claiming they were acquired through dubious means, Ghana was considered not credit worthy, and therefore lost access to international financing including aids (Tawiah et al. 2018; Tsamenyi, 1983). This, thereby, contributed to the low levels of aid (Tawiah et al. 2018; Tsamenyi, 1983). According to Boafo-Arthur (1999:73), aid had not been a major interest of the Nkrumah (1957-1966), and the NRC/SMC governments (1972-1979). Other successive governments (NLC, Busia, Limman (1979-1981)) that attempted to forge closer relations with the IMF and the World Bank did not last long enough to undertake lasting economic diplomacy until the Provisional National Defence Council (PNDC) government (1981-1992) (Boafo-Arthur, 1999: 74).

3.3.2. ODA during Structural Adjustment Period and the Aftermath (1983-2009)

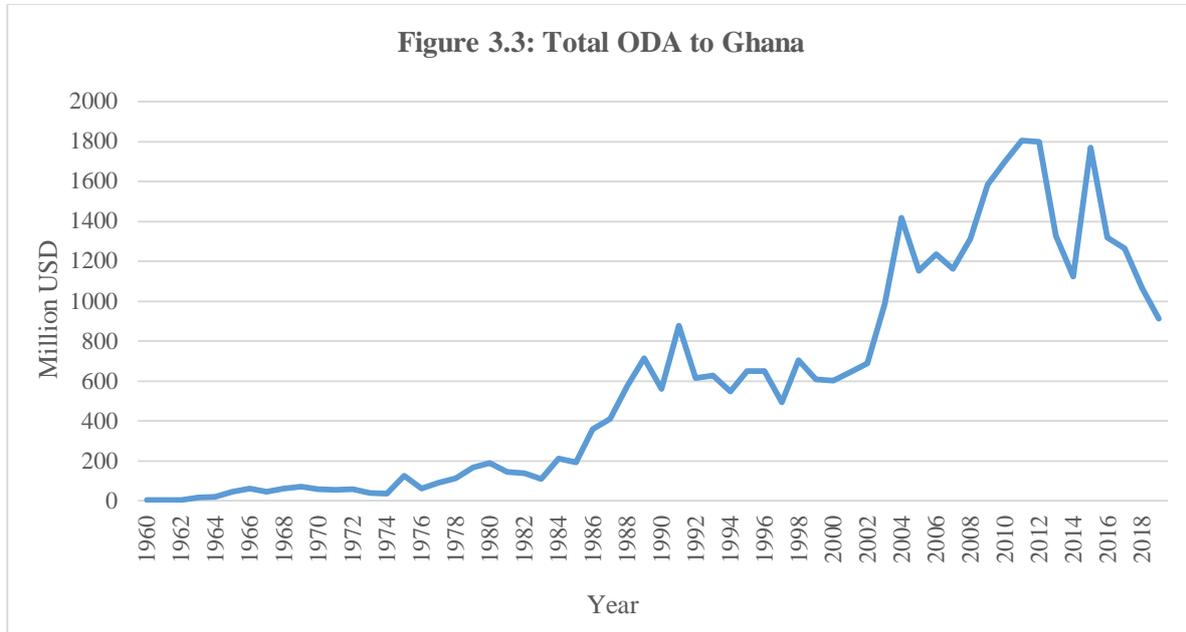
Although foreign aid became part of Ghana’s development processes in the 1970s and 1980s, it took a major turn with the inception of the Structural Adjustment Program (SAP) in 1983 (Andrews, 2010). During the adjustment period, there was huge aid inflows to Ghana from many sources (Andrews, 2010). During SAP the Ghanaian economy became more aid-driven than ever as the country became the largest per capita aid recipient in Africa (Boafo-Arthur, 1999: 74, 87-88). Aid inflows contributed to the significant economic growth which was attained (Whitfield 2009: 9). Moreover, the increased inflow of aid led to a mounting debt burden and crippling debt servicing ratio (Boafo-Arthur, 1999: 88). Ghana’s external debt jumped from 80% in 1976 to almost 350% in 1983 as a proportion of exports (Fosu and Aryeetey, 2008: 48). Very significant in the post-Structural Adjustment period is the debt relief granted to Ghana when the country entered the Heavily Indebted Poor Country (HIPC) Initiative in the early 2000s. The debt relief was also marked as aid to Ghana, since Ghana was to use the revenues which would have been used for debt servicing to undertake development “aid” projects. According to Whitfield (2009: 7-8): “the Ghana Poverty Reduction Strategy (GPRS) and the implementation of key policy actions agreed between the IMF and the New Patriotic Party (NPP) government (2000-2008) were conditions for granting of debt relief under HIPC”. The main motive behind the GPRS was to assure donors and international NGOs that money saved through debt relief would be used for poverty reduction expenditure (Whitfield 2009: 7-8).

3.3.3. Lower-Middle-Income Status and “Ghana Beyond Aid” (2010-2017)

Ghana’s transition from a low-income country to a lower-middle-income country in 2010 has significant implications for Ghana. It implies that Ghana will be losing its eligibility for the World Bank soft loan window, the International Development Association (IDA) (which is mainly reserved for the world’s poorest countries, and had been Ghana’s single largest donor), as well as other donor support including some bilateral donors support (Andersen et al., 2018: 27; Moss and Majerowicz, 2012: 3-4). It also implies that Ghana is no longer eligible for debt relief, which it had benefited from previously (Moss and Majerowicz, 2012: 10-11). ODA to Ghana has declined relative to other development flows, making up just 3% of Ghana’s GNI (gross national income) in 2014 and was expected to drop to 1% by 2016 (OECD, 2016: 105). In 2017, the government introduced “Ghana Beyond Aid” policy. However, there is no timeline or substantive plan as to when and how Ghana will be able to wean itself off aid. Ghana’s ODA was 2.6% of GDP in 1983 but rose to 13.3% in 1991 (World Bank, 2020a,

¹¹ “Yentua” is Ghanaian (Akan) word for “we will not pay”.

2020b). In 2004, Ghana’s ODA was 16% of GDP, the highest ever (just about when Ghana entered the HIPC initiative) (World Bank, 2020a, 2020b). However, in 2018 Ghana’s ODA decreased to only 1.6% of GDP (World Bank, 2020a, 2020b). Reduction in aid has caused the government to borrow from the open financial markets with relatively high interest rates, thereby increasing the government’s debts and the burden to service the debts.



Source: OECD Data (2021)

3.4. Poverty Reduction and Human Development in Ghana

Since the mid-1980s, Ghana has appreciably achieved sustained per capita income which has contributed to reasonable progress in reducing poverty in income and non-income dimensions, although the levels of poverty still remain high (Aryeetey and McKay, 2004: 3). The decline in poverty is not evenly distributed geographically, whereby poverty is higher in rural areas than urban areas (Ministry of Finance-Ghana, 2000: 2). Moreover, within both rural and urban areas, poverty is disproportionately concentrated in the savannah areas of the north (Ministry of Finance-Ghana, 2000: 2). Besides the uneven poverty reduction geographically, it has also been uneven across occupations, all due to the sources and nature of economic growth (Whitfield 2009:11). McKay and Osei-Assibey (2017: 289-290) note that rapid economic growth through primary commodity export, capital intensive extractive industries (mining and oil), and growing service sector (financial and telecommunication system) widened the income and infrastructure gap between rural and urban dwellers and appears to have benefited the non-poor more than it did the poor. It is clear that economic growth has benefitted southern Ghana more than northern Ghana. Multidimensional poverty in Ghana’s headcount ratio decreased from 55 percent in 2011 to 46 percent in 2017 (GSS, 2020:45). This means that, over the period, the number of people living in multidimensional poverty in Ghana reduced by 14,115,572 people (GSS, 2020: 45).

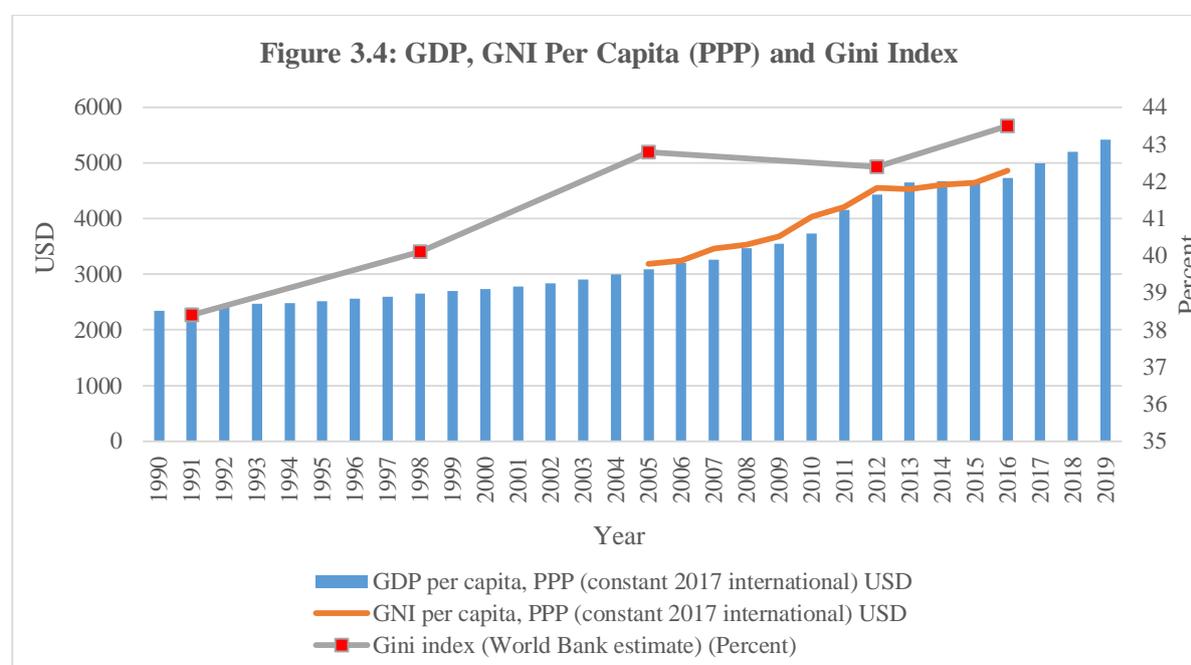
Ghana’s human development index has improved gradually over the period since 1990 when the human development index (HDI) started. While the HDI value was 0.465 in 1990 during SAP, it was 0.52 when Ghana become a lower-middle-income in 2010, and in 2019 it

rose to 0.611 (table 3.3). In terms of income, GDP per capita and GNI per capita have improved significantly, although income inequality has also increased. While GDP per capita in 1990 was USD 2,344, it was USD 3732 in 2010, and in 2019 it stood at USD 5,412 (figure 3.4). At the same time Gini index (income inequality) rose from 38.4 percent in 1991 to 43.5 percent in 2016 (figure 3.4). Regarding poverty at the national poverty line since the 1990s, there has been a decline in national, urban, and even rural poverty. The incidence of national poverty has dropped from 51.7 percent in 1992 to 23.4 in 2017 (figure 3.5). Urban poverty which was 27.7 percent in 1992 has steadily declined to 7.8 percent in 2017 (figure 3.5). However, rural poverty after consistently declining from 1992 at 63.6 percent to 37.9 percent in 2013, rose to 39.5 percent in 2017 (figure 3.5).

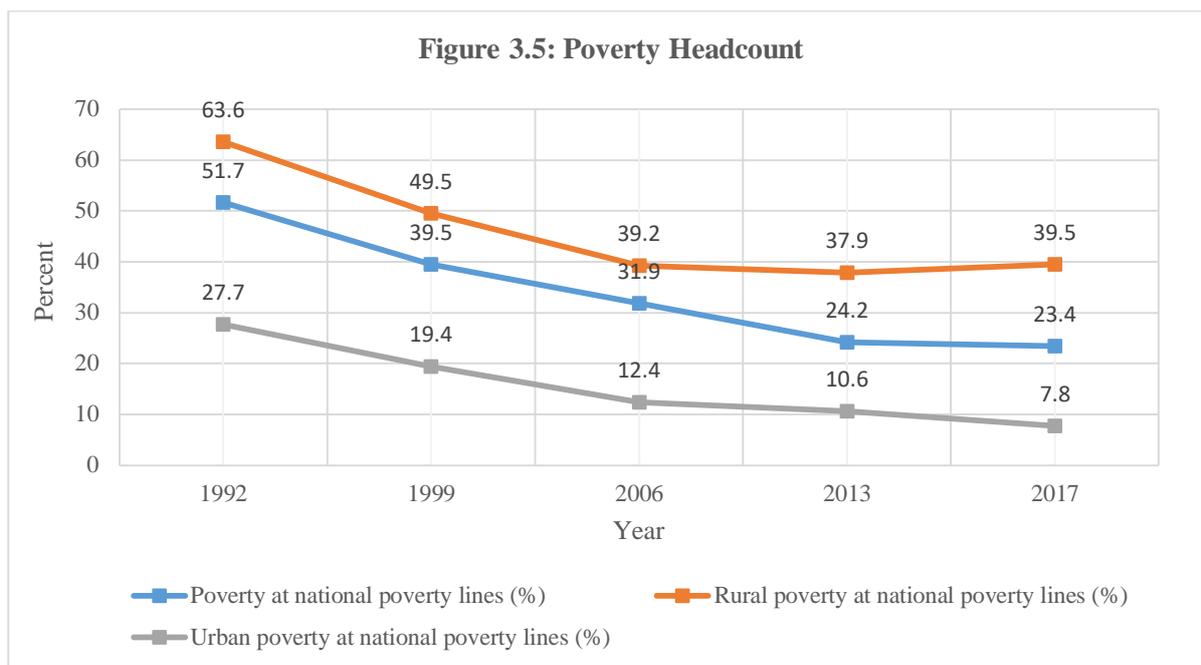
Table 3.3: Ghana’s HDI Trends Based on Consistent Time Series Data and New Goalposts

Year	HDI value
1990	0.465
1995	0.483
2000	0.494
2005	0.520
2010	0.565
2015	0.590
2016	0.598
2017	0.602
2018	0.606
2019	0.611

Source: UNDP (2020)

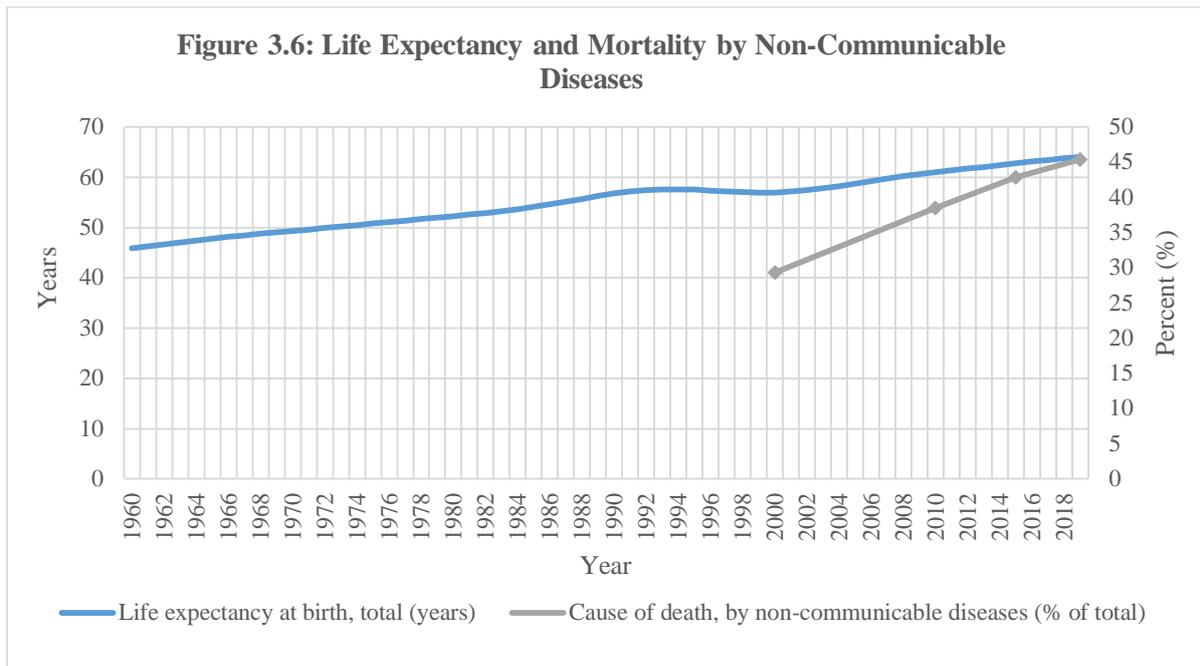


Source: Created by author with data from World Bank (2021b)

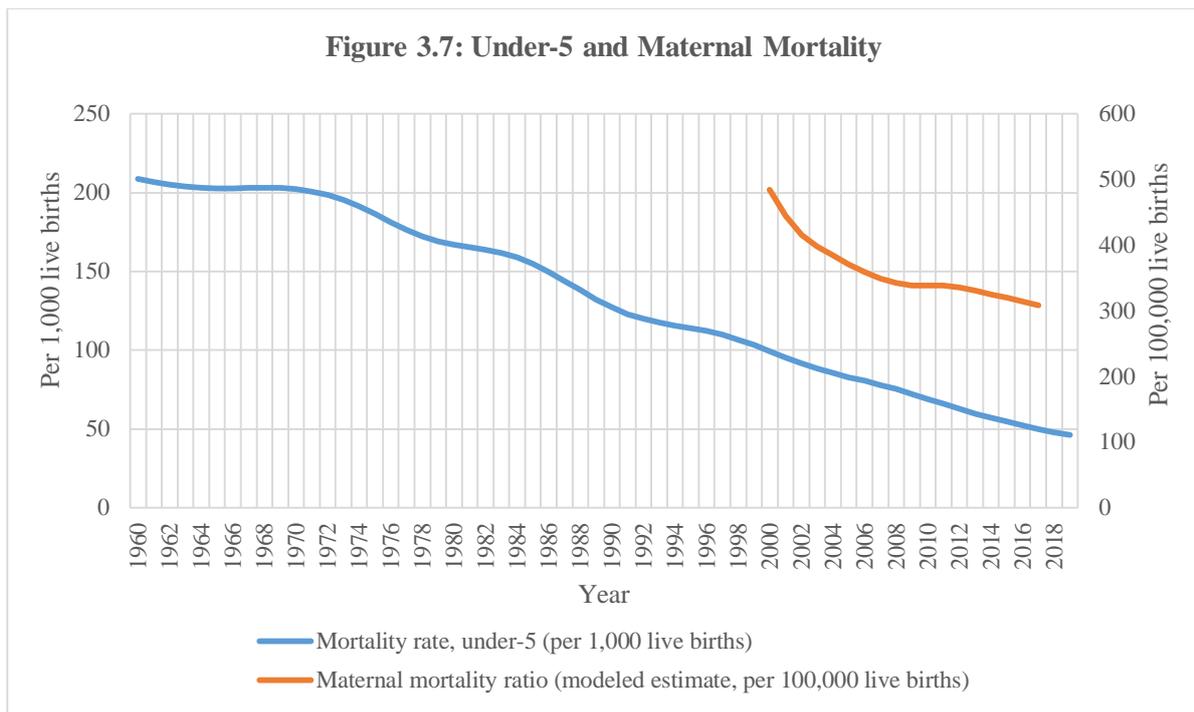


Source: Created by author with data from GSS (2000; 2018)

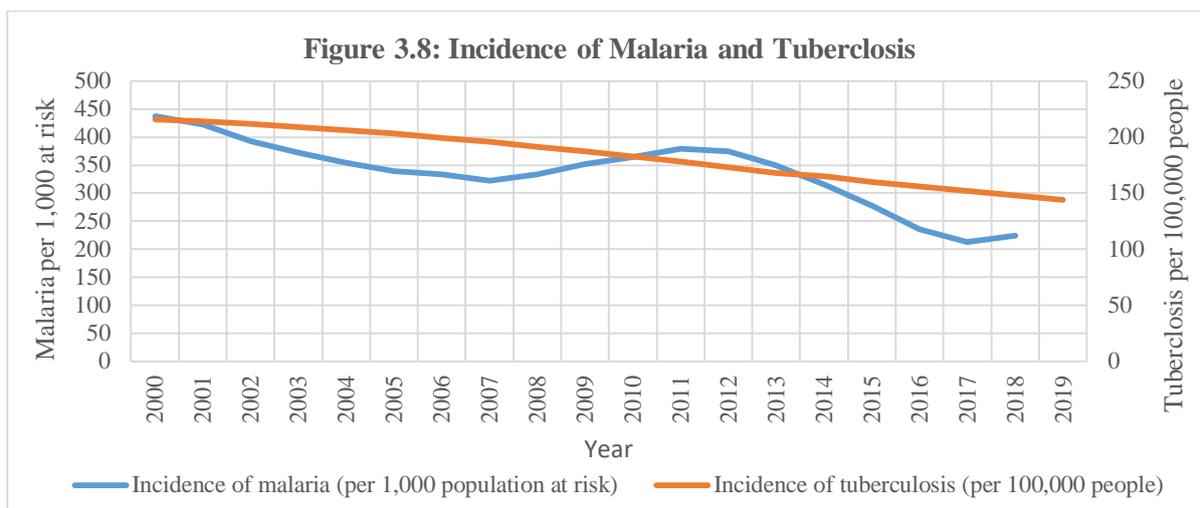
Regarding non-income/non-consumption dimensions of poverty, there has been constant progress, although deprivation in many localities and settlements is still a problem. Generally, life expectancy has improved from the 1960 when it was 45.8 years (figure 3.6). In 1982, prior to SAP, it was 52.9 years. After rising through the SAP period to 57.6 in 1994, it dropped slightly in 1999 to 56.9 years, and rose to 64 years in 2019 (figure 3.6). Despite the rise in life expectancy, one critical issue is that deaths as a result of non-communicable diseases have also risen from 29 percent in 2000 to 45 percent in 2019 (figure 3.6). Additionally, there has been a significant drop in under-5 infant and maternal mortality. From high levels of under-5 infant mortality of 208 per 1000 live births in 1960, it started showing significant drop in the 1970s and has steadily dropped reaching 46 per 1000 births in 2019 (figure 3.7). Maternal mortality has also dropped from 484 per 100,000 births in 2000 to 308 in 2017 (figure 3.7). The incidence of malaria per 1000 population at risk dropped from 422 in 2001 to 322 in 2007 (figure 3.8). After rising again in 2011 to 380, it recorded 212 in 2017 (figure 3.8). Tuberculosis cases per 100,000 people, which was 216 in 2000, dropped to 144 in 2019 (figure 3.8).



Source: Created by author with data from World Bank (2021b)

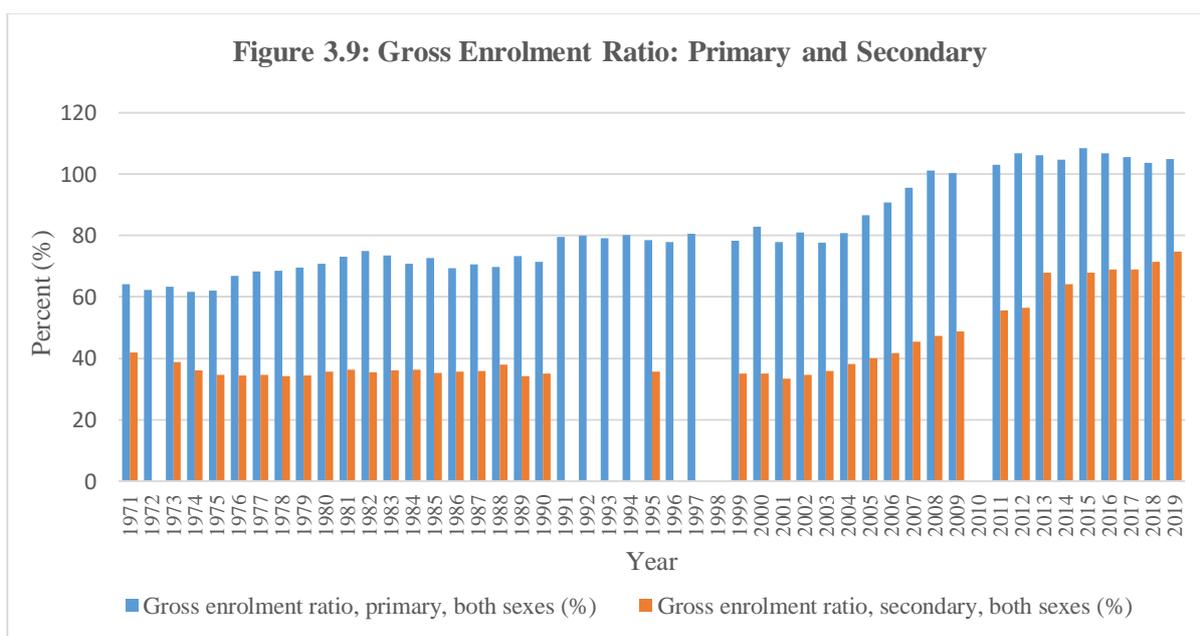


Source: Created by author with data from World Bank (2021b)

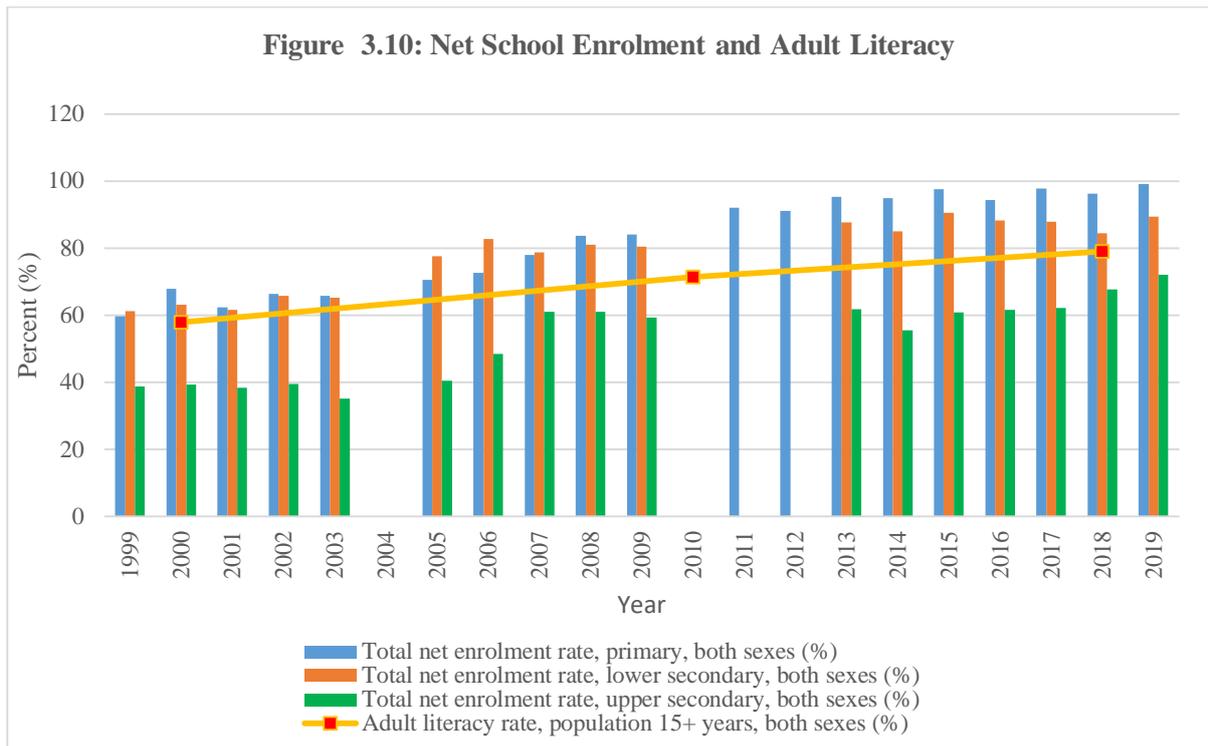


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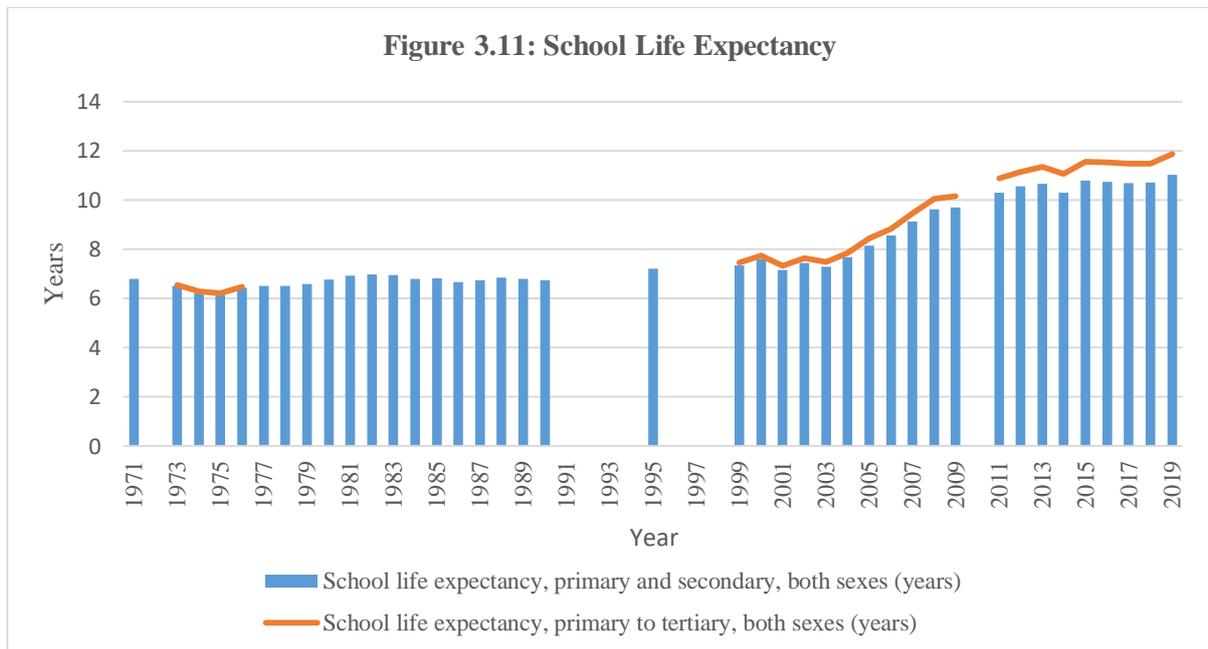
In the area of education, gross primary and secondary school enrolments have increased over the years since 1971 with some declines. It is important to note that during the SAP period gross primary school enrolment dropped from 75 percent in 1982 to 69 percent in 1986 (figure 3.9). Gross secondary school enrolment also dropped from 42 percent in 1971 to the lowest of 34 percent in 1990 (figure 3.9). In 2019, gross primary school enrolment had risen to 105 percent (figure 3.9). Since 1999, net school enrolments have increased for both primary and secondary levels. In 2019, net primary school enrolment was 99 percent, while lower secondary and upper secondary were 89 percent and 72 percent respectively (figure 3.10). Adult literacy has also increased since 2000 and was 79 percent in 2018 (figure 3.10). School life expectancy for primary and secondary school, which was comparatively higher during the pre-SAP period at 7 years in 1982, but dropped to 6.6 years in 1986 during SAP, has been relatively high in recent times. Primary and secondary school life expectancy was 11 years in 2019 (figure 3.11). For primary to tertiary, it was 11.8 years in 2019 (figure 3.11).



Source: Created by author with data from World Bank (2021b)



Source: Created by author with data from World Bank (2021b)



Source: Created by author with data from World Bank (2021b)

The decline in aid after 1992 which is generally attributed to donor fatigue might have affected the role of ODA in poverty reduction and human development in Ghana. One factor which contributed to the decline of aid was what donors called a low rate of effective absorption of aid in Ghana (Aryeetey and McKay, 2004: 35). This also suggested that aid had not been applied to contribute much to poverty reduction and human development as might have been

expected. Before SAP, aid to Ghana was minimal to have been able to make any significant contributions to poverty reduction and human development in general. During SAP, aid was mainly targeted at economic reforms and not necessarily poverty reduction and human development. On the contrary, SAP had a negative impact on human development since as part of SAP policies government had to reduce or remove subsidies, subventions, and retrench public sector employees. Reduced public sector expenditure generally affected the provision of social services. It was envisaged that, by reforming the economy through SAP, there was going to be significant economic growth which would trickle down to the poor. Although there was considerably high economic growth, there was not much trickle down to the poor. According to Berman et al. (2003: 1) the introduction of PAMSCAD (Program of Action to Mitigate the Social Costs of Adjustment) in 1987 was an implicit admission that SAP had not been successful in improving the lives of many Ghanaians, although SAP increased aid flows tremendously.

3.5. Geographical Distribution of Economic Development in Ghana: the North-South Spatial Inequality

North-South spatial inequality, whereby the southern part of Ghana is relatively more developed than the northern part is a major issue of concern. Somehow, it seems to be accepted as a situation that has been there and will remain. There have been many explanations given as to the causes of this spatial inequality. The Government of Ghana has introduced various programs while donor support has been significant to address the situation. However, it seems more needs to be done to ensure a fairly balanced development, leaving no one and no location behind.

3.5.1. North-South Spatial Inequality in Ghana: What Are the Causes?

Inequality between the northern and southern Ghana started with the relationship between kingdoms and tribes even before colonialism (Shepherd et al., 2006: 1-2). “The Ashanti Kingdom and northern ethnic groups established a hierarchy of dominance that still exists today, and which differentiates the Akan (south) and the Mole-Dagbani (north)” (Shepherd et al., 2006:1-2). During colonial times, colonial policy asserted the subaltern economic and political position of the north (Shepherd et al., 2006: 1-2). The fundamental causes of the underdevelopment of northern Ghana are rooted in its history of colonial incorporation into the global capitalist economic system “as a regional periphery of a peripheral capitalist state” (Songsore, 2001: 208-209). The lack of natural resources of British colonial interests in northern Ghana, made the colonial administration dismiss the Northern Territory, as it was then known, as poor and not worthy of colonial economic interests and investments (Abdulai et al., 2018: 240-241). The colonial system made northern Ghana a labor reserve and actively promoted labor migration from north to south, for the southern mines and forest economies (Shepherd et al., 2006: 1-2). British colonial policy favored investment in southern regions (Western, Eastern, Ashanti and Brong Ahafo Regions) where gold, diamond, timber, and cocoa were readily produced for export (Save the Children, 2012). The colonial administration also prevented (public) investment from the north while adopting a “protective” attitude towards the population, and denying them “development” which colonialism brought to the south (Shepherd et al., 2006: 1-2). The colonial infrastructure was mainly purposed for extracting minerals such as gold, bauxite, diamond, as well as timber, and therefore colonial infrastructure

was concentrated where these resources were found, predominantly in the south (Akolgo, 2017: 8).

The era of SAP and liberalization which followed from 1983 curtailed the previous trajectory of regional economic growth, and could not do much to reverse it (Shepherd et al., 2006: 3). SAP also emphasized and promoted the production and export of raw materials like cocoa, timber, cocoa, gold, diamond etc. which are in the south, leading to the neglect of northern Ghana (Akolgo, 2017: 9). SAP structurally reinforced the contradictions between the northern and southern Ghana, and further marginalized or “peripherized” the north as resources, funding, and infrastructure were channeled to drive the export sector of the south to generate more foreign exchange (Songsore, 2001: 214-216). The problem of northern Ghana worsened with the liberalization of the economy, as peasant agriculture or food crop farming which predominates in northern Ghana was neglected (Yaro and Hesselberg, 2010: 89). Further pauperization of the north arose from the adverse impact of SAP’s unrestrained liberalization of the food crop sector, flooding the Ghanaian market with cheap food imports, notably rice, worsening the terms of trade of food crop farmers mainly in the north (Songsore, 2001: 214-216; Abdulai et al., 2018: 245). As Songsore (2001: 208) puts it, the poverty of the northern Ghana was deepened by the adverse effects of SAP.

The northern part of Ghana is challenged with its ecological system. It has lower rainfall compared to the south (Shepherd et al., 2006: 1-2). Its savannah vegetation is not suitable for some crops especially cash crops like cocoa, palm tree etc. (Shepherd et al., 2006: 1-2). Despite the environmental challenges, the north-south spatial inequality in Ghana according to the above is largely caused by the global economic system which has structured Ghana’s economy to be an exporter of raw materials like cocoa, gold, and recently crude oil as its comparative advantage, and an importer of finished goods. These major exports being extracted from the southern part of Ghana have caused the northern part of Ghana to be economically ignored or at least not given the needed attention, therefore, leading to north-south spatial inequality. Neoliberal economic policies have led to the creation of southern Ghana as the main economic hub with enclave economies. Whereas some countries that created enclave economies ensured that economic growth generated as a result was spread across the country as mentioned in chapter 2, in Ghana, the government of Ghana does not seem to have such plans for creating enclave economies in the south to equally benefit the north. However, this is not to say that the government of Ghana has not made efforts towards bridging the north-south spatial inequality.

3.5.2. Government of Ghana Interventions to Bridge the North-South Gap

Governments of Ghana through various interventions have tried to reduce poverty in Ghana through spatially blind policies and specifically to reduce the poverty and development gap between the north and south through programs targeted towards northern Ghana. Although spatially blind pro-poor policies (such as free education, Livelihood Empowerment Against Poverty [LEAP], National Health Insurance Scheme etc.) helped narrow the north-south gaps, since the majority of the poor are in the north, such policies have not been sufficient to bridge the north-south gap (World Bank, 2011: 27, 30). Import substitution, rural development, and agrarian reforms embarked on in the 1960s and 1970s also benefitted the north but when abandoned negatively affected them (Kuu-ire, 2009: 181-184). In recognition of the developmental gap in the area of education between the north and south, northern leaders at the time of independence exerted pressure on both the colonial and the immediate post-independence government which led to a special education grant under the “Northern

Scholarship Scheme” for people of northern origin (Songsore, 2001: 226). The “Northern Scholarship Scheme” was introduced, as another policy to bridge the educational development gap between the north and south (Davison 2017). While fragments of the “Northern Scholarship Scheme” remained until recently (Songsore, 2001: 226), it has virtually been replaced with nationwide Free Senior High School Policy since 2017.

In 2008, the Northern Development Fund was announced in the budget with a seed money of GH¢ 25 million, with an additional GH¢ 550,000 for the shea nut industry in the north (Joy Online, 2008). The same year, the Northern Development Fund Bill was approved by the Parliament of Ghana to provide a long-term strategy for transforming and accelerating the development of the northern Ghana (Ghanaian Times, 2008). The newly sworn-in government in 2009 launched the Savannah Accelerated Initiative the same year to strengthen the institutional framework for funding and coordination of development initiatives in northern Ghana and adjacent districts (World Bank, 2011: 10-11). In 2010, the Savannah Accelerated Development Authority Act was introduced to establish the Savannah Accelerated Development Authority (SADA) to replace the Northern Development Fund. SADA aimed to provide a framework for the comprehensive and long-term development of the Northern Savannah Ecological Zone (NSEZ) and to provide for related matters (Government of Ghana, 2010: 3). In 2014, SADA came under severe criticisms for corruption (Citi FM Online, 2014). The new government in 2017 replaced SADA with the Northern Development Authority Act 2017 (Government of Ghana 2017a). Abdulai (2017: 398) notes that despite the high level of government rhetoric to use aid funds to reduce regional inequalities when requesting them, these funds when approved benefit the southern regions more than the relatively poorer northern regions. Oteng-Ababio et al. (2017: 24) also indicate that despite the good intentions of government policy initiatives, policy (dis)continuities and lack of sustained investments have been major impediments to addressing north-south inequality. In addition, Government of Ghana’s focus on economic development has disproportionately benefitted the south more than the north.

3.5.3. Donor, NGO Support, and Spatial Inequality in Ghana

A number of donor countries have undertaken development aid projects in northern Ghana with the aim of helping bridge the development gap. Mettle-Nunoo and Hilditch (2000: 28) note that the Department for International Development (DFID)¹² which is the donor agency of the United Kingdom aims to provide more support to the north of Ghana than the south. However, it is obvious that, taking a cursory look, most of the important economic-development-driven donor support projects are found in southern Ghana. An example is the N1 (National Road 1) Highway which was completed in 2012 with funding support from the United States government at a cost of about USD 55.7 million. Although, much donor money through NGOs is focused on northern Ghana (Porter, 2003: 135), decline in aid generally is affecting NGO activities. It is quite understandable that NGO activities became more concentrated in northern Ghana. There was a proliferation of NGO activities which resulted from the Structural Adjustment Program (SAP) to aid the poorest (Wuni, 2016: 24). Addo (2017: 38) researching about some Ghanaian NGOs (Send Ghana, Hope for Future Generation, and Socioserve Ghana) and Danish NGOs (CARE Denmark, Ghana Venskab, and Oxfam IBIS Ghana) noted that all these NGOs started operating in Ghana from the early 1990s. One

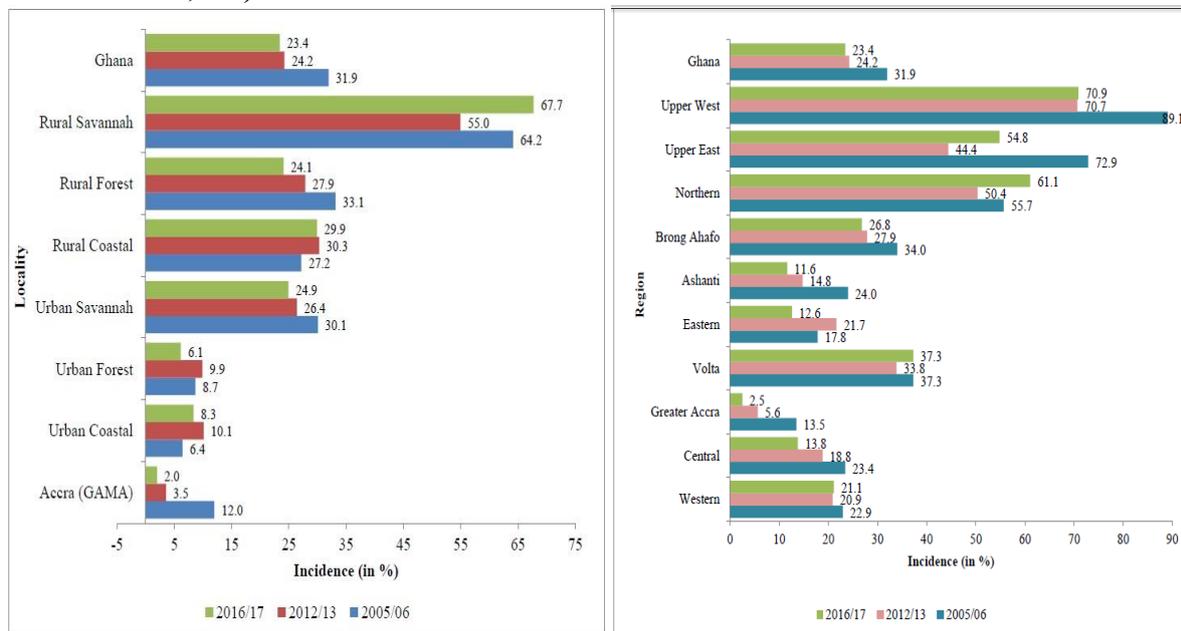
¹² Department for International Development was replaced by Foreign, Commonwealth & Development Office (FCDO).

Ghanaian NGO, SEND Ghana, expressed worry about donor fatigue, with donors thinking that Ghana’s economic growth has improved to a substantial level and as a result does not require assistance unlike previously (Addo, 2017: 58). However, northern Ghana, where poverty is more prevalent and where most NGOs are operating, has benefitted little from this growth.

3.5.4. North-South: Geographical Distribution of Development in Ghana

Data shows that in the 1970s, the Northern and Upper Regions which constituted the northern part of ranked 8th and 9th out of nine regions respectively in terms of socio-economic indices (Mckay and Osei-Assibey, 2017: 282). In the 2000s, the Northern, Upper West, and Upper East Regions¹³ which made up northern Ghana, ranked 8th, 9th, and 10th respectively out of ten regions in socio-economic indices (Mckay and Osei-Assibey, 2017: 282). Underdevelopment of the north cuts across almost if not all aspects of national development, from education to infrastructure, employment, and poverty reduction (Akolgo, 2017: 8). Figure 3.12 shows that while poverty in Ghana and within all other ecological localities dropped in 2016/2017, poverty in rural savannah in northern Ghana increased constantly from 55 percent in 2012/2013 to a high level of 67.7 percent in 2016/2017. The figure further shows that within the same period, poverty in all the regions of northern Ghana (Upper West, Upper East, and Northern) increased consistently to high levels. Map 3.2 shows the poverty map of Ghana in 1998/1999 which reveals more poverty in northern Ghana than in the south. While the poverty incidence ratio ranged between 0.315-0.796 in the northern part of Ghana, in southern Ghana, it ranged between 0.024-0.188 (see map 3.2). The reflection of the map has not changed in terms of spatial poverty in Ghana.

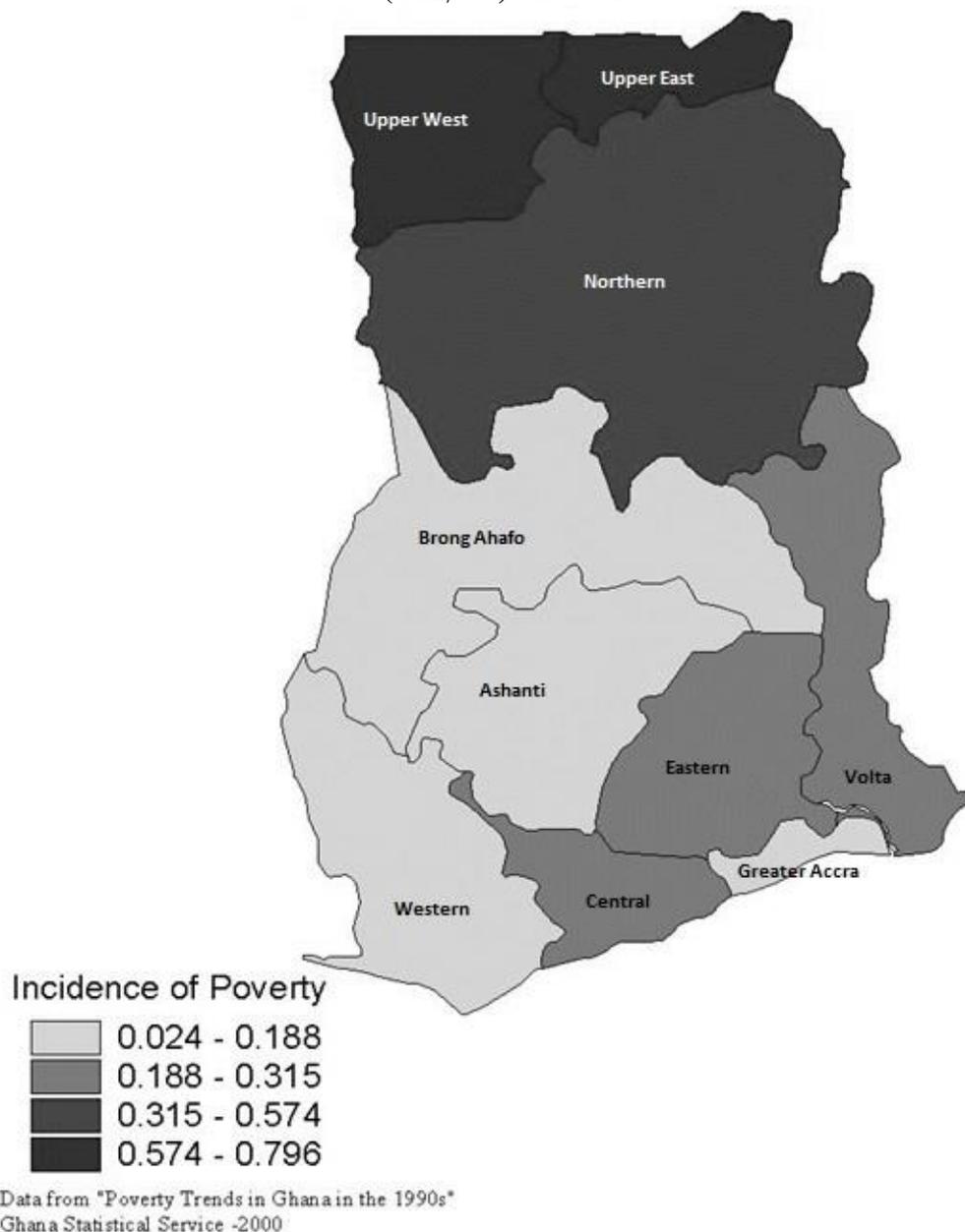
Figure 3.12: Poverty Incidence by Locality and by Region (National Poverty line = GH¢ 1,314)



Source: GSS (2018)

¹³ The Upper Region was divided into the Upper West and Upper East Regions in 1983.

Map 3.2: Indices of Extreme Poverty by Region at National Poverty line of ₵ 700,000 (GH¢ 70) - 1998/1999



Source: Cool Geography (2021); Data confirmed by author from GSS (2000: 39)

On health, there has been significant improvement in access to healthcare in northern Ghana. Table 3.4 shows the travel time to a health facility in Ghana. While about 39.4 percent of people who visited health facilities traveled less than 30 minutes in Ghana, it was 36.3 percent, 25.2 percent and 38 percent in the Northern, Upper East, and Upper West Regions respectively. However, northern Ghana has a worse doctor per population ratio with the Upper East Region leading by 1: 25, 878, while the Greater Accra Region for instance is 1: 3,582 (table 3.5). On education, in terms of net primary school attendance, rural savannah (northern Ghana), despite improvements since 2005/2006 continues to lag behind all other ecological localities. In 2016/2017, net primary school attendance for both boys and girls was 76 percent in rural coast, 74 percent in rural forest but 65 percent in rural savannah (figure 3.13). Although

there have been some improvement, the gap between the southern and northern regions did not close that much especially for secondary and higher education (Mckay and Osei-Assibey, 2017: 291-292). Many institutions of higher learning are concentrated in southern Ghana (Akolgo, 2017: 8). This, with the location of jobs in southern Ghana, has created a situation whereby people from northern Ghana who attain higher education in southern Ghana, normally remain and do not return to contribute to the development of the north. In addition to that, tables 3.6 and 3.7 show that lesser amount of money is spent on students' education in rural and urban savannah than other localities, suggesting a relatively wider case of guardians' financial challenges in supporting their wards education in northern Ghana. Table 3.8 also reveals that rural savannah has 89.5 percent of its residents being illiterate, the highest by ecological location in Ghana.

Table 3.4: Average Travel Time (minutes) to and from Health Facility during Two Weeks Preceding the Interview by Region (in Percentages)

Region	< 30 Minutes	30-60	61-90	91-120	121-150	151-180	181+	Total Number
Ghana	39.4	41.4	7.3	5.3	1.2	1.5	3.9	1,889,374
<i>Western</i>	43.8	37.4	6.1	3.6	2.0	0.8	6.3	199,467
<i>Central</i>	46.8	41.6	3.8	5.1	0.6	0.8	1.2	231,120
<i>Greater Accra</i>	21.9	45.9	11.5	8.5	4.0	3.4	4.9	238,663
<i>Volta</i>	47.7	37.5	6.2	3.9	0.5	1.5	2.6	212,585
<i>Eastern</i>	46.3	36.7	6.5	5.5	0.3	1.4	3.3	232,375
<i>Ashanti</i>	46.1	40.6	6.3	2.7	0.0	1.1	3.1	234,343
<i>Brong Ahafo</i>	34.5	48.7	7.8	4.6	1.0	0.7	2.6	151,598
<i>Northern</i>	36.3	39.3	8.3	6.6	1.2	1.6	6.7	213,602
<i>Upper East</i>	25.2	50.6	9.6	7.5	1.2	2.1	3.8	139,316
<i>Upper West</i>	38.0	39.3	7.5	5.4	1.9	1.1	6.7	36,305

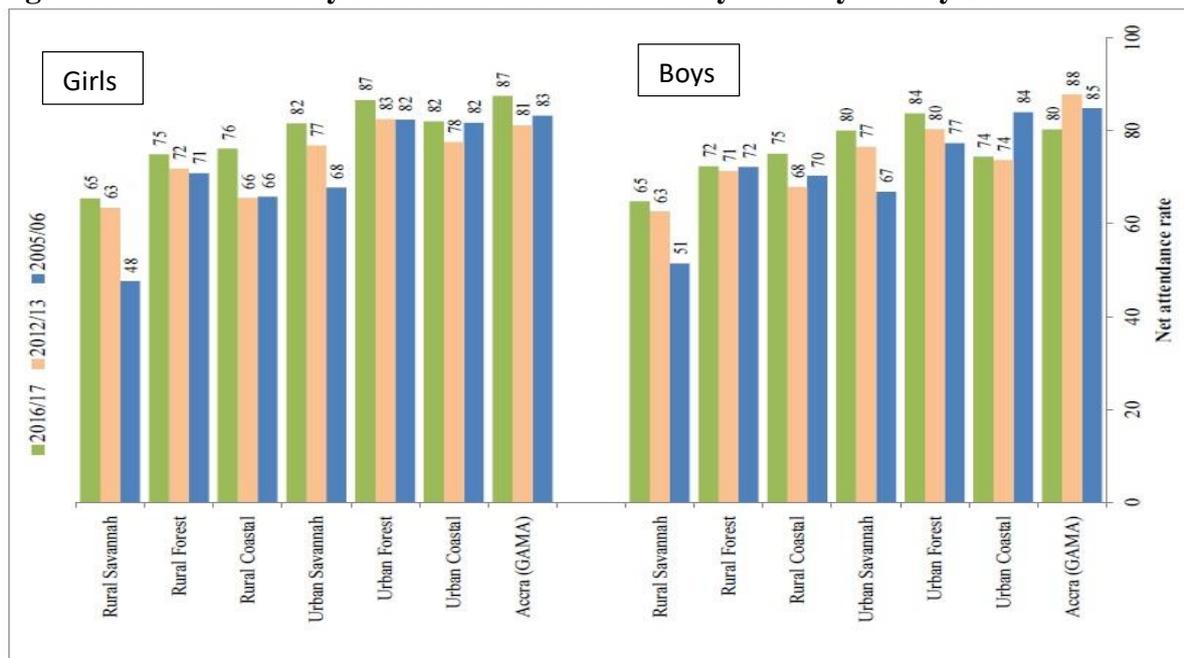
Sources: GSS (2019)

Table 3.5: Doctor-Patient Ratio in Ghana by Region

REGION	2016		2015		2014		2013	
	Number of Doctors	Doctor Population Ratio	Number of Doctors	Doctor Population Ratio	Number of Doctors	Doctor Population Ratio	Number of Doctors	Doctor Population Ratio
Ashanti	708	7,848	673	7,139	541	9,830	558	9,280
Brong Ahafo	231	11,495	226	15,621	145	17,455	148	16,695
Central	266	9,732	246	18,588	114	21,823	111	21,700
Eastern	218	13,798	214	16,052	171	16,733	159	17,582
Greater Accra	1316	3,582	1258	3,136	1651	2,744	1356	3,240
Northern	216	13,419	208	18,380	117	23,759	131	20,685
Upper East	45	25,878	45	24,722	34	32,285	40	27,391
Upper West	42	18,986	41	31,148	21	36,048	19	38,692
Volta	192	12,749	187	18,389	114	20,510	111	20,625
Western	131	20,659	137	27,530	108	23,814	97	26,048
National	3365	8481	3263	8,808	3016	9,043	2,730	9,749

Source: GHS (2017: 26)

Figure 3.13: Net Primary School Attendance Ratio by Locality and by Sex



Source: GSS (2018: 52)

Table 3.6: Average Amount (GH¢) Spent on a Person Attending School/College on School Items in the Last 12 Months by Locality

School item	Total	Percent	Accra (AMA)	Urban Coastal	Urban Forest	Urban Savannah	Rural Coastal	Rural Forest	Rural Savannah
<i>Total</i>	1,903.15	100.0	3,501.57	2,959.96	1,976.91	1,272.67	1,307.82	1,328.33	767.60
School and registration fees	750.94	39.5	1,423.91	1,473.79	736.50	528.48	450.43	367.25	241.10
Contribution to P.T.A	22.75	1.2	25.91	25.63	25.08	26.31	17.54	22.86	17.26
Uniform and sports clothes	56.74	3.0	94.58	75.05	66.30	50.14	50.13	47.95	36.84
Books and school supplies	105.70	5.6	219.73	187.59	125.06	65.57	98.71	74.04	34.96
Transportation to and from school	350.24	18.4	611.92	422.11	336.19	211.65	257.58	305.31	114.55
Food, board and lodging	460.78	24.2	817.00	585.18	526.96	260.50	327.71	400.19	221.29
Expenses on extra classes	122.32	6.4	251.60	152.94	126.58	82.43	73.62	88.84	68.24
In kind expenses	33.68	1.8	56.92	37.67	34.24	47.59	32.10	21.89	33.36

Sources: GSS (2019: 28)

Table 3.7: Average amount (GH¢) Spent on a Person Attending School/College in the Last 12 Months by Level of Education and by Locality

Level of education	Ghana	Accra	Other Urban	Rural Coastal	Rural Forest	Rural Savannah
Kindergarten	573.87	1,423.46	771.70	530.64	426.50	122.47
Primary	676.14	1,867.39	963.60	473.32	476.05	121.02
JSS/JHS	931.04	2,006.04	1,226.65	586.60	684.70	264.41
SSS/SHS	2,214.94	4,468.65	2,275.06	1,720.55	2,087.81	1,037.71
Voc/Tech/Commercial	2,154.89	4,016.85	1,541.18	1,269.98	3,275.34	2,271.74
Teacher Training/Agric/ Nursing Cert.	3,856.83	4,412.51	3,779.37	3,446.23	4,292.36	3,207.74
Polytechnic	4,043.15	3,562.56	4,297.27	3,670.58	3,325.65	2,238.25
University (Bachelor)	4,799.61	7,152.63	4,820.55	3,474.64	4,324.87	3,020.74
University (Post Graduate)	11,872.35	7,099.20	13,200.11	7,949.06	7,930.83	5,500.00
Professional	4,747.32	6,040.00	7,007.94	2,370.14	4,184.77	3,079.55

Sources: GSS (2019: 29)

Table 3.8: Adult Literacy by Locality (Persons 15 Years and Above)

Sex/ Type of locality	Number	Literate (Read and Write) in								
		All	Not literate	English only	French only	English and French only	Ghanaian Language(s) only	English and Ghanaian Language(s) only	French and Ghanaian Language(s) only	English, French and Ghanaian Language
Both sexes										
Total	17,258,257	100.0	51.8	15.8	0.2	0.2	1.7	29.4	0.1	0.8
Accra (AMA)	1,138,893	100.0	42.3	29.0	0.1	0.2	0.9	25.2	0.1	2.2
Other urban	8,094,281	100.0	43.2	16.6	0.2	0.2	1.7	36.9	0.1	1.0
Rural Coastal	1,260,689	100.0	51.0	17.0	0.2	0.1	2.3	28.8	0.0	0.5
Rural Forest	4,134,742	100.0	53.9	13.8	0.2	0.1	2.3	29.2	0.0	0.4
Rural Savannah	2,629,651	100.0	79.7	10.1	0.2	0.1	0.9	8.8	0.0	0.2
Male										
Total	8,091,493	100.0	43.7	17.7	0.2	0.3	1.5	35.5	0.1	0.9
Accra (AMA)	530,941	100.0	32.9	34.7	0.2	0.3	0.5	28.3	0.1	3.0
Other urban	3,720,883	100.0	36.1	17.7	0.2	0.4	1.3	43.2	0.1	1.1
Rural Coastal	573,698	100.0	40.2	20.1	0.3	0.1	2.4	36.2	0.0	0.7
Rural Forest	2,008,893	100.0	43.6	16.1	0.1	0.2	2.0	37.4	0.0	0.6
Rural Savannah	1,257,078	100.0	72.9	12.2	0.3	0.2	1.4	12.7	0.0	0.3
Female										
Total	9,166,763	100.0	59.0	14.1	0.2	0.1	1.9	24.1	0.1	0.6
Accra (AMA)	607,953	100.0	50.6	24.0	0.0	0.2	1.1	22.5	0.1	1.5
Other Urban	4,373,398	100.0	49.2	15.7	0.2	0.1	2.1	31.7	0.1	0.9
Rural Coastal	686,990	100.0	60.1	14.4	0.1	0.0	2.3	22.7	0.0	0.4
Rural Forest	2,125,850	100.0	63.7	11.6	0.2	0.1	2.7	21.5	0.1	0.2
Rural Savannah	1,372,572	100.0	85.9	8.1	0.1	0.0	0.5	5.3	0.0	0.0

Source: GSS (2019: 34)

3.6. Conclusion

Ghana, an independent country and a former British colony got its economy integrated into the global economy largely during the time of colonialism, and was assigned to be the supplier of its comparative advantage in primary commodities. This formation of the structure of Ghana's economy has not changed since independence. Some governments that have ruled

Ghana attempted to restructure the economy towards industrialization largely based on socialism, but with little success. The 1980s was a decisive time in Ghana's economic history, when Ghana joined SAP. This put Ghana firmly on the path of economic liberalization which has remained and equally affirmed the country as an exporter of primary commodities. Manufacturing in recent times has dropped as a share of GDP, while mining and quarrying is growing. Ghana's economy is not able to sustain its development needs and therefore ODA plays a significant role in supplementing the government's revenues and efforts. ODA steeply increased during the SAP period which contributed to Ghana joining HIPC for debt relief for its inability to service debts (ODA loans) mostly accrued during SAP period. In 2010, Ghana became a lower-middle-income country which has contributed to the reduction in ODA to Ghana and increases in government's debt due to borrowing in the open financial market (at relatively higher interest rates compared to ODA loans), as the government declares "Ghana Beyond Aid" in 2017. Looking at development indicators, although some development indicators like education dropped during SAP, there have been improvements since independence, except rural poverty which increased in 2017. One major development issue in Ghana has been the north-south spatial inequality. While historical, geographical or ecological factors may be related to this spatial inequality, it is also regarded as a colonial creation or failure of the Ghana government to tackle it. Although, there have been improvements in development indicators in northern Ghana, it continues to lag behind the south. Income poverty is still higher in the north with poverty increasing in rural savannah (northern Ghana) and in all the regions in northern Ghana in 2017. ODA has made a significant contribution to development in northern Ghana including ODA from Japan, one of Ghana's major development partners. Japanese ODA to Ghana and Africa is observed to be going through changes through the TICAD process to reflect the East Asian model of development. It is important to examine how this change is influencing Ghana's development and particularly the north-south spatial inequality in Ghana.

Chapter 4: Japan's Support for Ghana's Development through TICAD

Japan has provided enormous assistance for Ghana's development. It may seem that Japan has confidence in Ghana's development potential. Japan's support has not only come in the form of ODA/aid, but also through promoting trade and investments with Ghana. Japanese recent support for Ghana's development has largely been influenced by the TICAD process. TICAD has become the framework of Japan's development cooperation with African countries including Ghana. However, TICAD has been evolving and its new approach of emphasizing trade and investments can be seen in the nature of aid Japan is providing to Ghana in recent times. This new approach of TICAD mimics the East Asian model of development or East Asian development experience which Japan wants to share with African countries through TICAD, considering the role Japan itself played in the East Asian "miracle". Japan through TICAD has been trying to provide assistance that will form the foundation of sharing the development processes East Asia experienced. However, in Ghana, there are many issues that make it important to examine the prospects and challenges of TICAD's new approach and the East Asian model of development in Ghana. This chapter looks at Ghana's relations with Japan, diplomatically, and particularly through aid, trade, and investments. It looks at the TICAD process and how it has evolved. It finally discusses TICAD's new approach for assisting African countries, in the context of Ghana.

4.1. Ghana's Relations with Japan: Diplomacy, Aid, Trade, and Investment

Ghana's relations with Japan may not be that long compared to other countries even in Africa, in terms of exchange of people and economic activities. Exchange of people has relatively been less, probably due to the distance between the two countries, the language barrier, and the sheer limited knowledge about each other's country and people. However, it is an important relation for both countries and keeps growing over the years. This part looks at Ghana-Japan relations before and after independence, and aid, trade, and investment relations between the two countries.

4.1.1. Ghana-Japan Relations: Before and After Independence

Ghana's relations with Japan became formally established after Ghana's independence. However, before that, there were very important events that connected Ghana with Japan. Prior to independence, J. E. Casely Hayford, once the president of the Gold Coast Aborigines Rights Protection Society, in his book, *Ethiopia Unbound*, published in 1911 expressed great admiration for Japan in many respect (Casely Hayford, 1911). His book describes the Japanese character as worthy of emulation and an inspiration for Ghana and Africa as whole to strive for independence (Casely Hayford: 109-110). Less than two decades later, Dr. Hideyo Noguchi, a world renowned Japanese bacteriologist's arrival in the Ghana (Gold Coast) in 1927 for research into Yellow Fever, and his subsequent unfortunate death in the Gold Coast (Ghana) in 1928, however has played a very important role in Ghana-Japan relations. In a speech delivered as part of the 60th anniversary of Ghana-Japan diplomatic relations in 2017, the then acting Director of the Centre for Asian Studies of the University of Ghana, Dr. Lloyd Adu Amoah indicated how, J. B. Danquah, one of the early leading politicians and scholars in Ghana, had "insisted that Japan's industrialization was an example Ghana should emulate" (Amoah, 2017). Lumumba-Kasongo (2010) writing about Japan-Africa relations points out the importance of Ghana in the initial Japan-Africa relations. Africa as defined in Japanese

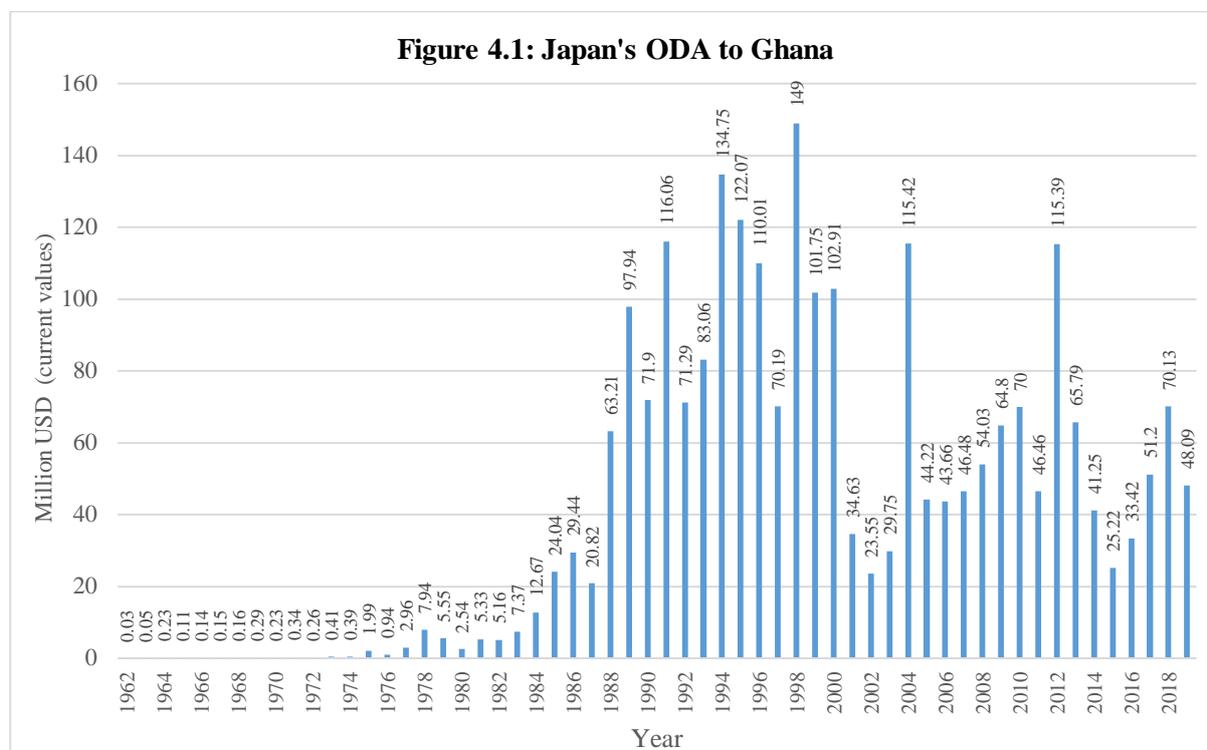
newspapers in the 1950s were very fragmented for one to gain any systematic understanding of the problems colonial Africa was facing (Kitagawa, 2003). However, the independence of Ghana as the first country colonized by an European power to gain independence in Sub-Saharan Africa in 1957 (and other African countries later in the 1960s) influenced Japan to redefine its relationship with Africa differently (Lumumba-Kasongo, 2010: 72).

Ghana and Japan established diplomatic relations the same year Ghana became independent in 1957 and both countries have enjoyed a cordial relationship since then. Ghana's first President Nkrumah might have had much admiration for Japan, as he practiced the Japanese martial arts of Karate and Judo, and probably for the values and discipline of these sports in building the individual's character. For Dr. Lloyd Adu Amoah, Nkrumah's "formalizing of diplomatic relations with Japan, the same year Ghana became independent in 1957, reflected the then new nation's desire to tap into Japan's national transformation experience" (Amoah, 2017). There have been many high profile visits between Japan and Ghana. The then Crown Prince of Japan, Prince Naruhito (now Emperor Naruhito of Japan) visited Ghana in 2010. Before the visit of the Crown Prince, was a visit by the then Japanese Prime Minister, Junichiro Koizumi, who visited Ghana in 2006. All the five Ghanaian Presidents since the Fourth Republic from 1993 have visited Japan. President Akufo-Addo during a visit to Japan in 2018 mentioned that he wanted Ghana to be like Japan looking at the economic advancement of the countries of East Asia, especially Japan (Dailyviewgh, 2018). The author's interaction with high Ghanaian diplomats in Japan, indicate their understanding that Japan's economic development has not just been through prudent economics, but also as the result of key Japanese traditional and cultural values (character) that have been held on to, despite a rapidly modernizing world.

4.1.2. Japan's Aid to Ghana: The Strategies and the Trends

Japan's ODA to Ghana started in 1962 but rose sharply in the late 1980s (OECD, 2020). Ohno (2007: 21) notes that the environment for Japan's aid to Ghana changed drastically when Ghana decided to join the Enhanced Highly Indebted Poor Country (HIPC) Initiative. Japan was the largest bilateral donor to Ghana from 1985 to 2000 (following only the World Bank which is arguably not a bilateral donor) (Ohno, 2007: 21). It is worth noting that the Provisional National Defense Council/National Democratic Congress (PNDC/NDC) government that had been in power from 1983 to 2000, had agreed with Japan not to join HIPC, which would have maintained Japan's ODA to Ghana probably at the same levels. However, when the NPP government came to office in 2001, they decided to go to HIPC. After Ghana joined HIPC, Japan canceled approximately USD 1 billion debt owed by Ghana, but suspended new Official Development Assistance (ODA) Yen loans (concessional loans) to Ghana (The Exchange of Note was signed in December 2004) (Ohno, 2007: 21). The suspension of concessional loans led to a remarkable drop in Japan's ODA to Ghana, from roughly USD 160 million to USD 30-40 million from 1998 to 2002 (net disbursement) (Ohno, 2007: 21). This coincided with a period the amounts of Japan's aids were not expected to increase, but generally drop from then, as Japan began to focus on selective strategic use of aid and not necessarily amount (Takahashi 2005: 1). However, for Ghana, with the restoration of Japan's concessional loans since 2016, Japan's aggregate aid to Ghana, which now will include loan aid, is expected to increase. Japan and Ghana on 5th December 2016 signed an agreement for the first Japanese ODA loan to Ghana since Ghana applied for HIPC. The amount of this ODA loan is approximately USD

100 million.¹⁴ Figure 4.1 shows Japan’s ODA to Ghana since the first ODA in 1962. The high amount of ODA Ghana received in 2004 could be as a result of HIPC funds that were recorded as ODA. The high amount of ODA in 2012, could be largely towards the funding of a major road infrastructure rehabilitation project, which Japan first constructed in the early 1990s.



Source: Created by author with data from OECD Data (2021)

Regarding Japan’s ODA strategy for Ghana, Japan selected Ghana as one of only two Sub-Saharan African countries to draw up Country Assistance Program (CAP) through an innovative country assistance programming (Ohno, 2007: 23). Ghana has come to be regarded as one of the model countries for “Japan’s growth promotion support in Africa (Ethiopia is regarded as a model for Japan’s support from a human security perspective)” (Ohno, 2007: 23). The Japanese government introduced the CAP for Ghana in 2000 which was revised in 2006 (MOFA, 2010: 1), and then in 2012 (Embassy of Japan in Ghana, 2012). Japan through the CAP with Ghana aims to be strategic and selective with how Japan gives and applies aid in Ghana, trying to also bring Japanese aid in line with Ghana’s own developments programs (Ohno, 2007). Japanese Prime Minister at the time, Shinzo Abe and other Japanese government officials have expressed support for “Ghana Beyond Aid” introduced by the Akufo-Addo government in 2017 to wean Ghana off aid. The challenge will be how Japan’s CAP for Ghana will catch up with new versions of development plans in Ghana, since there always seems to be a new one with change of government in Ghana, virtually every four years. This may explain why there has not been a new CAP since 2012, after three consecutive CAPs every six years. The new CAP takes into consideration Japan’s advantages over other donors and aims to promote the productive sector, within Ghana’s realities and based on its own and East Asian

¹⁴ JICA Ghana, Signing of Japanese ODA Loan Agreement with Ghana: Improving the transportation network with Japanese construction technologies and weathering steel Office, https://www2.jica.go.jp/yen_loan/pdf/en/6820/20161209_02.pdf

catch-up experiences (Ohno, 2007: 23). “Japan considers it essential to address the structural problems of the Ghanaian economy and support its economic growth and attainment of self-reliant and sustainable economic development” (Ohno, 2007: 23). Japan recognizes that sources of growth are different from economy to economy and that a simple copy of growth promotion strategy based on the East Asian model may not be successful in Ghana (Ohno 2007: 25). According to Ampiah (2017), Japan’s ODA to Ghana illustrates a form of Japanese development assistance which emphasizes the role of the state as a leading agent in development.

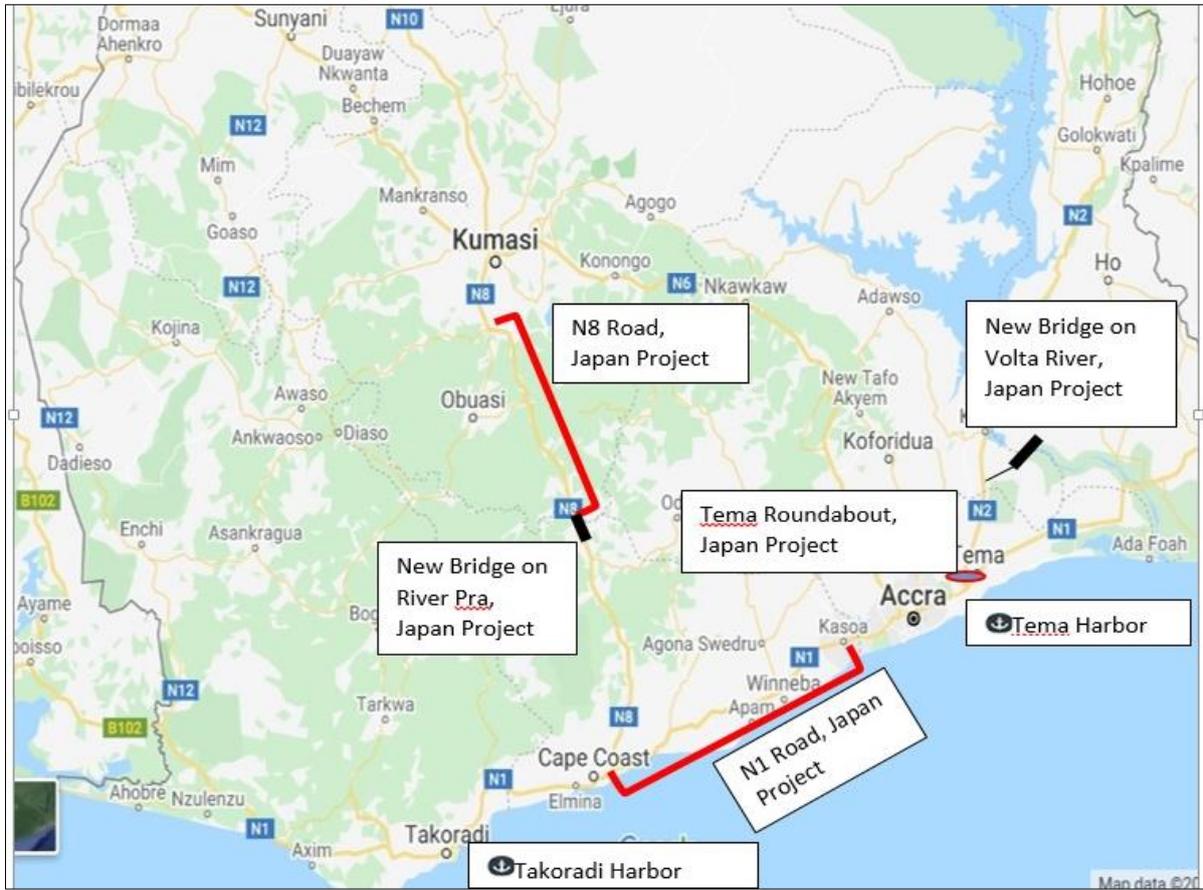
4.1.3. Ghana’s Trade with Japan: Supporting Ghana’s Trade Facilitation and the Outcomes

Ghana and Japan are relatively not major trading partners, although trade between them is growing. In other words, Ghana has comparatively not been one of Japan’s topmost trade partners and vice versa. Ghana is not among the top trading partners of Japan in Africa (Raposo, 2014: 38). However, Japan, which is the 6th largest consumer of chocolate products in the world, imports about 70-80 percent of its cocoa beans from Ghana.¹⁵ Japan also has been a major source of automobile products to Ghana, especially vehicle parts. In Ghana, the Government of Japan has been involved in many projects to support Ghana’s trade prospects. Infrastructural projects like roads and bridges are hoped to promote trade. The Government of Japan has supported the following key infrastructural projects in Ghana (map 4.1): the renovation of part of N8 (National Road 8) Trunk Road (59.9 km) and a new bridge on the Pra River (98m) in 2013, rehabilitation of N1 Road (98.2 km), the Tema Roundabout Interchange (phase 1 completed in 2020, phase 2 to be completed in 2023) and the construction of a new major bridge on the Volta River (to be completed in 2025) can form part of the West African Growth Ring which is supported by Japan through TICAD. It is hoped that these projects which connect the Tema and Takoradi harbors to some landlocked countries in West Africa and to Ghana’s neighbors will promote trade. In February 2020, Japan signed a loan agreement with Ghana to provide USD 100 million to co-finance with other financial institutions for the “Cocoa Value Chain Enhancement Project” to increase Ghana’s cocoa bean production and provide working capital to Ghana’s cocoa bean processing companies.¹⁶ It is hoped that this support for the cocoa industry in Ghana will change the dynamics to improve Ghana’s export earnings and make it more stable.

¹⁵ JICA, Co-creating a platform for the sustainable future of chocolate and developing countries, https://www.jica.go.jp/english/news/field/2019/20200312_01.html

¹⁶ Signing of Loan Agreement for “Cocoa Value Chain Enhancement Project” in Ghana: Contributing to Enhancement of the Agricultural Value Chain and Related Industries, https://www.jica.go.jp/english/news/press/2019/20200221_10_en.html

Map 4.1: Japan's Trade Promotion ODA Projects in Ghana



Source: Created by author with Map from Maphill (2019)

There are also a number of projects for capacity building. In 2008, Japan sponsored eight (8) young Ghanaian leaders for a training program on economic development (Small-Medium Enterprises (SMEs) promotion) in Japan. In 2020, JICA in collaboration with National Board for Small Scale Industries (NBSSI) and the Accra Digital Centre launched the NINJA (Next Innovation with Japan) Business Plan Competition to support startup businesses (startups). The young Ghanaian leaders were selected from organizations such as the NBSSI (now Ghana Enterprises Agency (GEA)), Ministry of Trade, Industry of Ghana, Ghana Export Promotion Authority (GEPA), JICA Ghana, New Juaben Municipal Assembly, and Ministry of Local Government & Rural Development (Eastern Region).¹⁷ The Japanese government through Japan International Cooperation Agency (JICA) in collaboration with NBSSI in 2012 undertook the “Project for Formulating Strategic Model for Quality and Productivity Improvement through Strengthening BDS (Business Development Services) for MSES (Micro and Small Enterprises)” which includes “Kaizen”¹⁸, to improve productivity and quality of products. A National “Kaizen” Project was introduced in 2016.¹⁹ The Japanese government has

¹⁷ JICA Ghana, JICA Sponsors 8 Young Ghanaians to Japan for SMEs Development, https://www.jica.go.jp/ghana/english/office/topics/c8h0vm0000f3j82e-att/press_release.pdf

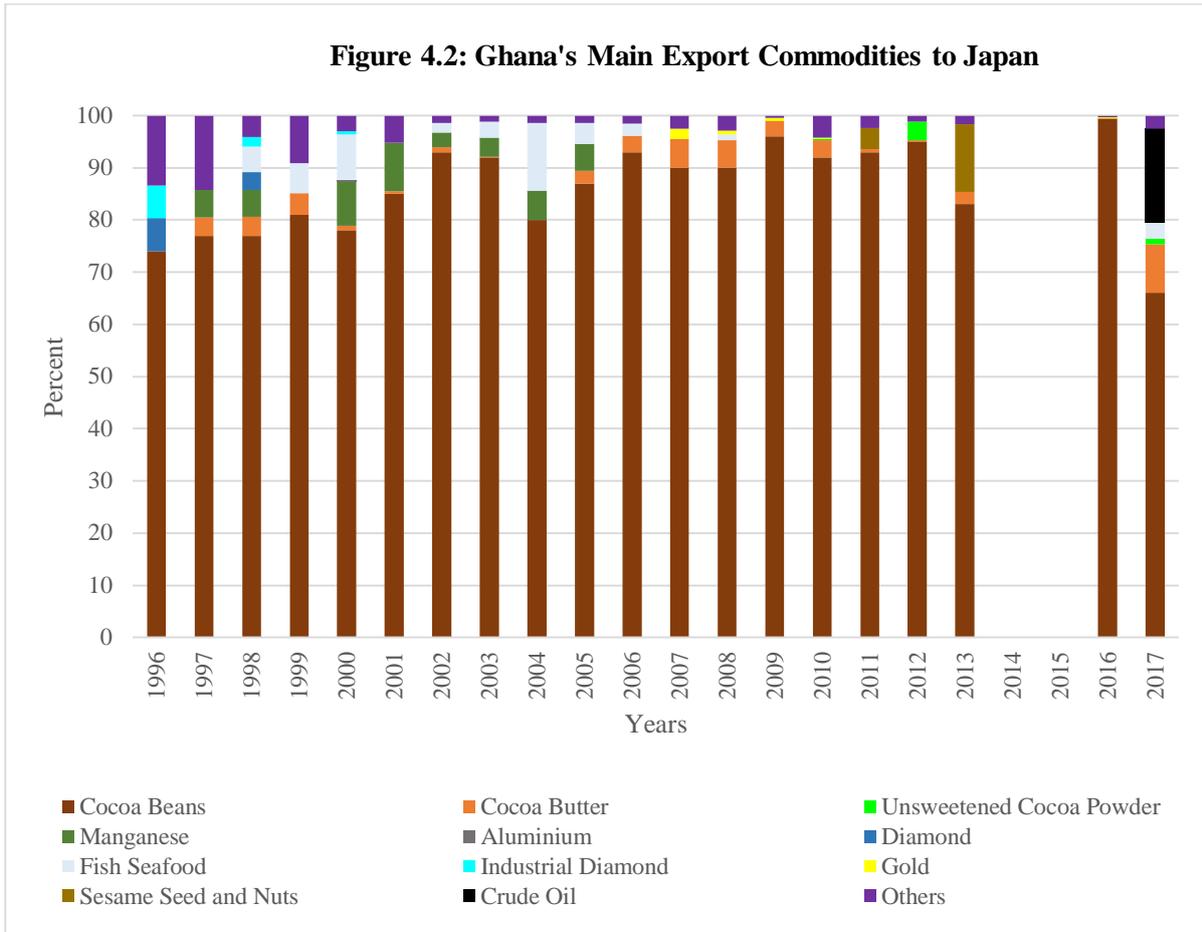
¹⁸ “Kaizen”: “Kaizen” is a Japanese term meaning "change for the better" or "continuous improvement." It is a Japanese business philosophy regarding the processes that continuously improve operations and involve all employees (Investopedia, <https://www.investopedia.com/terms/k/kaizen.asp>)

¹⁹ JICA Ghana, NBSSI/JICA National “Kaizen” Project, https://www.jica.go.jp/ghana/english/office/topics/press_160321.html

provided scholarships to staff from the Ministry of Trade and Industry of Ghana and other related sectors to build their capacity to promote Ghana's benefits in international trade. However, Uotani (2012) identifies a number of obstacles they face which prevent them from being able to implement the training they have received after returning to Ghana. Some of these obstacles are limited funds, supplies or equipment, human resource support and disinterest of their affiliated public organizations (Uotani, 2012: 26). Sawamura (2004: 35) notes that in many African countries efforts made by African people do not receive corresponding efforts from their government. This demoralizes a number of African youth, especially those trained in developed countries like Japan with the drive to bring change to their countries, a situation Ghana cannot be exempted from. Sometimes facing resistance to their new ideas that they want to share or not finding job, some of them, if not most of them, lose motivation and the "spirit of nationalism" to devote themselves towards national development.

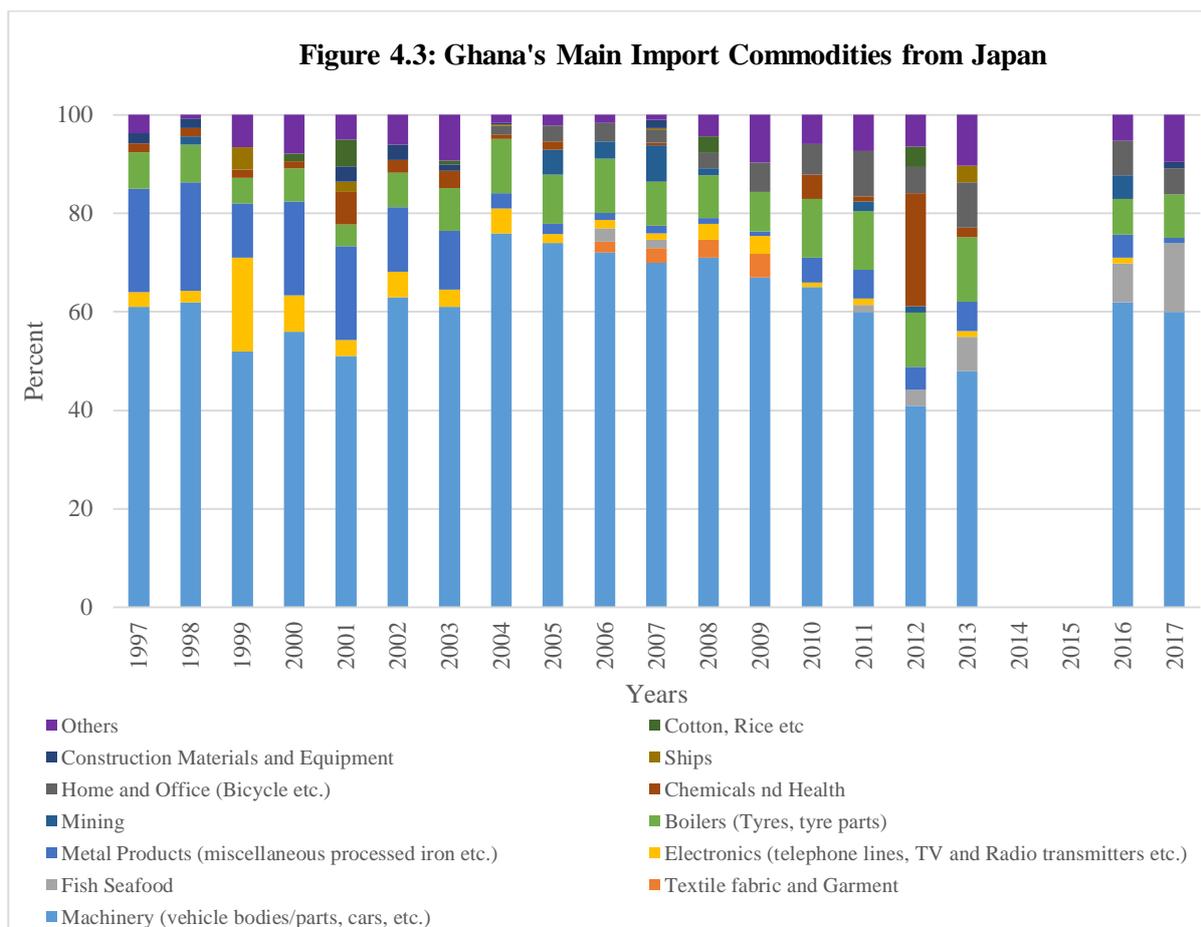
Despite various efforts, Ghana's exports are yet to really diversify even in terms of exports to Japan. As shown in figure 4.2, in 2016, cocoa beans made up 99.5 percent of Ghana's exports to Japan, followed by gold with 0.24 percent. In 2017, cocoa beans made up 66 percent of Ghana's exports to Japan followed by crude petroleum (oil) at 18 percent as Ghana discovered crude oil in recent times. Figure 4.3 shows Ghana's imports from Japan dominated by machinery, specifically vehicle parts. The Government of Ghana has been in talks with Japanese automobile manufacturers like Toyota Tsusho Corporation, Nissan Motor Corporation, Suzuki Motor Corporation, and Mitsubishi Motors to set up automobile factories in Ghana. Toyota Tsusho Corporation opened their vehicle assembling plant in Ghana on 29th June, 2021 to assemble both Toyota and Suzuki models under a special arrangement.

Figure 4.2: Ghana's Main Export Commodities to Japan



Note: Years with missing data not reported by Government of Ghana.

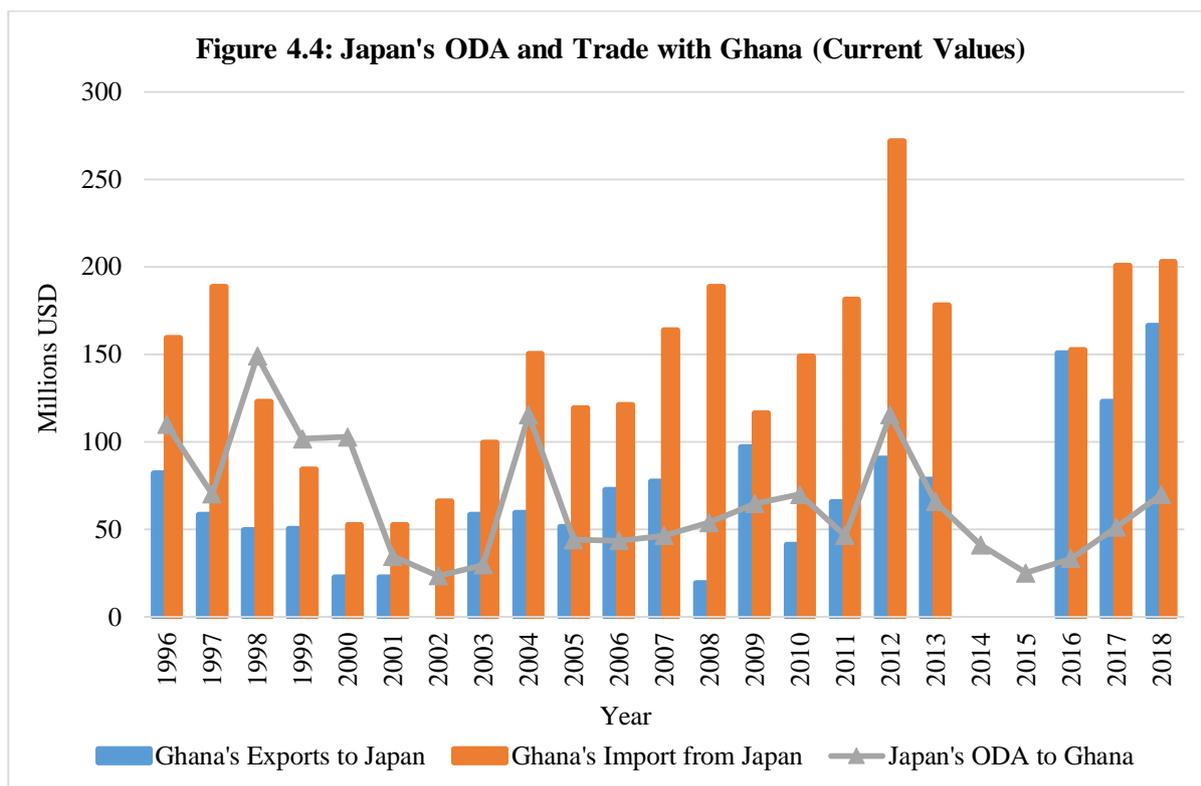
Source: Created by author with data from Observatory of Economic Complexities (2020)



Note: Years with missing data not reported by Government of Ghana.

Source: Created by author with data from Observatory of Economic Complexities (2020)

Figure 4.4 shows Ghana's trade with Japan and draws a relationship between trade and ODA. It shows that as Japan's ODA to Ghana started to drop in the year 2000, Japan's exports to Ghana also started posting a decline. Between 2001 and 2008, as Japan's ODA was at its lowest levels since the mid-1980s, Japan's exports to Ghana however kept rising about threefold from USD 50 million to almost USD 200 million. Japan's exports to Ghana continued mounting to a peak of about USD 280 million in 2012 when Japan's ODA picked up again. Since TICAD, Ghana has always had trade deficits with Japan. However, it must be noted that some amount of Ghana's imports from Japan were tied-aid that required that Ghana uses the aid to procure goods from Japan through the private sector. This may explain why trade rose when the HIPC arrangements had been concluded and when Japan was funding major projects in Ghana especially in 2012.



Note: Years with missing data not reported by Government of Ghana.

Source: Created by author with data from OECD Data (2021) and UN Comtrade (2020).

4.1.4. Japan's Private Investments to Ghana: How Has it Been Growing?

The Government of Ghana through its main investment promotion agency, the Ghana Investment Promotion Centre, and the Ghana Embassy in Japan with the support of the Japan External Trade Organization (JETRO) have organized a series of events to attract Japanese private investments or foreign direct investments (FDIs) to Ghana. The ABE (African Business Education) Initiative is also training a number of Ghanaians to be a bridge between Japanese businesses and Ghana. However, Japanese FDIs to Ghana are still low compared with the traditional FDIs from European countries like the United Kingdom, United States, India, and new ones like China. Between 2008 and 2011, the total FDI from Japan to Ghana was USD 20 million (UNCTAD, 2019). Although there is not enough data covering a long period of Japanese FDI to Ghana, the available data shows that in 2008 alone when TICAD IV was organized, Ghana receive USD 15 million FDI from Japan, but recorded only USD 4 in 2009 and USD 1 million in 2011 (UNCTAD, 2019).

Despite the relatively fewer Japanese FDIs in Ghana, Ghana is one of the few African countries that has received a high number of Japanese private investments. As of December 2019, there were about 53 Japanese companies in Ghana (MyJoyOnline, 2019). Japanese “Shosha”²⁰ have invested in thermal energy and water production (desalination) in Ghana

²⁰ “Shosha”: Originally the “Shosha” were known as trading companies, and then the term evolved to general trading companies. In the interim however, they have expanded and diversified their functions and business fields to include not only trading, but also investment as well as services and industry development. Since the appropriate words in English cannot be found to precisely explain the “Shosha” image, the Japanese word

(JFTC, 2019: 24-25). Japan has also supported Ghana to design *Doing Business in Ghana* document as investment guidelines for prospective investors. During a visit to Japan in 2018, the President of Ghana, Nana Addo Dankwa Akufo-Addo, expressed Ghana's commitment to welcome Japanese companies to Ghana and create a stable and sustainable climate for business and investment for them. In pursuance of this, Japan-Ghana Investment Forum in Tokyo was organized by the Japan External Trade Organization (JETRO) and the Ghana Embassy in Japan during the visit (MOFA, 2018: 2-3). At TICAD VII, it was agreed that a Ghana-Japan Business Promotion Council would be set up and a Japan External Trade Organization (JETRO) office would be opened in Ghana to strengthen trade and Investment (MOFA 2019a). The Ghana JETRO office was opened in Ghana in 2020 which is a milestone in Ghana-Japan business relations. This is after the JETRO liaison office at the Ghana Export Promotion Authority was closed some years back.

In December 2019, the Ghana-Japan Business Promotion Committee (GJBPC) was officially launched in Ghana (Embassy of Japan in Ghana, 2019: 1-2). The GJBPC was set up for bilateral discussions on promoting trade and investment as well as improving the business climate to enhance the business relationship between Japan and Ghana. The Ghana Investment Promotion Centre (GIPC) stated that the GJBPC will help to further strengthen the partnerships in Ghana's development agenda by bringing Japanese capital into the Ghanaian market as investment to develop the country (GIPC, 2019). The Government of Japan is also taking measures to assist Japanese companies coming to Ghana (Embassy of Japan in Ghana, 2019: 1-2). The objectives of the GJBPC include (Embassy of Japan in Ghana, 2019: 1-2):

- a) Promote and support Japanese businesses in Ghana and Ghanaian businesses in Japan
- b) Facilitate trade and investment between Ghana and Japan
- c) Promote Ghana as an entry point into Africa and investment hub to Japanese companies
- d) To set up information sharing mechanisms on trade updates, laws and regulation policy updates, industrial standards and market trends to the benefit of both countries
- e) To organize trade and investment related delegations to both countries as well assist visiting business delegations from Japan
- f) Identifying and delivering solutions to challenges faced by Japanese companies/businesses in Ghana and Ghanaian companies/businesses in Japan

With Ghana hosting the headquarters of the African Continental Free Trade Area (ACFTA), Ghana becomes strategically positioned to attract Japanese private investment, and as an entry point into Africa and investment hub to Japanese companies. Currently, the GJBPC does not include Ghanaian private sector which raises the question of whether GJBPC will help achieve joint ventures and linkages between the Ghanaian and the Japanese private sector, connectedness of Japanese investments with the Ghanaian local industries, and transfer of technology.

“Shosha” has become widely adopted (Japan Foreign Trade Council, Inc., <https://www.jftc.or.jp/shosha/english/index.html>).

4.2. TICAD: From Aid to Trade and Investment

The TICAD process has been trying to promote support for Africa's development and also tries to give direction on how development support can be most efficient and effective. TICAD has gone through changes. However, the most important change has been how TICAD aims to support Africa's development. This part discusses TICAD's shifting from aid to trade and investment and how that is characteristic of the East Asian model of development.

4.2.1. TICAD as Japan's ODA Framework for Africa

Initially, one of the approaches of Japan's ODA was largely about Japan's contribution to globally shared goals (Ohno, 2007: 6). Japan may have been eagerly attempting to catch up with other more experienced donor countries, and so expanded its ODA volumes but was still faced with criticisms and not commendation (Sawamura, 2004: 33). Japan's ODA was criticized as being in pursuit of economic interests and not for the welfare of the world as an economic power (Yamada, 2015: 30). Japan in the 1989 become the top donor country, overtaking the United States of America for the first time, which was partly due to international pressure and also Japan's desire to be regarded as a leader in the world (Yamada, 2011: 316). From the early 1990s, there was a turning point in Japan's development assistance (Yamada, 2011: 316). Japan introduced its first ODA Charter in 1992 and went on to introduce the Tokyo International Conference on African Development (TICAD) in 1993. The ODA Charter outlined the philosophy and basic thinking of Japan's ODA comprehensively (Sawamura, 2004: 29). The ODA Charter identified three main points which constitute the fundamental philosophy of Japan's ODA (Sawamura, 2004: 29). These three points are: humanitarian considerations, recognition of interdependence in the international community, and environmental conservation (Sawamura, 2004: 29). It can be said that TICAD reflected these three points. TICAD allowed Japan to spread and highlight its own aid philosophy also in Africa.

In Africa, TICAD came at a time many African countries had gone through the International Monetary Fund's (IMF's) and the World Bank's Structural Adjustment Program (SAP) from the 1980s. The Structural Adjustment Program had not been as successful, as the World Bank would admit (Dzorgbo, 2012: 14-15). However, the World Bank was surprised by the sustained economic growth of East Asian countries (Dzorgbo, 2012: 14-15), which Japan had very well contributed to. On the international scene, the end of the cold war and the loss of momentum to aid Africa created a vacuum which Japan as a matter of opportunity and necessity decided to fill by organizing TICAD to boost aid to Africa (Yamada, 2011: 317). The TICAD process itself has been evolving, reflecting on Japan's own situations, developments on the African continent especially with the African Union and on the international scene especially the development goals (Millennium Development Goals and Sustainable Development Goals), and China's growing presence and influence in Africa. There have been seven TICAD conferences, with TICAD VII held in 2019 in Yokohama, Japan and the next TICAD to be held in Tunisia in 2022.

4.2.2. TICAD Process: Shifting to Trade and Investment Promotion

Trade and investment promotion has always been part of the TICAD process since the first TICAD (MOFA, 1993; 1998a; 2003a). However, a major turn was observed at TICAD IV. At TICAD IV in 2008, Japan for the first time aimed to double direct investment from the Japanese private sector to Africa from 2008 to 2012 (MOFA, 2008a: 1). This marked a shift of TICAD from human development aid to trade and investment or business promotion or economic

growth driven by the private sector (Aoki 2013, p. 3; Watanabe 2008; Donnelly 2008). At TICAD IV, the then Japanese Prime Minister, Yasuo Fukuda, pledged to extend financial support of USD 2.5 billion, including the establishment of the Japan Bank International Cooperation (JBIC) Facility for African Investment, and take other measures to encourage increased private Japanese investment in Africa with the aim of doubling Japanese foreign direct investment to the continent (MOFA, 2008b: 1). TICAD IV which set economic growth as its highest priority outlined infrastructure as essential to expand industry, trade, and investment as well as agriculture (MOFA, 2008a: 2). Prime Minister Fukuda also pledged to offer up to USD 4 billion of ODA loans to assist Africa in developing mainly its infrastructure as well as to double its grant and technical cooperation over the next five years (MOFA, 2008b: 1).

It may be observed that subsequent TICAD conferences continued with the new path TICAD has taken, with particular emphasis on developing the infrastructural base for economic growth (MOFA, 2013a; 2016a; 2019b). At TICAD V, it was also highlighted that there was the need to bridge the infrastructure gap in Africa, noting that no country in the world has sustained growth beyond 7 percent without addressing the infrastructural deficit in energy, transport, and water sectors (MOFA, 2013b). TICAD VII emphasized quality infrastructure through public-private partnership (PPP) and co-financing or cooperation between the African Development Bank (AfDB) and Japan (MOFA, 2019b: 5-9). It seemed that, compared with previous TICADs, at TICAD VII, Japan wanted to assume a major and greater role in infrastructural development in Africa in collaboration with the World Bank and the Africa Development Bank (AfDB) as major actors (MOFA, 2019b).

4.2.3. TICAD and the East Asian Model of Development

From TICAD I, Japan had sought to share the East Asian experience of economic development with Africa²¹. TICAD's shift from aid to trade and investment reflects the East Asian model of development. Experience transfer from East Asia was regarded as one of the measures for Africa to develop by its own efforts (MOFA, 2003a). Although TICAD recognizes that no one model of development can be easily transferred from one region to another, it acknowledges some relevance of the East Asian model of development for Africa's development (MOFA, 1993). TICAD highlighted that the experience of poverty reduction in East Asia demonstrates that rapid economic growth with equitable income distribution over a sustained period of time can help lift the poor above the poverty line (MOFA, 1998a). TICAD identified that investment makes the economy grow, providing the momentum for further new investment, and thus encourages self-sustaining growth (MOFA, 2008c). It was also recognized that infrastructure constitutes the basis for all economic activities citing economic development in East Asia which is based on infrastructure as a vivid example (MOFA, 2003a). In particular, the experiences of Japan and other East Asian countries tell that improvements in transportation infrastructure play a critical role in attracting private investment (MOFA, 2008c). Watanabe (2003: 12) notes that Japan's ODA in the form of economic infrastructure in East Asia, specifically, Thailand, acted as a catalyst for private foreign direct investment which led to economic growth in the country. However, bigger economic infrastructures are sometimes noted to have caused environmental and livelihood problems where they are cited, even in the case of Japan funded projects in some East Asian countries. It will be important to look at the

²¹ MOFA, Tokyo Declaration on African Development
"Towards the 21st Century", <https://www.mofa.go.jp/region/africa/ticad2/ticad22.html>

impact of Japanese infrastructure in African countries like Ghana, as Japan's aid to Africa through TICAD is reflecting the East Asian model of development.

Building Asia-Africa relations through TICAD has been one of the strategies of sharing the East Asian development experience with Africa. At the first Preparatory Committee Meeting for TICAD II, it was generally agreed that South-South cooperation, especially Asia-Africa cooperation, should be the value-added and centerpiece of TICAD II (MOFA, 1998b). South-South cooperation has been identified as one of the approaches with great potential through the sharing of East Asian experiences with African countries (MOFA, 1998a). During a visit to Africa, Ms. Yoriko Kawaguchi, Japan's Minister of Foreign Affairs at the time, mentioned that Japan was going to prioritize Asia-Africa cooperation, adding that East Asia's experience and expertise in development may also be useful for African development in the 21st century (MOFA, 2002). In his keynote speech at TICAD III, the Prime Minister of Japan at the time, Junichiro Koizumi mentioned that Japan wants to be a bridge between Asia and Africa by using East Asia's experience and vigor to provide diversity and dynamism in African development (MOFA, 2003b). In TICAD IV concept paper, one of the approaches to achieve the highest priority, which is economic growth, was the use of East Asia's experience, through support for South-South and Triangular cooperation, in particular, Asia-Africa (MOFA, 2008d). TICAD recognized the potentials of working in synergy with the Initiative for Development in East Asia (IDEA), which began in 2002 to make intellectual contributions to world development by sharing the experiences of East Asia (MOFA, 2003a).

In building relations between Asia and Africa to share East Asia's development experience, there have been a number of Asia-Africa related projects. For instance, the Asia Africa Investment and Technology Promotion Center (Hippalos Center) aims at both capacity-building to attract private investment and provision of information on investment conditions in Africa. The Africa Asia Business Forum aims to increase business opportunities between Africa and Asia (MOFA, 2002). Japan's new assistance program for Africa in the areas of economic development was to establish Asia-Africa Investment Information Service Center within SIBEXLINK of Malaysia—a semi-governmental organization for information services—to provide investment information through the Internet (MOFA, 1998c). The enormous potential of Asia-Africa cooperation is illustrated by such examples as the development of NERICA (acronym for New Rice for Africa): a new rice variety developed by crossing Asian and African species (MOFA, 2003c). South-South cooperation was to also include training of Africans in Asian countries such as Indonesia and Malaysia (MOFA, 1998c). TICAD has also highlighted the particular importance that Asian countries are more actively involved in supporting the implementation of the New Partnership for Africa's Development (NEPAD) through the TICAD process (MOFA, 2003c).

4.3. The Global Economic System, Structural Adjustment, and the East Asian Model of Development

The East Asian model of development or East Asia's development experience has been a major topic for discussions. Its successful outcomes, which contrast with Structural Adjustment Program (SAP) in African countries, have resulted in debates about whether the prescriptions of neoclassical/neoliberal economics are the antidotes of the economic problems of developing countries. Ghana presents a good case study as a country that has been praised for successful implementation of neoliberal policies under SAP, but yet the country did not yield the results

expected. Being popularly cited as having failed compared to successful East Asian countries that were on similar levels of economic development, at the time Ghana became independent, Ghana again becomes a good example to look for possible challenges of applying the East Asian development experience. This section looks at the East Asian model of development in the context of the global economic system and SAP, and the challenges of implementing it within Ghana's economy.

4.3.1. The East Asian Model of Development

From 1965 to 1990, the 23 economies of East Asia (put together) grew faster than all other regions of the world, largely due to seemingly miraculous growth in just eight countries. These economies are Japan, Hong Kong, South Korea, Singapore, Taiwan, Indonesia, Malaysia, and Thailand (World Bank, 1993: 1). The High Performing Asian Economies (HPAEs) have also been unusually successful at sharing the fruits of growth (World Bank, 1993: 2). The HPAE set up economic growth sharing institutions and mechanisms that incorporated the wider population into the growth process and that spread the benefits of growth-enhancing policies widely (Campos and Root, 1996: 1-4). Private domestic investment and rapidly growing human capital were the principal engines of growth (World Bank, 1993: 5). Although sound development policy was an essential ingredient in achieving rapid growth, there was also government intervention in most of these economies, even sometimes selective promotion of the private sector (World Bank, 1993: 5-6). Ohno Izumi (2014: 9) argues that the notion of selective industrial policy at least in Japan is a myth. Hughes (1997: 9) indicated that the East Asian economies could have grown even more rapidly, achieved greater equity, and taken greater care of the environment, if their policies had not bent to vested interests established during the pre-outward-oriented, protectionists' periods. Ohno Kenichi (2014: 30) seems to suggest that low-income developing countries with their many challenges, local producers cannot compete with global giants in open markets.

What really is the East Asian model of development? Can it be described as a development model as it is the development experience of a number of different countries? Campos and Root (1996: 175) explain that although there are substantial variations on the approaches adopted by the countries that form the East Asian model of development, these countries share sufficient common components, and strategies in their process to economic development to suggest a development model or a model of development. Ohno Kenichi (2014: 34) adds that despite the differences among the successful East Asian countries, they generally had a common policy orientation. What then are these elements which constitute the East Asian model of development to help answer the question on what is the East Asian model of development? Through the literature, governmental leadership played an important role in achieving economic development in the successful East Asian countries mostly through creating a nexus between government and enterprises or the public sector and the private sector. Hwang (2014: 205) indicates that the East Asian model of development originates from Japanese-industry collaboration. Campos and Roots (1996: 175) add that the government created a deliberation platform that boosted investor confidence, and created a channel for communication and information sharing between government and the private sector.

Ohno Kenichi (2014: 34) notes that the successful East Asian economies pursued growth policies that gave a boost to the private sector such as infrastructure, technology, FDI attraction, finance, subsidies, and human resource development. It is important to highlight that the countries also pursued vigorously social policies to address problems like inequality,

corruption, and urbanization that are associated with rapid economic growth (Ohno Kenichi, 2014: 34). Governments of the successful East Asian countries were committed to shared growth (Campos and Root, 1996: 176). The government in a number of the countries made land reforms, promoted agriculture at the initial stages to ensure a steady affordable food for the workforce, promoted rural development, labor intensive manufacturing, small and medium size enterprises, as well as education, healthcare, and housing (Campos and Root, 1996; Stein, 1995b). Malaysia went as far as aggressively pushing for economically marginalized groups to mandatorily hold 30 percent of equity shares in the corporate sector (Campos and Root, 1996: 67-69). These were essential in ensuring shared growth and improved income distribution.

Japan, South Korea and China in recent times are often cited for their policies that addressed rural poverty. Japan is well noted for its one-village-one-product strategy that is being promoted in many East Asian countries like Thailand, Indonesia, and China, and which Japan through TICAD is also promoting in Africa to reduce rural poverty (Kurokawa, 2009). South Korea is also known for its *Saemaül Undong* rural development strategy, which Amoah and Mills (2019) ask the question if it is a “compelling exemplar” for Ghana, and go on to answer that Ghana can learn key lessons from it for Ghana’s rural development. Amoah and Mills (2019: 102) bring this to light as the *Saemaül Undong* Center has been promoting Korea’s rural development experience as part of its development support for developing countries in Africa, Latin America and Asia. With Japan’s one-village-one-product strategy and Korea’s *Saemaül Undong* rural development strategy, it can be said that the East Asian model of development in reducing inequality, addressed rural poverty which is also geographical or spatial.

However, underpinning both rapid economic growth and redistribution of growth or income was the huge investments in education undertaken by the successful East Asian economies prior to and during the period of the tremendous economic transformation. Stein (1995b: 6) notes that education or well-educated workforce has been the one and main factor constantly running through all of the case studies as the prerequisite for industrialization. Japan invested and expanded primary, vocational, scientific, and technical education such that primary enrollment jumped from 28.1 percent in 1873 to 100 percent in 1911 (Stein 1995b: 6; Nafziger, 1995: 61). The successful East Asian economies followed Japan’s lead through early and rapid increases in enrollment rates to increase literacy as well as emphasizing on vocational, scientific, and engineering training (Stein, 1995b: 6). Japanese ODA which has focused on East Asia for the most part no doubt contributed to the efforts of other East Asian countries that followed Japan’s early and rapid education strategy. Yamada (2014: 77) points out that Japanese educational aid based on Japan’s development history and the firm belief in investment in education for nation building was a strong pillar of Japanese philosophy of aid to support the efforts of developing countries. This shows that ODA/aid can play a significant role in educating the workforce needed for economic transformation and nation building, and for growth or income redistribution discussed in chapter 2.

Although successful East Asian economies have been touted as having kept inequality very low, it is important to discuss how low it might or may be with case studies. In Japan, which is the pioneer of the East Asian model of development, Davis and Weinstein (2005) aiming to identify that different prefectures in Japan depending on their location in or proximity to Japan’s main island/mainland could suggest higher productivity due to cost linkage, they could rather identify an important linkages between region size and productivity. Although

they suggest that productivity gain could be associated with the concentration of economic activities, they (Davis and Weinstein, 2005) did not consider welfare effects which makes it inappropriate to measure spatial or regional inequality (Davis and Weinstein, 2005). For China, which is a new entrant into the club of successful East Asian economies, Ravallion (2005) notes that while pro-poor-area development program by the Government of China since the mid-1980s emphasizes agriculture, rural income benefitted from externalities of non-farm economic activities. However, Lin (2005) concludes that China's remarkable economic growth over the last two decades has come with substantial increase in interregional wage inequalities, and therefore leading to social tensions. For Indonesia which may be considered as a "medium" country in this context, Friedman (2005) identifies that for the period between 1984 and 1999, there were substantial poverty reductions in both urban and rural areas, and also provincial or regional or spatial distribution of poverty was responsive to growth with little variations.

4.3.2. The East Asian Model of Development and the Global Economic System

The East Asian model of development raises questions about the global economic system through its alternative development approach that was hitherto not considered at all or considered to be inappropriate for economic development. It also revealed a sense of pragmatism that opposed static ideologies. Stein (1995a) suggests that the World Bank from a neoclassical perspective erroneously interprets the success of East Asian economies as resulting from following neoclassical policies. The neoclassical explanation was that free markets were responsible for the East Asian experience, later to shift to the claim that interventions identified did not interfere with markets in this case (Chu, 1997: 4). Page (1994: 223) identifies that while growth fundamentalists stress factor accumulation, mystics tend to place greater emphasis on the role of acquisition and mastery of technology. According to Stein (1995a: 39) many argue that many policies adopted by East Asian countries which are not consistent with the neoclassical view, have been applied with success. Stein (1995a: 39) further notes that import substitution industrialization which is opposed by neoclassical views was initially necessary and practiced in East Asian countries before they could pursue neo-classical policies of export-oriented industrialization (Stein, 1995a: 39).

4.3.3. The East Asian Model of Development and Structural Adjustment Program in Africa

SAP with neoclassical/neoliberal approach was basically asserting the tenets of the global economic system in SAP countries, mainly in Africa. Stein (1995b) contrasts the East Asian model of development with the SAP in Africa, stating that SAP was to remove the distortions caused by the state interference in the operations of the market. While it has been established that liberalization of SAP countries' economies was too rapid, Yusuf (2001:6) notes that East Asian economic liberalization was progressive. While the foreign direct investment SAP countries attracted mainly went into the extractive industries, foreign direct investment that the East Asian countries attracted were export oriented, manufacturing FDI (Ayelazuno, 2014: 92; Fukasaku, 2004: 14). Also, while East Asian countries through "open trade" raised their exports, SAP countries in Africa mainly increased their imports. In contrast to the East Asian model of development, SAP was opposed to industrial policy and that there was no need for the state to influence the evolution and nature of the structure of industrial organization (Stein, 1995b: 5). While East Asian countries invested heavily in infrastructure, and in access to education and healthcare to drive productivity, SAP discouraged infrastructural investment and reduced access to education and healthcare as a result of the austerity measures and government credit targets (Stein, 1995b; Nafziger, 1995: 61-62).

4.3.4. Ghana's Economy and the East Asian Model of Development: How Does Japan Support Ghana's Development?

As mentioned in chapter 1, Ghana, more or less serves as a case study for Sub-Saharan Africa on the issue of reproducibility of the East Asian model of development in Africa. Ghana is probably the most cited country to compare with how East Asian countries succeeded economically. This is because of the economic status and potential of Ghana at independence compared to East Asian countries like Malaysia which achieved independence with Ghana the same year, and South Korea which had just come out of war. In Ghana, while industrialization attempts have in the past been through import substitution, in East Asia, it has been export-led industrialization. Also, while East Asian economies favored supporting the private sector by state intervention to lead economic growth, Ghana's industrialization has either been state-owned or mainly the private sector without real state intervention. Ayelazuno and Mawuko-Yevugah (2019) note that Ghana's economy is stuck within the structure of colonial-export of raw materials within a capitalist global economy that fights against its industrialization in contrast to the East Asian tigers.

Therefore, while East Asia has been pragmatic with its economic policies, Ghana could not do same. This is because Ghana has not really been able to come out of the structure of the colonial economy which so far does not seem to provide the answers for its economic development. The country's partial attempts on pragmatism tied to socialism resulted in acute economic challenges because it relied on the export of primary commodities that are volatile and mostly unreliable according to the Prebisch-Singer hypothesis. SAP also definitively brought it back to a similar economic structure as the colonial economy. By this, it may seem that while East Asia was able to adopt pragmatic economic policies, Ghana has not really had the choice and the ability to do the same, partly due to the dictates of the global economic system.

Demachi (2009) mentions a number of challenges in applying the East Asian model of development in African countries like Ghana. He (Demachi, 2009) indicates that existing industries in African countries like Ghana, are heavily biased in favor of natural resources extraction in limited locations which makes it difficult for incoming private investments in non-extractive industries to benefit from external economies of scale. In contrast to the immense rise in financial and human capital, as critically important factors of production, realized through the support of Japanese aid, and foreign direct investment that led to high growth rates in the successful East Asian countries (Krugman, 1994), what is seen in the situation of Africa is a massive brain drain of the skilled labor resulting from poor conditions of work (Taylor, 2005). Demachi (2009) also mentions that in contrast to East Asian abundant cheap labor and huge potential market which attracted Japanese businesses, African countries' labor force is relatively expensive and relatively less educated compared to East Asia. Yamada (2015) points out challenges expressed by Japanese companies to move to establish businesses in Africa, especially as newcomers compared to their European and American counterparts who have long history of doing business in Africa. There is also concern with Japan's ODA characteristic which has a high ratio of concessional loans as against grant aid, already considering the indebtedness of many African countries as a result of concessional loans, this, therefore, will increase their debt portfolio unlike in East Asia where concessional loans have been used efficiently (Demachi, 2009). Ghana's debt has been rising and was Gh₵ 341.8 billion (about USD 56 billion), representing 78 percent of GDP by September 2021. This is a real concern for both Government of Ghana and the World Bank. The IMF warns that Ghana is at

high risk of external and overall debt distress (Citibusinessnews, 2021). In April 2020, Ghana's Minister of Finance requested China for debt relief as Ghana's debt to China reached USD 3.5 billion, ranking the country 9th among African countries that are indebted to China (Reuters, 2020; GhanaWeb, 2021). The issue of Ghana's debt becomes important because Japan recently restored the Yen loan to Ghana after 12 years of suspension and TICAD's focus on economic infrastructure which are mostly in Yen loan and involve huge sums of money. This may create a similar situation of Ghana's indebtedness through SAP which ended in Ghana joining HIPC, if Ghana is not able to turn the economic development aid to economic growth to repay the loans.

One cardinal point of the East Asian model of development is its ability to share growth, however, in Ghana, economic growth has failed to effectively trickle down to the poor. It is important to note that, the East Asian model of development also provided support for local businesses to ensure their success. However, in Ghana there have been issues of the uneasy relationship that exists between private businesses and government, and corruption at various levels of the Ghanaian society. This is traced to the colonial times whereby the colonial system suppressed commercial activities and entrepreneurship among the indigenous people (Stein, 1995b: 18-19; Le Vine, 1975), although it generally supported the private sector (Ackah et al., 2010: 13). Since Ghana's independence, the relationship between the government and the private businesses has been unstable and unpredictability connected to changes of the political regime (Owoo and Page, 2017: 182; Gocking, 2005: 281). Although the situation has much improved, there are suspicions of victimization of businesses related to the opposition party by government in power. With these challenges and many others, it becomes difficult for the East Asian model of development to apply in Ghana.

TICAD's emphasis on economic growth and development, which is regarded as Japan sharing the East Asian model of development, may be applauded by many especially on the African continent and in Ghana, which is a model country for Japan's economic aid. However, TICAD's emphasis on economic growth and economic development is only an aspect of the East Asian model of development and does not pay much attention to the other aspects of the East Asian model of development that were meant for ensuring the redistribution of growth. One of these other key aspects of the East Asian model of development that helped drive economic growth and also helped with redistribution of growth to avoid increased inequality, was investment in education in the successful East Asian Economies (see Stein, 1995b; Nafziger, 1995: 61-62). This may be problematic in the sense that, TICAD is shifting from human development aid such as education which raises questions about what the outcome of TICAD's new approach will be. This may suggest that TICAD or Japanese ODA is only using the concept of the East Asian model of development as a justification for the promotion of trade and investment in Africa for economic growth.

4.4. Conclusion

Ghana is one of the top recipients of Japanese ODA in Africa. As Japan begins to move from human development aid to trade and investments through TICAD, Ghana again has become one of the target countries for Japanese trade and investment. This is seen as Japan trying to replicate the East Asian model of development in Ghana. Ghana's economy which was structured through classical/liberal economic policies of the colonial era and the neoclassical/neoliberal economic policies of SAP have been proven to be at variance with the

approaches East Asia adopted. This, therefore, presents a number of challenges with the East Asian model of development in the Ghanaian circumstance. Aside from this, there are other challenges of the East Asian model of development in Ghana that may be related to the neoclassical/neoliberal economics and polity issues, having to do with “uneasy” government-private sector relationship and corruption. Ghana exhibits fundamental weaknesses to achieve the successes East Asian economies achieved through the East Asian model of development. Additionally, TICAD or Japanese aid focusing on economic growth and development through promoting trade, investment and economic infrastructure only constitute a part of the East Asian model of development and leaves out or shifts attention from some of the important ingredients or components that were crucial for economic growth, and the redistribution of growth. Japanese education aid played an important role in developing the workforce that formed the backbone of the economies of the East Asian success stories and also on income redistribution that kept inequality low. However, TICAD’s or Japanese aid’s shifts to economic growth and development, implies Japanese human development aid such as education in many African countries including Ghana may be negatively affected.

Chapter 5: Spatial Allocation of Japanese Aid Projects and Bridging the North-South Development Gap in Ghana

Japan's aid projects in Ghana have been to support both human development and economic development (growth). The Community-Based Health and Planning Services (CHPS)²² Program by Japan, which started in 2005/2006, has been a major comprehensive project targeted at improving development conditions in northern Ghana, specifically in the area of healthcare in the Upper West Region. Development support from Japan is increasingly becoming modeled on the East Asian model of development which promotes economic growth. TICAD has taken up this model for Japan's support for Africa's development by focusing more on economic growth in African countries. However, looking at the economic and development disparities between the north and south of Ghana, it is important to examine the spatial allocation of Japan's aid projects between the north and the south to understand the situation of Japanese aid on Ghana's north-south spatial inequality. Japanese aid is more likely to contribute to both human and economic development in southern Ghana than northern Ghana. The economic situation may have an effect on how communities are able to access Japan's grassroots projects. This chapter considers the allocation of Japan's aid projects in Ghana, the factors that influence or may be directly or indirectly or remotely related to Japan's aid projects allocation and spatial inequality in Ghana.

5.1. Allocation of Japan's Aid Projects in Ghana

Map 5.1 indicates the number of Japan's aid projects in the sixteen administrative regions of Ghana from 1999 to 2020²³. These are projects with specified project locations. However, there are many other forms of aids that Japan has provided to Ghana, some of which are non-project aid and the others are to support the Government of Ghana in various development agenda without specifying the location (47 of these projects were identified between 1999 and 2020)²⁴. Map 5.1 shows the number of both government-to-government aid projects²⁵ and grassroots projects in each region. In all, the Northern Region has the highest number of 32 projects (mainly grassroots projects) between 1999 and 2020, while the Western North Region has the lowest number, with only 2 projects. The high number of grassroots projects in the Northern Region is because the region, with its capital Tamale (the only metropolis in northern Ghana), is the principal center, the most urban and most developed region of northern Ghana. It, therefore, shares many of the advantages southern Ghana has to be able to access the grassroots aid like tax revenues and access to information. It also shows the vibrancy of NGO activities and community development associations in the Northern Region compared to the other regions in northern Ghana, since 21 out of the total 28 grassroots projects in the region from 1999 to 2020 were accessed by NGOs and community development associations. Figure 5.1 shows the allocation of all Japanese aid projects from 1999 to 2009, and from 2010 to 2020 in all the regions. Other figures from figure 5.2 have also been split from 1999 to 2009 and

²² Community-Based Health and Planning Services is an initiative of the Government of Ghana to bring primary health care closer to communities and also involve them in the provision of health delivery services.

²³ The years indicate the time of signing of agreement for the projects.

²⁴ With such projects the Government of Ghana decides which regions or districts to allocate the aid obtained. It is difficult to identify the districts and regions the aids were disbursed to by the Government of Ghana.

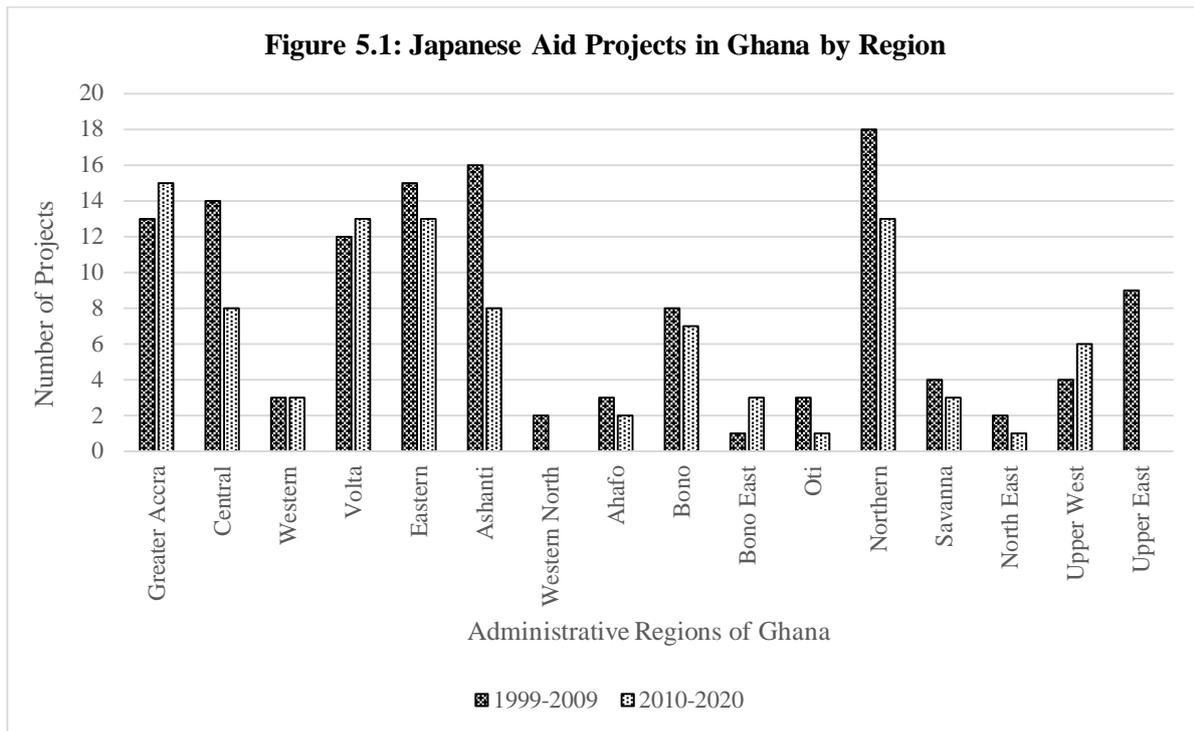
²⁵ Government-to-Government included projects provided to Ghana by Japan through international organizations, since those projects also involve very much the Ghanaian government and the Japanese government.

from 2010 to 2020. The projects have been divided into, 1999-2009 and 2010-2020 by the year Ghana became a lower-middle-income country in 2010, which barely coincided with TICAD IV, when the TICAD process was seen as beginning to shift from aid to trade and investment.

Map 5.1: Ghana Map Showing the Number of Projects by Japan in Each Region from 1999 to 2020



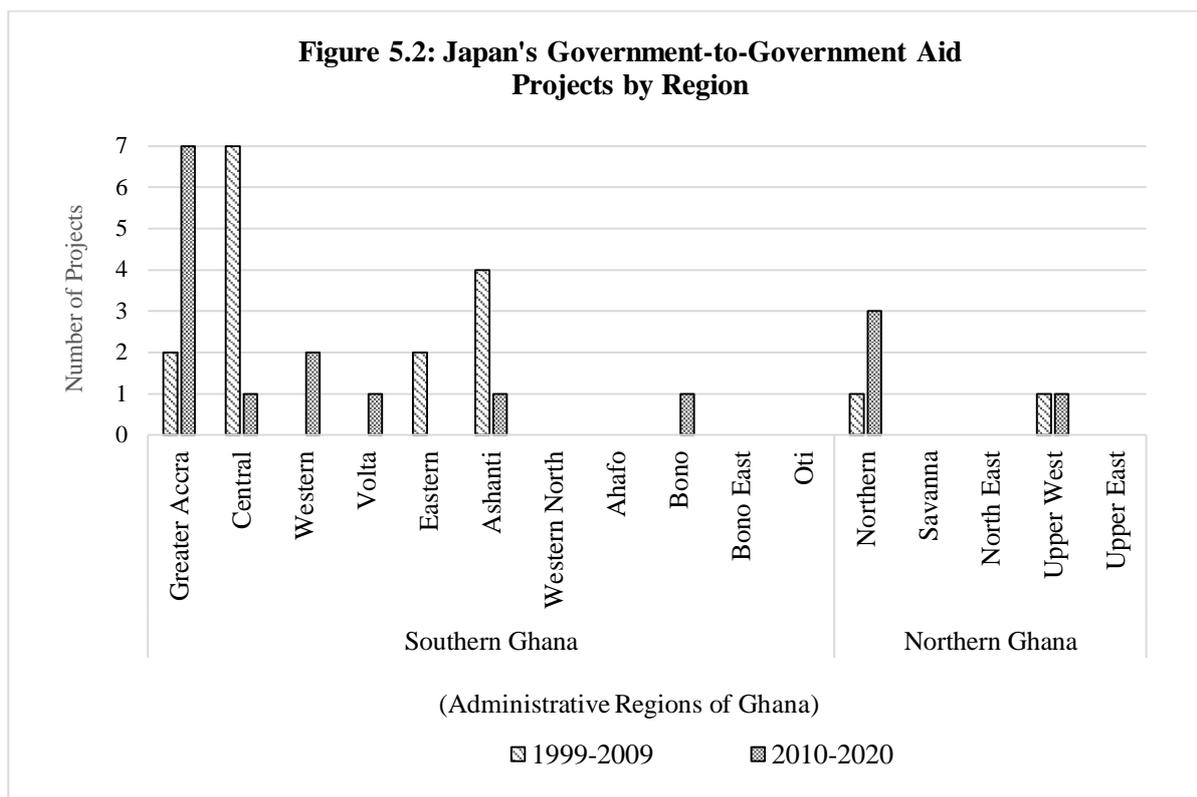
Source: Created by author. Map adapted from Ghana Districts (2019); Data from MOFA (2020)



Source: Created by author with data from MOFA (2020)

5.1.1. Government-to-Government Projects by Region

Figure 5.2 shows Japanese government-to-government aid projects to Ghana by region. Japan's aid to Ghana at the government-to-government level usually covers hundreds of millions to billions of Japanese Yen. For instance, the Project for Construction of New Bridge on the Volta River costs 11.23 billion Japanese Yen (about USD 112 million), while the Project for the Improvement of Ghanaian International Corridors in Tema (Tema Motorway Interchange Project) costs about 6 billion Japanese Yen (about USD 58 million). All the projects during the period from 1999 to 2020 are grant aid projects except the Project for Construction of New Bridge on the Volta River which is a loan aid project. Between 1999 and 2009, the Central Region (southern Ghana) had the highest number of the projects by 7, while 10 regions had none (Western, Volta, Western North, Ahafo, Bono, Bono East, Oti, Savanna, North East and Upper East). The Greater Accra Region (southern Ghana), between 2010 and 2020, received the highest number of 7 of the projects while 8 regions did not receive any of the projects (Eastern, Western North, Ahafo, Bono East, Oti, Savannah, North East and Upper East). The figure shows that between 1999 and 2009, Ghana benefitted from 17 of such projects when all the regions are put together. From 2010 to 2020, Ghana again received 17 government-to-government aid projects from Japan.

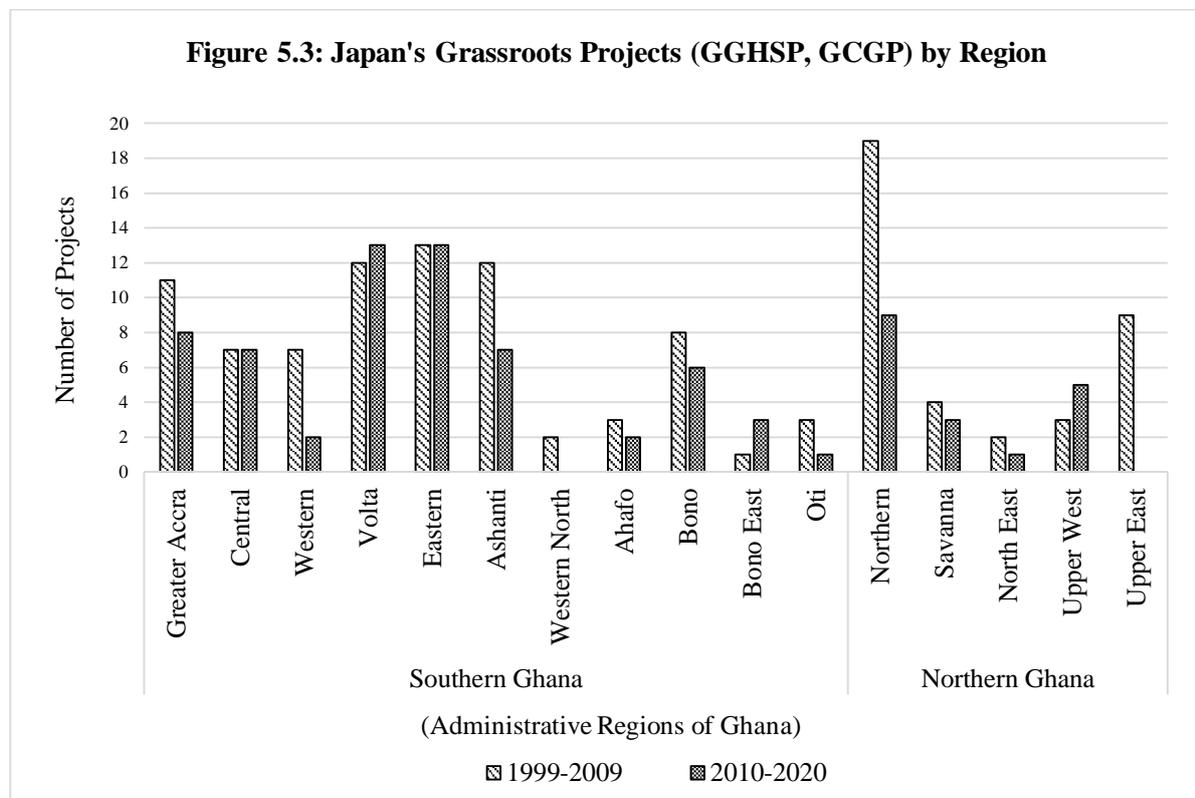


Source: Created by author with data from MOFA (2020)

5.1.2. Grassroots and Japanese NGO Projects by Region

Figure 5.3 shows the allocation of Japan's grassroots projects to Ghana by region, namely: the Grant Assistance for Grassroots Humans Security Project (GGHSP) and the Grant Assistance for Cultural Grassroots Projects (GCGP). GGHSP since its inception in 1989 provides project assistance with emphasis on human security at the grassroots level. GGHSP projects eligible applicants are mainly local government authorities, NGOs, and other local public institutions. So far, Japan has supported Ghana with more than 300 GGHSP projects. Eligible projects are mainly basic education, primary healthcare, water and sanitation, and agriculture. On the other hand, GCGP was introduced in 1975 to promote culture, higher education, and the preservation of cultural heritage through provision of equipment, construction, and rehabilitation of facilities. Eligible applicants are local government authorities, NGOs, and public institutions. The grant amount for both GGHSP and GCGP is up to 10 million Japanese Yen (about USD 100,000) but may be increased for special cases. Figure 5.3 shows a total of 194 grassroots projects, out of which only 8 are GCGP with the remaining 186 being GGHSP projects. Between 1999 and 2009, there were 113 grassroots projects, this dropped to 81 projects between 2010 and 2020. Between 1999 and 2009, the Northern Region received the highest number of 19 projects while the Western North received the lowest number of 2 projects. The drop in grassroots projects between 2010 and 2020 reflected in the reduction of grassroots projects in the Northern Region to only 9 during that period. Between 2010 and 2020, the Eastern Region and the Volta Region topped with 13 projects each, while the Western North and the Upper East had no project. Aside from the grassroots projects, Japan has also provided projects to Ghana through the Japanese NGO grants for some of the regions in Ghana.

Between 1999 and 2020, out of the seven Japanese NGO grant projects, the Ashanti Region has 1, the Oti Region has 1, the Eastern Region has 2, and the Northern Region has the remaining 3 (MOFA, 2020).

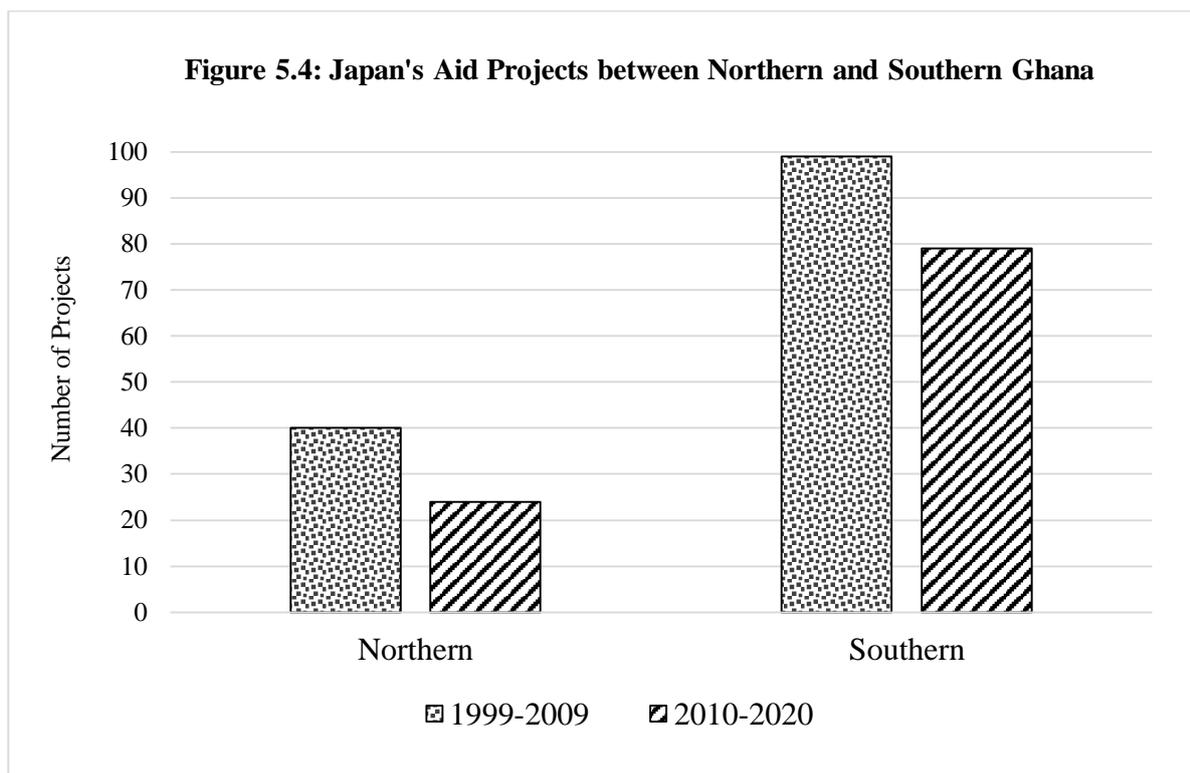


Source: Created by author with data from MOFA (2020)

5.2. Bridging the North-South Development Gap: Contribution of Japan's Aid Projects

Figure 5.4 shows Japan's aid projects, both Japan's government-to-government and grassroots projects shared between northern and southern Ghana²⁶. Between 1999 and 2020, southern Ghana received 178 Japanese aid projects while northern Ghana received 68. This may indicate that Japan funded projects although contributing to development in northern Ghana have not been able to bridge the development gap between the north and south but rather widened it. The figure shows that between 1999 and 2009, southern Ghana had the highest number of Japan's aid projects with 99 projects, with the northern part only receiving 40. Between 2010 and 2020, although the numbers dropped, southern Ghana still topped with 79 projects against 24 for northern Ghana. This is significant to show that Japan's aid to Ghana has generally dropped, since Ghana's joining of the HIPC initiative in the mid-2000s which caused Japan to suspend the Yen Loan until 2016, TICAD shifting focus from aid and Ghana becoming a lower-middle-income country. Also, the drop in the number of projects for both the northern and southern parts of Ghana is likely to have an effect on bridging the development gap between the north and the south.

²⁶ A project that spread across northern and southern Ghana was counted for both southern and northern Ghana but not for administrative regions.



Source: Created by author with data from MOFA (2020)

5.2.1. Government-to-Government Projects

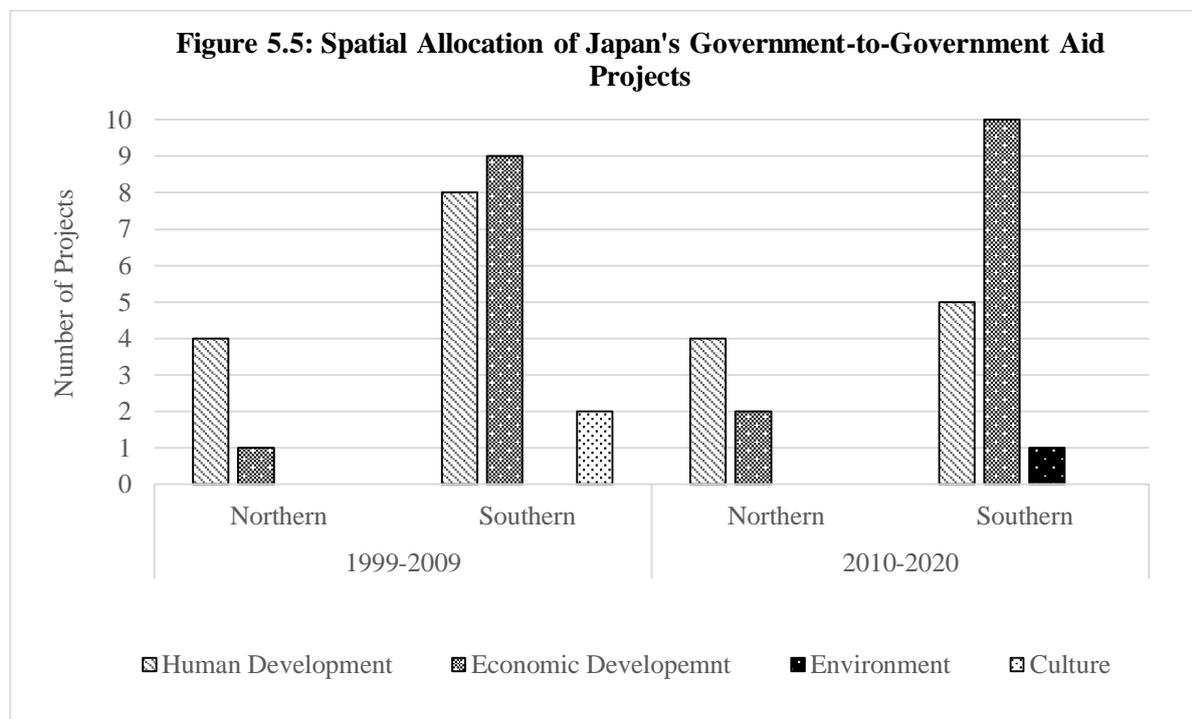
Figure 5.5 shows the spatial allocation of Japan's government-to-government aid projects between the northern and the southern part of Ghana, and the kind of projects as indicated or explained in project documents or during the signing of agreements for the projects²⁷. Between 1999 and 2009, southern Ghana received 8 human development projects (mainly healthcare and education)²⁸ while the north had 4. During the same period, southern Ghana had 9 economic development projects²⁹ and northern Ghana had 1. Southern Ghana also benefitted from an additional two cultural projects. Between 2010 and 2020, while northern Ghana had 4 human development projects, southern Ghana had 8. In terms of economic development projects, southern Ghana had 10 and northern Ghana had 2. There was also an environmental project which went to southern Ghana. In terms of education projects as part of human development projects, there was one each for the south and north between 1999 and 2009, but none between 2010 and 2020, for both north and south (MOFA, 2020). In total, between 1999 and 2020, northern Ghana had 11 government-to-government projects, dwarfed by southern Ghana's 35 projects. The figure shows that in line with Ghana's status as a lower-middle-income country and TICAD shifting from aid to trade and investments, economic development projects increased for both northern and southern Ghana, while human development projects dropped for southern Ghana but remained at the same level for northern Ghana for the periods

²⁷ A project may be to address both human development and economic development issues and therefore is counted for both human development and economic development.

²⁸ Human development projects are projects meant to improve people's livelihoods as explained in project documents.

²⁹ Economic development projects are projects meant to support the economy as explained in project documents.

1999-2009 and 2010-2020. Considering the huge gap of economic development projects undertaken by Japan in southern Ghana compared to the north, it is likely to contribute more to economic development in the south than in the north. Economies of scale from the projects are going to further create more economic activities and opportunities in the south than in the north. It is important to note that all three major projects for economic growth or development in recent times by Japan, namely: the Project for the Improvement of Ghanaian International Corridors in Tema, which started in 2017, and the Project for Construction of New Bridge across the Volta River on the Eastern Corridor Project (agreement signed in 2016 and starting in 2020) (see map 4.1), the Productivity Enhancement Program for the Cocoa Sector in Ghana (partly funded by Japan with USD 100 million (11.2 billion Japanese Yen, the agreement signed in 2020) are all located and will benefit southern Ghana more than northern and further widen the development gap. However, there have been projects by Japan to improve livelihoods in the north including addressing climate impacts. For instance, Japan funded “Enhancing Resilience to Climate and Ecosystem Changes in Semi-Arid Africa (CECAR-Africa) Project” from 2011-2017 in the Northern Region and the Upper West Region.

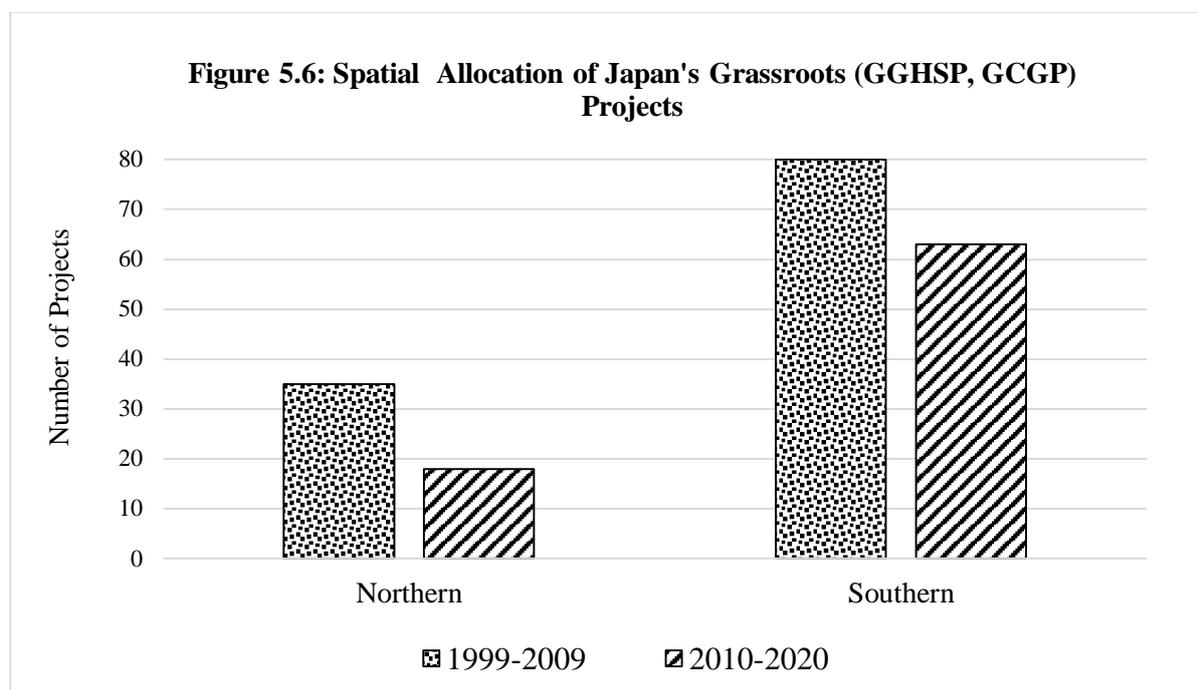


Source: Created by author with data from MOFA (2020)

5.2.2. Grassroots and Japanese NGO Projects

Figure 5.6 indicates the spatial allocation of Japan’s grassroots projects (GGHSP and GCGP) between the northern part and the southern part of Ghana. It shows that between 1999 and 2009, southern Ghana had 80 grassroots projects which was far more than 35 for northern Ghana. Also, between 2010 and 2020, southern Ghana received 63 projects while the northern part received 18 grassroots projects. Grassroots projects to northern Ghana dropped by about half from the period 1999-2009 to 2010-2020, while southern Ghana dropped by about just a quarter, despite the GGHSP especially targeted at poor communities. In all, southern Ghana had 143 grassroots projects between 1999 and 2020, while northern Ghana had 53. Nevertheless, data indicates that in recent times, from about 2014, the number of GGHSP

projects that go to northern Ghana is closing in with those going to southern Ghana, although Northern Region alone out of the 5 regions that make up northern Ghana received more than half of that (MOFA, 2020). For Japanese NGOs projects, between 1999 and 2020, there have been 7 of them on human development (health, nutrition, education), out of which 4 went to southern Ghana and the northern Ghana receiving all the recent last 3 (MOFA, 2020). Although education is essential for developing the skilled labor that will drive economic growth and also combat inequality, for GGHSP projects, education projects dropped from 61 between 1999 and 2009, to 20 between 2010 and 2020. Between the north and the south of Ghana, it dropped from 15 between 1999 and 2009 to 4 between 2010 and 2020 for northern Ghana, while for southern Ghana, it dropped from 46 between 1999 and 2010 to 16 between 2010 and 2020. For Japanese NGO projects, there was one education project only for the south between 1999 and 2009, and none between 2010 and 2020 for both the north and the south (MOFA, 2020).



Source: Created by author with data from MOFA (2020)

5.3. Factors that Influence the Allocation of Japan's Aid Projects, TICAD and the East Asian Model of Development

Donor countries provide aid for projects with the assumption that such projects will be sited by the recipient countries in parts of the country that serve the best interest of the people and address effectively the problem the aid was provided for. Therefore, much attention may not be paid to where the aid receiving country sites the aid project. This, however, may have consequences on development and aid effectiveness. In as much as donor countries may not want to be involved in the political decisions and some other factors that influence the allocation of aid projects within a country, donor countries that are seen as non-interventionists, like Japan, may have even more limited role on where aid projects are sited within the aid receiving country. Nevertheless, a donor country may have particular aid philosophies, principles, policies, plans, or programs, or types of aid that indirectly influence the siting of aid projects.

A number of factors may account for the allocation of Japan's aid projects in Ghana. Sawamura (2004) discusses about Japan's aid philosophy which includes the principles of request and self-help efforts. Request basis of Japanese aid requires the recipient country of Japanese aid to make a request for the aid. Self-help efforts of Japanese aid is that, aid recipient countries make efforts towards their own development. It more specifically requires the aid recipient country to bear some cost of the project as may become necessary (Sawamura, 2004: 30-37). Japan's emphasis on self-help efforts of developing countries is that aid is provided to developing countries that are making serious efforts to build their economies (MOFA, 1990). Both request and self-help principles imply that the Japanese aid recipient country should not only own or take ownership of their development but take the initiative for it. In as much as request and self-help efforts are more endogenous, participatory, encourages ownership, bottom-up and process oriented, and generate self-reliant attitudes, it is not always successful especially in very poor places, where a long history of aid discouraged self-help and where there is lack of capacity (Sawamura, 2004: 32-37). It is quite obvious that the principles of self-help efforts and request basis can influence the spatial allocation of Japanese aid projects depending on the conditions and biases of the aid receiving authority or organization or country.

It may be suggested that the TICAD process whose new approach has been identified as reflecting the East Asian model of development, but mainly the economic growth aspect of it, influences the allocation of Japan's economic development projects which are mainly decided at the government-to-government level. However, for grassroots projects, particularly GGHSP projects, whose application and selection are done mainly at the Japanese Embassy level, it is difficult to establish any relationship between these aid projects and TICAD or the East Asian model of development. Despite that, it is important to examine the situation of GGHSP grassroots projects since TICAD, and also when TICAD is going through changes and exhibiting some characteristics of the East Asian model of development. This is important regarding the role of GGHSP projects in reaching deprived communities and therefore critical in addressing spatial inequality. This part discusses the factors that influence the spatial allocation of Japan's economic development projects in Ghana with TICAD reflecting an aspect of the East Asian model of development and spatial inequality in Ghana, through qualitative interviews and literature review. More importantly, this part also discusses factors that influence the situation of GGHSP project allocation in Ghana on north-south spatial inequality, considering that northern Ghana lags behind the south in human development indicators and TICAD is focusing on economic development which favors southern Ghana.

5.3.1. The East Asian Model of Development, Economic Development Aid Projects, and Spatial Inequality in Ghana

The East Asian development model emphasizes infrastructural development as the basis for economic growth and development. It is, therefore, not surprising that Japan since TICAD IV is aiming to shift Japan's development support for African countries from human development aid to trade and investment or business promotion, mainly through infrastructural development in African countries. This means that Japan's ODA is going to be mainly used for economic development projects, particularly, infrastructural projects. As seen from figure 5.5, economic development projects inched up after 2009, although total Japanese government-to-government aid projects declined and human development projects declined even more significantly. In as much as economic infrastructure is essential to drive trade and investment, which African countries, including Ghana, have been demanding and development partners are eager to support, this can also potentially contribute to widening the north-south spatial

inequality in Ghana. The notion that the north of Ghana lacks natural resources has been the bane of its economic progress. As it has been noted in chapter 3, British colonial policies favored public infrastructural investments in the south because of natural resources of interest, to the neglect of the north. SAP also promoted the natural resources of the south, as cocoa export increased and FDI went into the extractive industries. Considering the disproportionately fewer investment projects in northern Ghana, there is the likelihood that there will be a little growth-induced reduction of the north-south inequality or poverty reduction in the north (Shepherd et al., 2006: 1). In a more recent time, Wolter (2008: 24) notes that donor support towards the promotion of export-oriented agriculture (which is private sector/FDI driven) risks reinforcing the existing north-south divide of Ghana's economy. It is, therefore, likely as the data in figure 5.5 already shows, that emphasis on economic development projects by Japanese aid may favor the south and not the north.

There seems to be the temptation to build on existing economic foundations or potentials rather than create new ones for economic growth and development. That has been a major cause of spatial inequality between the north and south of Ghana. With the backdrop of the request basis of Japanese aid and Abdulai (2017) asserting that Government of Ghana use aid to benefit the south more than the north, it may be expected that more economic development aid projects particularly on economic infrastructure will go to the south. Therefore, in Ghana, where there are no mechanisms for ensuring that economic growth is shared more equitably, and where history has shown that economic growth widens the gap between the rich and the poor, it can be argued that the East Asian model of development promoted by Japan through TICAD that focuses on economic infrastructural development, will contribute to deepening the north-south inequality. Although the East Asian development model is by no means the same as the SAP, however, the results may likely be the same for the northern part of Ghana if no conscious efforts are made to create a balance. SAP, although regarded as reducing poverty in Ghana, it was mainly in the south probably among cocoa farmers due to the increase in cocoa export that coincided with increased cocoa prices on the world market for only a period of time. However, for the northern part of Ghana, poverty increased. This is also suggestive that aid through SAP had benefitted the south more than the north. It was, therefore, not surprising that PAMSCAD was introduced to increase human development aid with a special focus on northern Ghana and the proliferation of NGOs to implement the poverty reduction strategies and programs. It is curious to realize that income/consumption poverty in northern Ghana is also increasing in recent times.

While it is important that conscious efforts are made to spread economic and human development across the country including the north to benefit the country as a whole, there should be deliberate efforts and mechanisms to ensure the redistribution of growth. This will require the leadership and immense role of the government, in the same way the state may be called to rescue or fix an economy in depression in the liberal economic system. The wrong notion that the north lacks resources has only been a biased view of "what resource" is being looked for, and that must be corrected. The Government of Ghana needs to create affirmative action policies to equitably direct economic development aid projects to the north and create an enabling environment for development in northern Ghana, especially when countries like Japan are aligning their development support with Government of Ghana's development programs. Although human development indicators are improving in northern Ghana, consumption/income poverty is increasing. This limits people's ability to adequately access human development projects. Moreover, economic disparities between the north and the south

are the main cause of massive migration from the north to the south, which creates a sparse population that makes it difficult and seemingly unreasonable to provide proper and adequate human development and economic infrastructural projects in the north. This makes it necessary to examine the effects of the economic development situation between the north and south, its related factors on the allocation of Japan's GGHSP grassroots projects, when considering the bridging of the north-south spatial inequality and Japanese aid in Ghana. This is particularly important for the fact that GGHSP projects are meant for the more deprived communities in Ghana, and the north of Ghana is considered more deprived, especially in human security and development.

5.3.2. Perspectives of Stakeholders on TICAD's Shift to Trade and Investment, and its Influence on Spatial Allocation of Japanese Aid Projects in Ghana

From interviews conducted in relation to TICAD shifting to promote trade and investments in Ghana, it was identified that, this new approach by TICAD is more able to make a greater impact on Ghana's development than human development aid. Nana Mensah,³⁰ a Ghanaian journalist and author, who participated in TICAD IV and V, mentioned that although he does not consider that aid should be removed completely, he stresses the importance, superiority and reliability of trade over aid. Nana Mensah mentions that the impact of aid has been minimal in Ghana and Africa as a whole, adding that no country can live on aid. In this regard, Nana Mensah thinks TICAD's new approach to shift focus from aid to trade and investment is the way to go to assist Ghana and Africa's development. However, he also thought this new approach of TICAD seemed very drastic, and therefore suggests that TICAD's philosophy of Africa's ownership must prevail in this new strategy. The trade attaché at the Embassy of Ghana in Japan, Mr. Michael Senayah³¹, who was immensely involved in Ghana's participation at TICAD VII, noted that both African countries and the Japanese government have come to realize that over the years, human development aid has not really helped any African country in terms of economic growth. Hence the focus is for African countries to partner with their Japanese counterparts in the private sector to add value to their natural resources. He adds that, the issue of investing in Africa's infrastructure has also come to the fore. From the interviews, it is noted that TICAD's new approach which reflects the East Asian model of development in Africa and Ghana has the endorsement of key stakeholders. This is one factor that will encourage and push Japanese aid to support economic growth in African countries and Ghana. However, in Ghana, this factor also implies more Japanese aid to the south than the north of the country, due to the influences of the liberal global economic system on Ghana's economy. From the standpoint of Nana Mensah and Mr. Senayah, it can be seen that many African stakeholders are becoming more aligned with the promotion of trade and investment (FDI) which are associated with neoliberal thoughts, but one which helps Africa to grow economically as discussed in chapter 2. However, it seemed that stakeholders were not so worried that this may further deepen spatial inequality in Ghana.

The interviews also revealed the general recognition that, the northern part of Ghana has not been well positioned to attract the Japanese private sector in Ghana which TICAD has become more focused on. This also presupposes that, they may not receive much economic development aid from Japan compared to the south. This is because, it has been recognized that Japanese economic infrastructure aid normally follows the Japanese private sector and vice

³⁰ Interview with Nana Mensah, on 18th August, 2021 by WhatsApp

³¹ Interview with Mr. Michael Senayah, on 26th August, 2021 by emails

versa (Watanabe, 2003, 2008: 12-13). Therefore, with the siting of Japanese economic development projects mostly in the south, it means more Japanese private sector will also be located in the southern part of Ghana, than the north. Nana Mensah bemoans the untapped potential of northern Ghana and therefore the low capacity of northern Ghana to attract the private sector. Without identifying the potential of northern Ghana, it makes no sense to locate limited economic development projects there. For Nana Mensah, the local government system in Ghana, and particularly in northern Ghana must be restructured to be more business-driven than political and administrative to attract businesses including the north. However, it may be said that local government becoming more involved with business may shift their focus from their core mandate of providing for the social needs of the people to promote the interest of businesses that may be exploitative towards the local people. Nana Mensah further highlights that lessons can be learned from Japanese industrialization. He further points out the need for the government to build the capacity of businesses and address issues of businesses. Nana Mensah points out capacity building as essential to build the organizational and operational skills of Ghanaian businesses so that they can match up with Japanese companies for partnership possibilities. He also encouraged the Government of Japan to assist Ghana in developing a database on the kinds of economic players and business potentials Ghana has to be able to see what business matching and partnership can be done between Japan and Ghana, paying attention to the kinds of businesses that can be drawn from Japan. It must be noted that with all this, special attention should be paid to the northern part of Ghana.

Mr. Senayah explains that, the Japanese private sector is encouraged to set up where they have access to their raw material and where they can make the greatest impact. He added that extra incentives are provided to Japanese companies that set up in remote areas. This should explain why, Degas Ghana Ltd., a Japanese company involved in the cultivation, buying, and selling of cereals like maize set up in northern Ghana, where there is vast land and many farmers engaged in the production of the crop. However, Government of Ghana does not consciously encourage Japanese companies to establish in the Northern part of Ghana, but then various options and incentives are presented for the entrepreneurs to decide where to place their businesses, added Mr. Senayah. Considering the challenges of setting up business in the north, it may be expected that more Japanese businesses will be set up in the south than the north, as well as Japanese economic aid infrastructure, unless major efforts are made to attract businesses to the north. The challenge is that Government of Ghana is fixated on the natural resources of the south for exports that will bring short term revenues to sustain the economy, since it sounds reasonable to focus on its comparative advantage in the liberal global economic system. This, however, leaves the north unattended to, its potentials neglected and no much efforts to create the enabling environment to attract the private sector.

5.3.3. Factors Influencing the Spatial Allocation of Japan's Aid Projects in Ghana: Focus on GGHSP

Interviews conducted with eight Japanese grassroots grants (GGHSP) recipient organizations and three other non-GGHSP recipient organizations revealed that Japanese aid philosophy of request basis and self-help efforts influence the allocation of grassroots projects between the north and south of Ghana. It was identified that GGHSP is known in southern Ghana than in northern Ghana, which has effect on whether communities that need the aid project will apply at all. Mr. Aidam, Head of Works at the Kintampo Municipal Assembly³²,

³² Interview with Mr. Godfred Sroda Aidam, on 29th January, 2021 from 8pm to 8: 45pm by Zoom

explains that when he worked in the Nanumba North District (northern Ghana) he never knew about GGHSP but only got to know about it when he was transferred to southern Ghana to work at the Birim Central Municipal and Suhum Municipal when both assemblies applied for GGHSP grant. For most of the NGOs in the north who received GGHSP grant interviewed, they got the information from another NGO operating in the north. This shows the connectedness of NGOs in the north and how information, including information about GGHSP circulates among them, which does not seem to happen among the local government bodies in the northern part of Ghana. However, due to the self-help efforts of Japanese aid, it is the local government that are well positioned in terms of finance (Internally Generated Funds (IGF) through taxes and other levies in the district as well as District Assemblies Common Fund (DACF)) and capacity (as a result of their government funded administrative and technical set up in terms of staff and equipment) to implement GGHSP projects. This could explain why northern Ghana, where most of the GGHSP projects are applied by NGOs have lesser number of projects than southern Ghana, where most of the GGHSP projects are applied by local government.

The interviews also showed that GGHSP indirectly relies on how other donors support the organizational development of NGOs to be able to apply and implement GGHSP projects. Therefore, NGOs that do not have such support find it difficult to apply for GGHSP projects. It became clear that most of the NGOs applying for GGHSP projects had to use funds provided by other donor organizations or agencies to support their GGHSP project application and implementation process. Though some of these funds are organizational development funds, others are for specific projects which they had to divert to support their GGHSP application and implementation process. Ms. Lamnatu Adam, Executive Director of Songtaba (NGO) in the Northern Region³³ and Mr. Amin Yahaya, Program Director of Integrated Action for Community Development, an NGO in the Upper West Region³⁴ for instance mentioned that they used funds from other donor projects the organization had received to support their GGHSP application and implementation process. For an NGO like LifeCare, the Executive Director, Mr. Abdul-Rahman Moonin³⁵ had to use his personal money to cater for some aspects of the GGHSP project. Non-operational support of GGHSP grant affects proper community engagement and monitoring of projects especially by NGOs. Ms. Lamnatu Adam of Songtaba mentioned that the recipient organization is supposed to have a supervisory role on the implementation of the project. This brings an extra financial burden to the grant recipient organization of having to commute to the project site to supervise the implementation of the project, especially if the organization is not located in the same district as the project site. Mr. George Osei-Bimpeh, the Country Manager of SEND Ghana (a non-GGHSP recipient NGO)³⁶ explained that in such situations, when the recipient does not have funding, monitoring of the project will be affected which will eventually affect the quality of the project. It is, therefore, not surprising that, although it is the northern part of Ghana that may most need GGHSP projects, they receive less. This is because, it is NGOs that have information about GGHSP, yet some of them may not have the support of other donors to be able to apply for GGHSP grant.

From the interviews conducted to identify the factors influencing the allocation of Japan's GGHSP grassroots projects, it was identified that the economic situation of the north plays a

³³ Interview with Madam Lamnatu Adam, on 25th January, 2021 from 8pm to 8:40pm by Zoom

³⁴ Interview with Mr. Amin Yahaya, on 2nd February, 2021 from 9pm to 9:40pm by phone call and WhatsApp

³⁵ Interview with Mr. Abdul-Rahman Moomin, on 16th January, 2021 from 7pm to 7:45pm by Zoom

³⁶ Interview with Mr. George Osei-Bimpeh, on 5th February, 2021 from 7:20 pm to 8pm by Zoom

significant role in their limited ability to access the grassroots projects from Japan compared to the south. The relatively less vibrant economic activities in northern Ghana compared to the south, which can be directly linked to the dictates of the global economic system no doubt affect the ability of both NGOs and the local government organizations/bodies in their application process. Although local governments in northern Ghana are able to raise IGF, it may not be as much as their counterparts in southern Ghana where Ghana's main exports come from and where there are more economic activities. For the NGOs, it may seem they are not able to obtain financial support from individuals and institutions like corporate organizations within their localities. Therefore, the NGOs in northern Ghana mainly have to rely on foreign international development agencies like the United States Agency for International Development (USAID) or international non-governmental organizations (INGOs) for support. However, it should not be forgotten that northern Ghana still has the attention of INGOs that support local NGOs to implement various community development projects. Japanese economic development aid has made tremendous contributions to Ghana's economic development since the World Bank/IMF SAP period when Japan was Ghana's topmost bilateral donor. As TICAD focuses on economic development as an aspect of the East Asian model of development in African countries like Ghana, and Japan restoring the Yen loan which mainly focuses on economic infrastructure, data shows that Japanese aid is focusing on economic development aid projects, and southern Ghana has been receiving most of them, if not almost all of them. In that regard, Japan's aid promoting more economic activities in the south than the north, possibly implies that the south will be more empowered to access GGHSP projects than the north. And as already mentioned, more economic activities in the south than the north also implies the continued migration from north to the south, which makes it sometimes irrational to site GGHSP project in certain communities because of the low number of the beneficiaries or users as well as the challenge of people being able to adequately access the project because of low incomes even if the projects are provided.

5.3.4. Population Ratio of Japanese Aid Project Allocation between Northern and Southern Ghana

The allocation of lesser number of Japanese aid projects in northern Ghana may also be attributable to the low population and the low population density as shown in Table 5.1 below. Low population and low population density sometimes make it difficult for allocation of projects if the number of people to benefit from the project is too small, and people are so sparsely populated so that they still may have to travel far to access social services for instance. Despite this challenge, there have been improvement in multi-dimensional poverty especially in terms of access to healthcare and education in the north, just as across Ghana (McKay and Osei-Assibey, 2017). However, as mentioned in chapter 3, there still remain disparities in a number of human development with the north struggling to catch up with the south (see figures 3.12 and 3.13, and tables 3.4, 3.5, 3.6, and 3.7). For instance, while an average of 82.2 percent of persons in the regions in southern Ghana travelled 60 minutes or less to a health facility, it was 76.2 percent in northern Ghana (calculated from table 3.4). This suggests that resources including aid have not been shared or allocated equitably. For government-to-government projects, Abdulai (2017: 398) notes that despite the high level of government rhetoric to use aid funds to reduce regional inequalities when requesting them, these funds when approved benefit the southern regions than the relatively poorer northern regions.

Table 5.1: Population, Land Size and Population Density of Northern and Southern Ghana

Spatial Demarcation	Population	Land size/area (km ²)	Population Density
Southern Ghana	25,651,700	140,831	182/km ²
Northern Ghana	5,303,600	97,702	54/km ²

Source: Compiled by author with data from City Population (2021)

Despite northern Ghana still lagging behind the south in development and the fact that the north has received lesser number of projects, distributing the projects per population shows a different picture. Table 5.2 shows the ratio of Japanese aid project per population in northern and southern Ghana. The table shows that in terms of the total number of Japanese aid projects between 1999 and 2020, the ratio of project per population in northern Ghana was better than southern Ghana, 1:77,994 and 1:144,110 respectively. Northern Ghana had better ratio for grassroots and Japanese NGO projects as well as government-to-government projects. For grassroots and Japanese NGO projects, it was 1:100,067 for northern Ghana and 1:174,501 for southern Ghana, while for government-to-government projects, it was 1:482,145 for northern Ghana and 1:735,901 for southern Ghana. However, it was compelling to find that for economic development projects the ratio was rather in favor of southern Ghana. Table 5.2 shows that for economic development projects, the ratio for southern Ghana was 1:1,350,089 while for northern Ghana it was 1:1,767,866. This further shows that Japanese aid projects focusing more on economic development projects to reflect the promotion of the East Asian model of development is probably leading to more Japanese economic development aid projects in the south than the north of Ghana. Although the ratio of population per Japanese aid project seems to favor northern Ghana, especially grassroots projects, the population per economic development aid projects ratio which favors southern Ghana is significant. This is because it might have been contributing to migration from the north to the south which makes the ratio for population per grassroots projects favor the north. Yet the north lagging behind the south in human development, with people relatively travelling much longer time to access health facilities for instance, and with people in the north relatively generally economically weak to adequately access the grassroots projects.

Table 5. 2: Japanese Aid Project: Population Ratio in Northern and Southern Ghana between 1999 and 2020

Type of Project	Northern Ghana	Southern Ghana
Total Number Projects	1:77,994	1:144,110
Grassroots and Japanese NGO projects	1:100,067	1:174,501
Government-to-Government Projects	1:482,145	1:735,901
Economic Development Projects	1:1,767,866	1:1,350,089

Source: Calculated and Created by author with data for population from City Population, 2021 and Japanese Aid Projects from MOFA (2020)

5.4. Conclusion

Japanese aid projects are dotted across Ghana. These projects are meant to improve livelihoods and also Ghana's economy. However, it has been observed that there are more Japanese aid projects in the relatively developed southern Ghana than the relatively poor northern Ghana. This is for total number of projects, grassroots projects and all the four

categories of government-to-government projects. It is also observed that in terms of Japanese aid projects per population distribution, northern Ghana, generally, has better Japanese aid project population ratio due to the low population density in the north, than the south. This is mainly for human development projects reflected mainly in the total number of projects, grassroots projects, and Japanese NGO projects, and government-to-government human development projects. However, for economic development projects which is one important aspect or category of government-to-government projects, the project population ratio was better in southern Ghana, than northern Ghana. This becomes critical as Japanese aid projects through TICAD is more and more focusing on economic development projects in Ghana to reflect Japan's replication of the East Asian model of development in Ghana. However, it is important to note that despite the reduction in general human development (aid) projects funded by Japan, including grassroots projects, to focus more aid on economic development, the number of Japan's human development (aid) projects remain significant. This is a sign that Japan has not abandoned human development aid to Ghana, but continues to maintain some level of human development aid alongside the drive towards Japan's aid for economic development.

There are many factors that influence the allocation of Japanese aid projects in Ghana, which were mainly identified through qualitative interviews. For economic development projects, the interviews conducted showed a close link with what literature says. Literature shows that, government of Ghana is more interested in aid projects especially for economic development in southern Ghana. Government of Ghana wants to build on the economic foundations and potentials that have been created in the south since colonial times than create new ones in the north. Japanese private investments are also noted to site where Japanese economic infrastructure are allocated. From the interviews, it was realized that government's inability to make that conscious effort to create the enabling environment in the north will result in the cycle of more economic development aid projects and FDI including from Japan in the south than the north. For grassroots projects, it was identified that the economic situation which is much better in southern Ghana than the north influences grassroots project allocation. More economic development in the south than the north, implies southern Ghana has more capacity to apply and receive more grassroots projects, particularly GGHSP projects in the south than the north. It is, therefore, suggested that Japan's economic development projects which have been increasing in southern Ghana and improving economic development in the south than the north gives the south an advantage in applying and receiving GGHSP projects than the north. This is because although the local governments are well positioned to apply and implement grassroots projects, awareness about the grassroots project among the local government in northern Ghana is low, and more importantly they are less financially capable to bear the administrative costs of the project than their counterparts in the south. Moreover, while NGOs in northern Ghana account for the majority of GGHSP projects recipient organizations in the north, they recount a number of financial challenges they face through the GGHSP processes. More economic development in the south than the north also results in continued migration from the north to the south which makes it irrational to site projects at underpopulated communities in the north, and the challenge of communities in the north being unable to adequately access project facilities and services due to low incomes. Therefore, although grassroots per population ratio in the north is better than the south, the north lags behind the south in human development indicators and due to sparse population in the north, people travel longer time to access social services like health facilities. As discussed in chapter 2, the

question of whether aid can reduce inequality is a complex one as there are other factors to consider. Although aid, bilateral or multilateral, may not be the primary focus of addressing inequality and especially spatial inequality in any country, its contribution towards either widening or closing spatial inequality gap cannot be completely ignored. Moreover, the role of the aid receiving country or government in ensuring strategically equitable allocation of aid or aid projects is of prime importance. This is more so in relation to Japanese aid which is based on request and self-help efforts of the receiving country.

Chapter 6: Summary of Findings, Conclusions, and Recommendation

6.1. Summary of Findings

The findings of this research mainly extends research that have been carried out in the past about Japanese development aid to Africa, and sets Ghana as a case study for Africa. It reveals the current nature of Japanese aid in African countries like Ghana since the TICAD process was recognized to be evolving. Watanabe (2003) examined Japanese ODA in East Asia and how it was intertwined with the promotion of Japanese trade and FDI. Watanabe (2008) further described TICAD IV as Japanese ODA going through transition in Africa to resemble how Japanese aid was provided to East Asia. This view is shared by other writers and generally seen as an attempt to replicate the East Asian model of development in Africa. However, while Demachi (2009) highlights the challenges within African countries regarding the East Asian model of development in Africa, Yamada (2015) also points out challenges expressed by Japanese companies to set up in Africa. As it may be seen, the Japanese government as the originator and chief convener of TICAD, is working with African countries to address the challenges expressed by Japanese companies. How has Japanese aid to Africa transformed since TICAD started this transition, and can Ghana be used as an example for Africa? While Ohno (2007) answers the second part of the question by indicating that Ghana is a model country of Japanese aid to Africa, there is yet any research that that helps to answer the first part of the question which this research sought to answer. The findings of this research provide evidence to highlight the status of Japanese aid to Ghana since TICAD IV.

Since the East Asian model of development is commended for achieving “miraculous” economic growth and astonishingly keeping inequality to a bare minimum, the research sought to examine the allocation of Japanese aid within Ghana’s neoliberal economic system and more importantly within Ghana’s north-south spatial inequality. That is to say, the allocation of Japanese aid between the north and the south of Ghana. This research found that Japanese aid to Ghana more or less revolves around Ghana’s economic and development circumstances and how that influences the allocation of Japanese aid to and within Ghana. As may be noted, when Ghana become a HIPC and adopted the HIPC Initiative, Japanese aid dropped as Japan suspended the Yen loan in exchange for debt relief (Ohno, 2007). Then, when Ghana became a lower-middle-income economy in 2010, Japan restored the Yen loan. While Ghana becoming HIPC is associated with the global economic system created through the World Bank and the IMF, and their SAP (Ayelazuno and Yevugah-Mawuko, 2019; Dzorgbo, 2012), the global economic system has also directly and indirectly been found to reinforcing the persistent north-south spatial inequality in Ghana (Songsore, 2001; Abdulai et al., 2018; Akolgo, 2017). The research found that the north-south spatial inequality, whereby the southern part of Ghana is relatively more developed than the northern part, influences the allocation of Japanese aid within Ghana. How has the allocation of Japanese aid projects been between the north and the south of Ghana ten years before and ten year after Ghana became a lower-middle income economy which almost coincided with TICAD IV?

The research found that there have been more Japanese aid projects in southern Ghana than northern Ghana between 1999 and 2020. This is for both grassroots projects and government-to-government projects provided by the Government of Japan to Ghana. For government-to-government projects level, Japanese government aid went mainly into human development projects and economic development projects. There are more Japan funded

government-to-government human development projects in southern Ghana than in northern Ghana. Also, there are more economic development projects in the south, than the north. Although Japanese aid projects have generally reduced comparing the ten years before 2010 and ten years after, it was identified that economic development projects funded by Japan have increased in number since Ghana became a lower-middle-income country in 2010 and TICAD IV in 2008. However, between the north and the south, Japanese aid projects per population ratio in Ghana gives a different reflection. In terms of the total number of projects, government-to-government projects, and grassroots and Japanese NGO projects, the project per population ratio is better in northern Ghana than in southern Ghana. Yet, the north continues to lag behind the south in human development indicators (McKay and Osei-Assibey, 2017). However, in terms of economic development projects as part of the government-to-government projects, the project population ratio went in favor of southern Ghana. It was identified that Japanese aid is going into economic infrastructure to form the basis for the promotion of trade and investment to drive economic growth. It was observed that related to this, Japanese private investment in Ghana is also growing and there are a number of other efforts like the opening of JETRO office and GJBPC to promote trade and FDI between Ghana and Japan.

As explained by Ward (1969), Amin (1973), Akolgo (2017), and Aryeetey and Kanbur (2017), the global economic system has influenced Ghana's economy to be an exporter of primary commodities that are mainly located in southern Ghana. This, therefore, makes southern Ghana the main center of economic activities and economic growth. For that matter, economic infrastructure has been concentrated in the south and there is the temptation to build on that to achieve even faster economic growth. It is, therefore, not strange that literature explains that, aid received by Government of Ghana is used to benefit southern Ghana, even when government expressed that it will benefit the north (Abdulai, 2017). This is compounded by Japan's aid principle of request basis and self-help efforts, whereby Government of Ghana is supposed to make request for the aid and sometimes bear some cost of the aid project (Sawamura, 2004). Interviews conducted in relations to Japan's promotion of economic growth and north-south inequality in Ghana suggest that stakeholders in Ghana are in favor of TICAD's focus on economic growth and development, and are not so worried that this may further deepen spatial inequality. This was observed as indicating that many stakeholders in Ghana are in favor of promoting trade and investment which have been related to liberal economic thoughts.

Further interviews conducted reveal some factors that explain why the northern part of Ghana received lesser number of GGHSP (grassroots) projects, which has almost all the grassroots projects. Information about the existence of the GGHSP projects was identified as one of the factors that contributed to the low number GGHSP projects in northern Ghana. Since the southern part has easy access of information from the print media, electronic, and telecommunication than northern Ghana, interviews conducted revealed that GGHSP is known to eligible applicants in southern Ghana than in northern Ghana. It was also found that local government bodies are better positioned to be able to access the GGHSP grant. It is important to note that due to the more vibrant economic activities in southern Ghana than northern Ghana, local government in southern Ghana are able to raise more funds through taxes (Internally Generated Funds). This implies that Japan's aid principle of request and self-help efforts which requires the applicant to bear some cost related to the project affect the application and allocation of GGHSP projects between northern and southern Ghana. Interestingly, in northern

Ghana, GGHSP is rather known among NGOs rather than the local government bodies. Moreover, the GGHSP process requires the applicant to bear some cost related to the project, which makes it difficult for some NGOs to apply and implement GGHSP projects. This explains why the northern part receives lesser number of GGHSP projects than the south because NGOs form the majority of GGHSP recipients in northern Ghana. It was also noticed that the relatively stronger economy in the south leads to continues migration from the north to the south. This further creates a situation that makes it somewhat irrational and difficult decision to site GGHSP projects in communities that have low population and therefore fewer number of beneficiaries of GGHSP projects. This probably explains, for instance, why people travel longer time to access healthcare for instance in northern Ghana than in the south (see table 3.4). Additionally, the poor economic state of northern Ghana compared to the south, has created a situation of low income or more income poverty which makes it difficult for people to adequately access GGHSP projects even if they are provided for communities in northern Ghana (see tables 3.6 and 3.7).

Finally, the research also found that GGHSP (grassroots) projects and government-to-government human development projects focused on health and education. Yamada (2014) explains that Japanese education aid has been an important aspect of Japanese aid in cultivating and nurturing a skilled human resource, something that Japan finds crucial for development (aside helping to achieve the Millennium Development Goals/Sustainable Development Goals (MDGs/SDGs)). This has been associated with the East Asian model of development and the successful East Asian economies (Stein, 1995b; Nafziger, 1995). There is no doubt an educated and skilled workforce is not only essential for economic growth but also income redistribution that helps reduce income inequality, as explained in chapter 2. However, it was found that Japan's aid towards education has reduced comparing the ten years before 2010 and the ten years after for both government-to-government human development projects, GGHSP (grassroots) projects and Japanese NGO projects. Moreover, education aid projects were much reduced for northern Ghana than southern Ghana. Therefore, although the East Asian model of development invested very much in education which Japan supported (Yamada, 2014), this research finds that TICAD's promotion of the model has resulted in decline in Japanese aid for education in Ghana.

6.2. Conclusions

The global economic system has been driven by an aggressive push of mainly the liberal/neoliberal economic ideologies through economic globalization. Although dialectical materialism of Marxist socialism has resisted the liberal/neoliberal economic theories, there is a broader consensus that the liberal/neoliberal economic theories have triumphed and dominated the world. These economic ideologies are seen as universal and applicable everywhere. This has sometimes created a situation whereby some countries have not been able to adopt economic policies conducive to their own environment, resulting in economic crisis, poverty, inequality, and aid dependency. While aid plays an important role in the receiving country, there are debates on aid effectiveness, whether it has any effects on poverty reduction and inequality. Countries that have been able to create an economic system based on pragmatism for themselves have shown remarkable development success as identified with some East Asian countries. This has been described as the East Asian model of development that created the East Asian "miracle". In Ghana, the various governments at various times, have

been associated with either of the main economic ideologies, liberalism or socialism. Despite being regarded as one of the relatively developed countries in Africa, the country still faces numerous economic challenges. Attempts to restructure the Ghanaian economy away from what it was during the colonial times have not been successful. Ghana remains an exporter of primary products. One major challenge of Ghana's development is north-south spatial inequality. The neoliberal global economic system encouraging the export of Ghana's comparative advantage in primary commodities has contributed to spatial inequality between the north and south of Ghana. Ghana is mostly compared with East Asian countries, which reveals how far apart some East Asian countries have developed and how Ghana's economic development has relatively lagged behind these countries. Economic challenges in Ghana caused the country to join SAP which drove the country towards more liberal economic policies that have been maintained. It was noticed that SAP increased more poverty in northern Ghana. Huge government borrowings which started mainly during SAP, created a debt burden that made Ghana join HIPC for debt relief. Ghana has been an aid recipient almost since its foundation, and for most part of its existence, it has been aid dependent.

Ghana since the SAP has been an important destination of Japanese aid in Africa. Japanese aid to Ghana, however, decreased when Ghana joined HIPC for debt relief or cancellation. Despite the government declaring of "Ghana Beyond Aid", Ghana becoming lower-middle-income economy, and TICAD's promotion of trade and investment, Ghana will continue to need aid for a very long time, including from Japan, considering that Ghana's economy continues to face numerous challenges. TICAD influences Japanese aid to Ghana especially when the TICAD process is shifting to promote the East Asian model of development by focusing on trade and investment. There is growing evidence of increasing Japanese private investments in Ghana. This is an implication that Japanese aid is going to be used to undertake economic development projects, most importantly economic infrastructure projects. On the other hand, the spatial allocation of Japanese aid projects is influenced by how the global economic system plays out in Ghana. Conditions created in the north and south of Ghana, which can be directly related to the global economic system, have influence on the allocation of Japanese aid projects in Ghana. While sometimes aid is meant to mitigate the dire developmental shortfalls in the north, sometimes aid in the form of economic infrastructure has mainly gone to promote economic growth in the south. From the above, the allocation of Japanese aid and its contribution to bridging the north-south spatial inequality in Ghana becomes important. From data, more Japanese aid projects have been allocated to southern Ghana than the north. However, it must also be noted that the ratio of Japanese aid project per population in the north is better than the south, except for Japanese economic development projects. This should not be a surprise but rather should be expected. Interviews conducted show that stakeholders in Ghana are in favor of TICAD's new approach of promoting trade and investment, which are regarded as liberal economic thoughts. While stakeholders encourage local governments to involve more with promoting businesses, there are concerns that the local governments may lose focus of their core mandate towards providing the social needs of the community to support businesses which may exploit the poor.

Moreover, as Japanese aid projects through TICAD promotes trade and investment, Japan's human development aid to Ghana is reducing. In summary, it may be suggested that Japanese aid projects in the future will be increasingly allocated to the south. In terms of the number of Japanese aid projects between the north and south, it may be assumed that Japanese

aid projects have not contributed to bridging the north-south spatial inequality in Ghana. It is also the economic development projects which drive economic growth in the south, leading to migration from the north to the south and thereby the low population density in the north. More economic development in southern Ghana strengthens southern Ghana's economic and financial capacity to apply and implement more GGHSP projects than the north. This is because from interviews conducted, it was identified that local governments that are well positioned to apply for GGHSP have more financial and logistical capacity to apply for and implement GGHSP projects in southern Ghana than northern Ghana. Also, NGOs in northern Ghana that form the majority of GGHSP recipients face financial challenges in GGHSP application and implementation process.

Japan's promotion of the East Asian model of development in Ghana, does not seem to be as pragmatic as the East Asian model of development that was followed in East Asia. This is probably because of the request and self-help basis of Japanese aid; although a good approach, but sometimes challenged, like in Ghana's context. Aside Japanese aid's promotion of economic development projects deepening north-south spatial inequality, Japanese education and skills development aid projects have been reducing. This can further deepen inequality and particularly, north-south spatial inequality. As part of East Asian countries' pragmatism towards development, they invested significantly in education, with a very high percentage of their population being highly educated and highly skilled. This was one of the important factors that ensured high rate of economic growth but low income inequality, one of the cardinal outcomes of the East Asian model of development. However, in African countries like Ghana, especially during the SAP period, government reduced spending on education. A sizeable section of the population is illiterate, and there are still concerns of whether there have been enough skills development to support the country's development. This, no doubt has contributed to the income and other inequalities in Ghana. There is disparity between the north and south on education, which also contributes to the income and other inequalities between the north and the south of Ghana.

Although Japanese aid has also promoted human development and particularly education in Ghana, in recent times the number of Japanese aid projects on education have reduced immensely. Japanese aid towards education and skills development in the north has even far reduced compared to the south. This shows that what may be seen as TICAD promoting the East Asian model of development in Africa, does not have the full complement, but missing some of the important factors like education. This may be regarded as TICAD only using the East Asian model of development as a justification for promoting trade and investment in Africa. What will the outcomes be for Ghana as a case study for Africa, especially with regards to addressing inequality, and more importantly spatial inequality? Japan's replication of the East Asian model of development may result in some economic growth, but at the same time deepen inequality, particularly, north-south spatial inequality. This is because, the notion of the remarkable low inequality achieved by the East Asian model of development seems sometimes exaggerated as discussed in chapter 4, and also, it not fitting in the Ghanaian context may worsen inequality in Ghana. It may, therefore, not be farfetched to express that Japanese aid has not helped to bridge but rather contributed to widening the spatial inequality gap between the northern and the southern part of Ghana.

Finally, previous research discussed Japanese aid to Africa and Ghana, TICAD's new approach of promoting trade and investment viewed as an aspect of the East Asian model of

development, and copiously on the East Asian model of development and how that can be replicated or reproduced in developing countries, particularly in Africa (World Bank, 1993; Stein, 1995a, 1995b; Campos and Roots, 1996; Watanabe, 2008; Demachi, 2009; Kenichi Ohno, 2014; Hwang, 2014; Yamada, 2015; Mills et al., 2020). However, there have not been research discussing TICAD's new approach through trade and investment in relation to Japanese aid to any particular African country. Moreover, while the East Asian model of development is associated with low inequality, there have not been research on how TICAD's new approach addresses inequality in African countries, particularly with regards to spatial inequality. This research addressed Japanese aid to Ghana within TICAD's new approach of promoting trade and investment in Ghana, and more particularly focused on spatial inequality in Ghana, as a form of inequality.

6.3. Recommendations

From the findings discussed above, this research makes the following recommendations. The first recommendation that this research makes is for the Government of Ghana to make more efforts towards fair distribution of development in Ghana to address the north-south spatial inequality. Although, Savannah Accelerated Development Authority (SADA), which was the first giant step towards addressing economic and development disparity experienced in the north failed, the Northern Development Authority that subsequently replaced it seems to have become more dormant than the SADA it claimed to revive. It is important Government of Ghana pays special attention and devote funds towards the operations and projects of the Northern Development Authority. Addressing spatial inequality in Ghana by Government of Ghana's own efforts and programs will enable northern Ghana's economy to be self-sustaining and even attract more development. This should be done by not only supporting the economy of the north, but also human development to an optimal level. It is the view of this research, that the development of the north will have positive impact on the south in the sense that the north will be able to generate its own resources to develop and not depend on the meager share of economic resources of the south that is extended to the north.

On the allocation of aid between the north and the south, while a number of donor countries and organizations find their way to extend some aid to the north, for government-to-government aid, it is important the Government of Ghana seeks to equitably allocate aid received between the north and south, and even more aid to the north. This implies that, aid funds received to address spatial inequality should be used for the purpose. The Government of Ghana when requesting for Japan's economic development projects should be equally interested in the allocation of economic development aid projects in northern Ghana, to also enhance the capacity of local governments and NGOs to apply and implement Japan's GGHSP projects. This will help bridge the north-south spatial inequality in terms of human development. From this, there is no doubt that the onus for the equitable allocation of aid and development in general is on the Government of Ghana and its agencies in terms of policy and action. Japan, as a major donor to Ghana, could review its aid policy to emphasize Japanese aid towards addressing inequality, including spatial inequality in the aid receiving country. This may go a long way to shape how aid received are applied in countries like Ghana to bridge spatial inequality and development gaps.

Additionally, although Japan partnering third party organizations like the multilateral agencies, may seem too distanced, Japan's aid contributions to such third party agencies have been recognized and have played very important roles in addressing poverty and inequality issues. As mentioned in chapter 5 of this thesis, such partnerships have undertaken a number of projects that could contribute to addressing north-south spatial inequality in Ghana. Some of these projects are the Japan funded UNDP/Japan Women in Development Fund project implemented by UNDP and Africa 2000 Network with shea butter associations for the project "The Empowering Rural Women and Alleviating Poverty by Strengthening the Local Shea Butter Industry in Northern Ghana" (2007-2009 in Northern Region). Another one funded by the Government of Japan is the UN Trust Fund for Human Security's "Enhancing Human Security through Developing Local Capacity for Holistic Community-Based Conflict Prevention in Northern Ghana" project (2009-2013, in Northern Region, Upper East Region, and Upper West Region). And also, Science and Technology Research Partnership for Sustainable Development (SATREPS)'s "Enhancing Resilience to Climate and Ecosystem Changes in Semi-Arid Africa (CECAR-Africa)" project funded by Japan Science and Technology Agency (JST) and Japan International Cooperation Agency (JICA) (2011-2017, in Northern Region and Upper West Region). It is, therefore, recommended Japan through some of these multilateral agencies Japan contributes aid to, can direct some of such aid through projects like the above, in partnership with such international organizations to provide support for addressing spatial inequality in Ghana.

It is also recommended that Government of Ghana prioritizes promoting human development. In promoting human development, this research recommends that Government of Ghana prioritizes education and commits resources towards education. While Government of Ghana commits its own resources towards education, it should also be interested in aid that goes into promoting education. It is also critically important that skills development through promoting education should receive the necessary attention to develop the necessary skills that will drive economic growth and at the same time create a less unequal society, within the south and the north, and between the south and the north of Ghana. It may seem that Ghana's educational system needs restructuring not only for providing the infrastructure and equipment needed to improve teaching and learning, but the purpose of education that will bring in the missing ingredient of "nation building" as the nucleus of education.

Also, it is recommended that Japan and TICAD promoting the replication of the East Asian model of development should emphasize education as the foundation of development. Japan has broad experience in vocational, technical, science, and technology education which it has been sharing with countries like Ghana. While Japan has been promoting education in the areas of vocational, technical, science, and technology in Ghana, putting more emphasis on it and expanding it should be the foundation of replicating the East Asian model of development in Ghana. With a well-educated and skilled workforce, economic development projects will be more pragmatic and achieve more results in terms of generating economic growth and development.

Finally, the East Asian model of development which was done in a pragmatic manner can be an inspiration for Ghana to create its own model of development, a "Ghanaian model of development". Just as Ghana's independence as the first country in Sub-Saharan Africa inspired the independence of many African countries, and being the headquarters of the African Continental Free Trade Area (ACFTA), a "Ghanaian model of development" may probably

inspire the development of many African countries. This, Ghana itself, can take inspiration from Japan's model of development which spread through Asia to become the East Asian model of development.

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APPENDIXES

Appendix 1: Data on Ghana and their Sources

	Source	Data on Ghana
1	Ministry of Foreign Affairs of Japan (MOFA, Japan)	Japan's ODA Projects in Ghana between 1999 and 2020
2	Organisation for Economic Cooperation and Development (OECD)	ODA amounts by year; total to Ghana, and from Japan to Ghana
3	The World Bank	Gross Domestic Product (GDP) Per Capita, Gross National Income (GNI) per capita, Gini Index, life expectancy at birth, cause of death by non-communicable diseases, under-5 mortality rate, maternal mortality ratio, incidence of malaria, incidence of tuberculosis, gross school enrolment for primary and secondary, net school enrolment ratio for primary, lower and upper secondary, adult literacy, school life expectancy for primary and secondary and for primary to primary to tertiary
4	Ghana Statistical Service (GSS)	Gross Domestic Product (GDP), employment by sectors of Ghana's economy, poverty headcount/incidence (national, by locality/ecological zone and by region), time of travel to and from health facility, net primary school attendance by locality, average amount spent on a person attending school on school item and by level of education (by locality), adult literacy by locality
5	United Nation's Conference on Trade and Development (UNCTAD)	Foreign direct investment (FDI) from Japan to Ghana
6	Observatory of Economic Complexities (OEC)	Ghana's trading commodities with the world and Japan
7	United Nation's Comtrade	Ghana's trade values (export and import) with the world and Japan
8	United Nation's Development Programme (UNDP)	Ghana's human development index (HDI) trends
9	Ghana Health Service	Doctor patient ratio by regions

Appendix 2: GGHSP Recipient NGOs and Local Governments Informants Interviewed

No	Name	Position	Organization	Type of Organization	Type of Project	Spatial location	Interview in Appendix
1	Mr. Abdul-Rahman Moomin	Executive Director	LifeCare Ghana	Local NGO	Education	Northern	10
2	Ms. Lamnatu Adam	Executive Director	Songtaba	Local NGO	Education	Northern	11
3	Mr. Amin Yahaya	Program Director	Integrated Action for Community Development	Local NGO	Health	Northern	12
4	Mr. Haruna Alhassan Tia	Development Planning Officer	Binduri District Assembly	Local Government	Water and Sanitation	Northern	13
5	(Interviewees shared ideas but did not want names and positions mentioned)		Sawla-Tuna Kalba District	Local Government	Water and Sanitation	Northern	14
6	Ms. Stella Kumi	Projector Coordinator	Support Services Foundation	Local NGO	Health	Southern	15
7	Mr. Godfred Sroda Aidam	Head of Department of Works	Kintampo Municipal Assembly	Local Government	Health	Southern	16
8	Mr. Gershon Tudoabor	Development Planning Officer	South Tongu District Assembly	Local Government	Education	Southern	17

Appendix 3: GGHSP Non-Recipient Organizations and other Stakeholders

No	Name	Position	Organization	Type of Organization	Remarks	Interview in Appendix
1	Mr. Saddique Watara	Project Officer	Edufund	Local NGO	Non-GGHSP recipient operation in Wa, Upper West Region (Northern Ghana) (Contact obtained through GGHSP recipient)	18
2	Mr. Emmanuel Kwashie Fugah	Chief Executive Officer	Community Youth Development Foundation	Local NGO	Non-GGHSP recipient operating in Kintampo, Bono East Region (Southern Ghana) (Contact obtained through GGHSP recipient)	19
3	Mr. George Osei-Bimpeh	Country Manager	SEND Ghana	NGO/CSO	SEND Ghana operates across Ghana with wide experience in various areas of advocacy and development. SEND Ghana is a partner of United States Agency for International Development (USAID) (Contact obtained through friend)	20

Appendix 4: Interviews on TICAD, the Global Economic System, Asian Model of Development, Japanese aid, Trade and Investment in Ghana, North-South Spatial Inequality

No.	Name	Position	Organization	Remarks	No. in Appendix
1	Mr. Nana Mensah	Journalist, Author and TICAD participant	Freelance	Author of the book, <i>Beyond Senses</i> . This book discusses aid, trade and TICAD.	21
2	Mr. Michael Senayah	Trade Attaché	Embassy of Ghana in Japan	TICAD VII participant	22

Appendix 5: Semi-Structured Questionnaire for Official of NGO/local authority GGHSP Recipients

- 1) How did you (organization) get to know about GGHSP?
- 2) Why did you (organization) decide to apply for GGHSP?
- 3) What are the processes the applicant has to go through in the application and implementation of GGHSP projects? What was your experience with the GGHSP process? What are the challenges you faced (organization) in GGHSP application and implementation process?
- 4) What is your view on the aspect of Japan's aid where recipients have to bear administrative cost, contingency cost etc. (request and self-help bases)? Do you think it affects interest to apply and implement the aid project?
- 5) Do you recommend any revision of the GGHSP process? What revisions and recommendations do you request?
- 6) How do you describe the condition of the people in this community?
- 7) How do you think the lives of these people have improved after this project? How do you measure that?
- 8) What do you think can be done for the community to benefit more from the project?
- 9) How does the community maintain the project?
- 10) Does the community get other support for other things and in maintaining the project?
- 11) Do you think the people in the community can adequately access the services provided by the project if their economic conditions improve? (What is the main livelihood of the people in the community?)
- 12) What can be done to improve the economic conditions of the people in the community?
- 13) Any other NGO that operates in the project area that can apply for GGHSP grant?
- 14) For NGOs: Looking at the challenges you face with GGHSP as an NGO, would you want to partner with the district assembly or a more financially strong NGO for GGHSP project?

Appendix 6: Semi-Structured Questionnaire for non-GGHSP recipient NGO/local authority operating in GGHSP beneficiary community

- 1) What is your NGO involved in and what is your catchment area?
- 2) What do you think of Japan's grant assistance for grassroots process after I shared the information with you?
- 3) Do you know the...community?
- 4) How do you describe the condition of the people in this community?
- 5) Which aspect of their lives do you think they are most deprived in?

- 6) Do you know any projects funded by Japan and other donor countries in this community?
- 7) Project by Japan, how do you think this has affected the lives of the people, both negatively and positively?
- 8) Do you think the economic situation of the people hinder them from adequately access and benefit from the project?
- 9) Are there any ways you think this project can better improve the lives of the people?
- 10) Do you think there are other needs of the community which is more priority than this project?
- 11) Do you have any reservations as to how the project was implemented?
- 12) Were you or your organization involved in the implementation of this project one way or the other?
- 13) Would your organization be interested in applying for the GGHSP grant looking at the requirements and processes?
- 14) How much is your NGO willing to work with the district assembly on GGHSP project to reduce the burden on the NGO especially getting necessary documents and funding support?

Appendix 7: Semi-Structured Questionnaire for Interview with SEND Ghana- Country Director

- 1) With your work with many donor partners, how do you compare with Japan's GGHSP scheme for grassroots projects at least on the surface of the guidelines and the application form?
(What do you think about the self-help and request based principal of Japanese aid which was instrumental in the Asian Miracle?)
- 2) What will you consider as the pros and cons of the GGHSP process at least by the guidelines and the application form?
- 3) Would your organization be interested in applying for the GGHSP grant looking at the requirements and processes?
- 4) Do you think the GGHSP process contributes to more Japanese grassroots projects in southern Ghana than northern Ghana?
- 5) With your experience as an NGO that has to work sometimes with the district assemblies, what have been your experience in that regard?
- 6) What do you think about NGOs partnering with district assemblies for GGHSP grants and what are the challenges you foresee in this regard?
- 7) How much will your NGO willing to work with the district assemblies on GGHSP projects to reduce the burden on the NGO especially getting necessary documents and funding support?

8) What recommendations would you make for GGHSP process?

Appendix 8: Questionnaire for Interview with Nana Mensah, Journalist and TICAD participant

- 1) TICAD, since TICAD IV, began to focus more on trade and investment than aid, do you consider that as more effective to support Ghana's development since you criticize aid in your recent book "Beyond Senses?"
- 2) Japanese private investments are growing in Ghana in recent time, what are the prospects, challenges and recommendations for them and Ghana?
- 3) Japanese government is focusing its aid towards economic infrastructure in Ghana, do you consider it as a good move for Ghana's development?
- 4) Japanese economic infrastructure in Ghana is more likely to be concentrated in southern Ghana, do you think it will contribute to spatial inequality in Ghana?
- 5) Do you consider the liberal global economic system as a major cause of north-south spatial inequality in Ghana?

Other Information

In the past at a meeting with Ambassador Katakami, you talked about Japanese investments in Ghana especially Sanyo factory in Ghana. What is the history of Japanese private investments in Ghana to the best of your knowledge?

Appendix 9: Questionnaire for Interview with Mr. Michael Senayah, Trade Attaché of Embassy of Ghana in Japan

- 1) Japanese companies like Degas Ghana Ltd. are making great strides in northern Ghana, does Ghana consciously encourage Japanese companies to establish in northern Ghana or the choice is in the hands of the company to decide where to establish?
- 2) The northern part of Ghana does not seem to be an important investment attraction, looking at various challenges of being far from international air and seaports, limited external economies of scale, market etc. , what do you think attracts companies and particularly Japanese companies to the north?
- 3) There is the view that economic investments, both public and private, should build on existing ones to achieve faster economic growth instead of trying to create new ones at new places which may take a longer time achieve the outcome? What is your opinion on that?
- 4) As mentioned by some of the speakers at the recently held "Ghana – Japan Investment Seminar: Business Opportunities and SDG Impact Areas", what efforts are being made to ensure Japanese-Ghanaian business partnerships, joint ventures, transfer of technology, especially considering the possibilities of differences in business culture?
- 5) The (neo) liberal global economic system has both pros and cons for a developing country like Ghana. For instance, while making it possible for attraction of capital goods, transfer of

technology and foreign direct investment, it also encourages dumping and unfair competition. What are some of the challenges of attracting Japanese private investments to Ghana that can be attributed to the negative aspects of the global economic system?

6) What do you think of TICAD shifting focus from human development aid to promote economic development aid, trade and investment, and what do you think are the prospects for countries like Ghana?

Request for other Information/Data

1) A history of Japanese private investments in Ghana and the trend?

1) What is the distribution of Japanese companies in Ghana by region?

2) What is the volume of Japanese foreign direct investment in Ghana per year?

Appendix 10: Summary of Interview with Mr. Abdul-Rahman Moomin, Executive Director of LifeCare Ghana in Wa Municipal, Upper West Region, on 16th January, 2021 from 7pm to 7: 45pm by Zoom (recorded audio and video)

(on Construction of Classroom Block at Dignafro in Upper West Region)

LifeCare Ghana got to know about the GGHSP through a sister NGO in a different region. LifeCare Ghana applied for the project because the Dignafro community was in desperate need of a primary school block because the old one was in a very deplorable condition. Since LifeCare Ghana is interested and has an objective in promoting access to education, and finding that the Embassy of Japan has GGHSP which has a common objective of providing support for education, the NGO decided to apply for the GGHSP grant for a school block project. According to Mr. Moomin, the project has helped improve conditions of education in the community. With the support of the Ghana Education Service and the Municipal Assembly additional facilities have been included so that the community would also have Senior High School.

Dignafro community although poor, parents are committed to providing the needs of their wards to attain education as they take education seriously. The community is a predominantly a farming community based on rain-fed farming. The women are also involved in stone quarrying and sell the stones to building contractors to support their families during the long non-farming season, when there are no farming activities for three or four months because of the raining pattern in the area.

Mr. Moomin, the Executive Director of LifeCare Ghana lauded the GGHSP process especially where the grant money is put in a specific project account and the process by which funds were released by instalment from the account only with the approval of the Embassy to the contractor depending on the progress of the project. He said it was also commendable the services of an auditor employed to audit the project.

Mr. Moomin, however, recounted the following challenges his NGO encountered during the application and implementation of the grant project;

Challenges with the community: there were problems with the land. Although land was provided by community leaders with documents submitted to Embassy, some community members were also claiming the land as a family land but the issue was resolved later on. There were also expectations of some of the community members that the NGO had received a large grant money that they would wish to also personally benefit from the funds.

Challenge of distance from the Upper West (north) to the Embassy (south): considering that the NGO is located in the Upper West Region and therefore very far from the Accra where the Embassy is located, travelling from Wa (the Capital of the Upper West Regions) was a challenge, a journey which takes a little more than half a day by road. Besides, the NGO having to bear its own cost of transportation to travel to the Embassy, the NGO also had to bear the cost of transportation of other stakeholders from the beneficiary community.

Challenges with contractor: the contractor did not complete the project. Therefore, the NGO had to complete it with its own money (personal money of the Executive Director). The NGO asked the Embassy to intervene for the contractor to complete the project but the Embassy declined. According to the Embassy, the contract was between the NGO and the contractor and not with the Embassy, so the Embassy could not intervene. This was as a result of the GGHSP grant process of pre-financing the project, because once the contractor received all the contract funds due him/her, there was little motivation on the part of the contractor to complete the project. Mr. Moomin had to use his own money to complete the project by constructing a dwarf wall, which was part of the project plan which the contractor had refused to complete.

Challenges of GGHSP's self-help efforts: Mr. Moomin explained that as part of the GGHSP application process, the NGO had to open a specific project account. NGO also needed to devote some funds to the project application process. These funds committed by the NGO was to be used to complete the project if for some reason the project funds from GGHSP was not able to complete the project. Also, when there is depreciation of the grant funds in the account due to a fall in the exchange rate and the project cannot be completed, the NGO had to bear the cost of such depreciation. However, when there is an appreciation, the left-over money cannot be given to the NGO to defray their operational and administrative cost incurred but will still be used on the project as an extension. The funds to be committed by the NGO was also to be used for the administrative and operational running cost of the project since the GGHSP grant does not provide any funds for such purpose. The NGO also had to bear the costs of visits to the community and of meetings with stakeholders. Sometimes the NGO had to give "gifts" to people that they had to meet in the community from its own finances. In the end, the NGO pumps its own money into the project than getting anything to defray some of the administrative and operational cost the organization has to bear on the projects. In essence, the recipient organization of GGHSP project grant runs at a loss. Mr. Moomin noted that the principle of request and self-help effort of Japanese aid is a good initiative as every organization has its own processes. However, he recommended that at least 2 or 5 percent of the GGHSP grant could be devoted for the NGO as initial cost or administrative cost. As to how LifeCare was able to bear the administrative and other costs, Mr. Moomin said the NGO provides payable services like business advisory services, supporting clients to prepare business plans etc. The NGO used some of the revenues generated through these services they provide to bear costs related to the projects and pay its staff.

Appendix 11: Summary of Interview with Madam Lamnatu Adam, Executive Director of Songtaba in Tamale Metropolis and Nanumba North District, Northern Region, on 25th January, 2021 from 8pm to 8:40pm by Zoom (recorded video and audio)

(On the Construction of St. Anthony Public School at Sang in Northern Region)

Songtaba is located in Tamale, capital city of the Northern Region and has another office in Bimbilla (Nanumba District) also in the Northern Region.

Songtaba got to know about the GGHSP project after finding the dilapidated and inhabitable state of St. Anthony Primary School building in Sang, Mion District. On trying to find ways to solve the problem, a sister NGO also located in Tamale introduced GGHSP to Songtaba.

Madam Lamnatu mentioned that the project has been impactful. It has prevented any disaster the previous structure that accommodated the children would have caused due to its state. Also, some of the classes that were merged in the previous structure are now in their separate classrooms. One class which was using the store room as their classroom now have a proper classroom. The school block is now used as an examination center where other schools in the community take the final basic education certificate examination. The project has provided a conducive environment that impacts a lot in the children's learning, making them more stable and reducing some environmental violence. The children are happy to be in a beautiful learning environment which gives them courage and joy of going to school to study. Enrolment has also increased since the project. However, a computer room which was included in the project has still not been furnished and without computers. She hoped the school would get computers to address this need.

So far the Mion District Assembly is in charge of maintenance of the project and when a storm destroyed part of the school block, they repaired it. Songtaba has taken it upon itself to follow up on the project and therefore was also involved in organizing meetings with stakeholders to make sure the damaged parts of the building were repaired. Following up on the project especially when it requires maintenance also brings some cost to the NGO, at least the costs of transportation to and from the project community.

The Mion District is mainly a farming community with some engaged in petty trading like selling meat and other cooked food especially by the women. In all, parents make effort to take care of the school needs of their children, with at least 60% being able to provide the things their children need for school.

The GGHSP application and implementation processes present some challenges;

- 1) The long period of the grant application process presented challenges for the NGO regarding the fact that the NGO had to commit some funds for exchange rate contingencies. In that, the longer the duration of the grant application process, the more funds the NGO had to spend to cover exchange rate depreciation/loss on the grant amount due to the usual unstable Ghana cedi against the grant amount in US dollars and due to inflation.
- 2) Also, applicants having to bear administrative costs etc. is a big challenge that may deter smaller organizations who do not have the needed resources or capacity or other support to complement the expenditure not to apply for the grant.

3) The NGO also had to bear the cost of transportation, accommodation, feeding costs and pocket money of some of the stakeholders especially from the project community anytime they had to travel from the north to the Embassy in Accra.

4) The recipient organization also needs to have a supervisory role on the implementation of the project. This brings an extra financial burden to the grant recipient organization of having to commute to the project site to supervise the implementation of the project, especially if the organization is not located in the same district as the project site.

5) There was also a bit of challenge in getting some documents from some of the stakeholder to support the application process however some of the stakeholders are not used to giving documentations and are more used to giving verbal commitments while the GGHSP required proper documents to be issued to support the application process.

Madam Lamnatu noted that such costs borne by the applicant may deter some organizations from applying or may not be able to totally bear the costs of what they have committed to which may cause the project to get stacked and not completed. For Songtaba, they were able to bear such costs by using funds from other donor projects the organization has received to supplement. Despite these Challenges, Songtaba would like to apply for another GGHSP project hoping that these challenges would have been addressed, therefore making the following recommendations; 1) that the grant application process duration is reduced so that the costs that arise due to the long duration of the application process will be reduced, for instance the issue of exchange loss, 2) that contingency cost will be included in the grant amount.

Appendix 12: Summary of Interview with Mr. Amin Yahaya, Program Director of Integrated Action for Community Development in Wa Municipal, Upper West Region, on 2nd February, 2021 from 9pm to 9:40pm by phone call and WhatsApp (recorded audio)

(on the Construction of CHPS Compound at Seiyiri in Upper West Region)

Integrated Action for Community Development got to know about GGHSP through a friend (a former Member of Parliament for a different community, Zabzugu Tatale who had received GGHSP grant for his community in the past). According to Mr. Amin, the Seiyiri community approached the NGO for the assistance and the NGO sought for sources of funding through which they got the information from the for MP. The Seiyiri community, although big, did not have a health facility. So they had to travel far distance to access health care in the Wa.

Mr. Amin mentioned that the GGHSP process was tedious and took about two years. However, they did not face any major challenges obtaining necessary documents especially from the district assembly since the project was an initiative of the community. He wished the process is shortened and face-tracked.

Regarding financial commitment on the side of the NGO, it was not such a big challenge because the long duration of the process also made it possible for the NGO to raise funds. Funding the NGO used for the grant process was mainly through regular funding support like organizational development support and overhead costs for projects funded by other

organizations. However, he expressed concern for NGOs financial challenges even regarding monitoring the project, as some may not have funding for proper monitoring of the project.

Mr. Amin mentioned that the project has helped the community since at least they now don't have to travel long distance to access health care.

Mr. Amin mentioned that it is important NGOs work with district assemblies as they are an important stakeholder who will manage the project once it is completed, despite the challenges that will arise.

Appendix 13: Summary of Interview with Mr. Haruna Tia, Development Planning Officer of Binduri District, Upper East Region, on 4th February, 2021 from 12: 32am to 1:06am by phone call (audio recorded)

(on The Project for Construction of Mechanized Boreholes in Binduri District in Upper East Region)

According to Mr. Tia, Binduri District got to know about the GGHSP through the Member of Parliament for the area. Most of the boreholes were provided for health facilities in the district.

For Mr. Tia, the district did not face any major challenges with the GGHSP process. In terms of funding commitments that the district had to make towards the project, they were able to do that through their counterpart funding for projects which is part of the district's budgeting. He, however, raised the concern that if the district assembly did not have funds it would have been difficult to complete the project. He expressed that the grant did not cater for the complete cost of the project since the district bore some cost (administrative cost) although not directly for the project itself. Mr. Tia also mentioned that if the process was such that they could submit all necessary documents at once, the duration of the process could be shortened.

He mentioned that the project has helped the community in so many ways. Access to potable water surely will help prevent waterborne disease. The time that people used to fetch water is reduced and therefore they have time to attend to other economic activities. It also helps in reducing absenteeism in school and school dropout.

The people in Binduri are mainly farmers cultivating crops and rearing animals.

It seems instead of community seeing their side of contribution as ownership of project, they see it as burden. Which calls for need for more sensitization on self-help and ownership, especially since the governance structure in Ghana does not encourage or promote that especially in recent times.

Appendix 14: Summary of Interview with Sawla-Tuna-Kalba District Assembly, Savannah Region, on 9th February, 2021 at 10:27am by email attachment

(on the Project for Construction of Mechanized Borehole at Sawla-Tuna-Kalba District in Savannah Region)

The Sawla-Tuna Kalba District Assembly got to know about GGHSP through a development partner, a contractor who has been executing GGHSP projects. The district applied for GGHSP

to access more funds to discharge its fundamental duty of providing basic needs such as water to poor and vulnerable communities in the district. They applied for provision of water facilities to ten (10) of its communities which had serious water supply challenges.

According to the district the GGHSP application and implementation process was fair and transparent. They see it as cumbersome and explain that every organization which applies for support for any development project, must demonstrate high level of readiness and commitment, and so, bearing administrative and contingency cost were some of the ways to express such level of readiness and commitment on the part of the applicant. However, the district assembly viewed that the processes must be maintained for the purpose of seriousness on the part of the recipients as that doesn't necessarily affect the interests, but rather prolongs the application and the implementation processes. In all, the district said they did not face much challenges during the application and implementation processes of the project.

The project according to the district has addressed poor health and unhygienic practices due to scarcity of water prior to the implementation of the project with improved water supply. According to the one in charge of Gbiniyiri CHPS compound, that received one of the mechanized boreholes, frequent hand washing with soap is constantly being practiced as water is readily available thus, reduced rate of diarrhea infections. The project is maintained through the formation and training of community-based Water and Sanitation Management Teams (WSMTs) by the Assembly to raise funds through local level contributions and other means to fund the maintenance cost of the water facilities in all the 10 communities.

The project communities get assistance from many sources like the District Assembly and other benevolent organizations such as the churches, local NGOs (Care for the Deprived, Partners in Participatory Development, Tuna Women Development Project, Jack Sally Youth Group etc.)

The communities that received the project are mainly peasant farmers (livestock and crops).

Appendix 15: Summary of Interview with Madam Stella Kumi, Project Coordinator of Support Services Foundation (SSF) in South Dayi District, Volta Region, on 19th January, 2021 from 7pm to 7:40pm by phone call (recorded audio)

(On Construction of Tsatee CHPS Compound in Volta Region)

Support Services Foundation is located in Peki in the South Dayi District of the Volta Region, same district as the project. They applied for the Project for Construction of Tsatee CHPS Compound in Tsatee in the Volta Region.

SSF got to know about the GGHSP through the newspapers. SSF applied for the project because although the Tsatee community was having a medical facility operating in a room provided a community member. The old facility lacked the needed equipment to keep medicines and deliver health care etc. The provision of the CHPS compound provided enough space for the provision of health care and accommodation for two nurses, although now the number of nurses has increased and the rest have to rent in the community.

Madam Kumi lauded the GGHSP scheme application and implementation process. According to her SSF did not have any difficulty regarding the financial commitments SSF had to make in the project process. She mentioned that SSF gets financial support from another organization

for its activities from which SSF was able to financially commit to the project. The distance they had to travel to the Embassy on many occasions was not a problem at all for her organization. The only challenge she recounted had to do with getting the relevant information from the community to complete the application form.

Regarding how people are able to access the healthcare she mentioned that there was no problem since the community members are on the national health insurance scheme. The main form of employment of the people of the Tsatee community are mainly peasant farmers with some of the women engaged in petty trading.

Appendix 16: Summary of Interview with Mr. Godfred Sroda Aidam, Head of Department of Works of Kintampo Municipal, Bono East Region, on 29th January, 2021 from 8pm to 8: 45pm by Zoom (recorded audio and video)

(on Construction of Kobeda CHPS Compound in Bono East Region)

Mr. Aidam worked in Nanumba North District (northern Ghana), Akim Oda District and Suhum Municipal Assembly (both in southern Ghana). When he was working at the Nanumba North District (northern Ghana) he never knew about GGHSP but only got to know about it when he was transferred to Akim Oda District and Suhum Municipal when both assemblies applied for GGHSP grant.

Mr. Aidam mentioned that he does not think there are really any challenges for the district assemblies (local governments) or so far as the assembly system is concerned regarding the GGHSP application and implementation process. This is because, the district assemblies have the institutions and the institutional structures and their main responsibilities include to provide infrastructure for the communities within the district which they have to do within the limited resources that are available to them from the government. Therefore, getting help through grant, they readily welcome and accept the GGHSP processes in terms of running costs, travelling to Accra as no challenge at all. In terms of having to travel to Accra, it is something they usually do as part of the official duties since higher or other government institutions they work with and a constant basis as a district assembly are located in Accra. In terms of time, travelling and funding from the side of the district assembly, that is not a problem. Acquisition of land was also not a problem at all in a community set up within the district, even when there was a need to take someone's personal land the traditional rulers (chiefs) would give the landowner another land.

Mr. Aidam does not think that the more district assemblies apply for GGHSP with very few district assemblies in the north applying because those in the south are able to raise more internally generated funds to support GGHSP projects than those in the north. He thinks that within the district assembly budgeting system there is a component of community-initiated projects or assemblies support to communities' projects, whereby district assemblies are advised to set aside this component of their budget to support communities that want to initiate or execute their own projects. He thinks part of this component of budget should be used to support GGHSP projects. He added that, the monies the assemblies have to use on the project is not much and also because of the usual weak Ghana cedis against the dollar, contingency does not arise as there is rather exchange gain than exchange loss. He mentioned that even if

the assembly after growing the application process is not successful, they don't lose much compared with the budget available to them unlike the NGOs.

In northern part of Ghana most of the recipients of GGHSP are NGOs while in southern Ghana, most of the recipients of GGHSP are local governments (district assemblies). Mr. Aidam explained the problem is that the district assemblies do not know about the existence of GGHSP project that is why they do not apply for the grant, citing that when he worked in the northern part of Ghana (Nanumba North District), he did not know about this grant until he came to work in southern Ghana. (In northern part of Ghana, NGO's share information about GGHSP among themselves which explains how they get the information while the district assemblies seem, the few that may know about GGHSP do not share the information with other district assemblies.)

Mr Aidam noted that district assemblies no matter where they are in Ghana are better positioned and have advantage over NGOs regarding GGHSP projects. He mentioned that NGOs may have difficulties in getting some of the documents like building permit, population of the project community etc. requested for the application process unlike the district assemblies who are the issuers of the documents or have such information available to them (it may look like the GGHSP process is designed with the district assemblies in mind and not the NGOs as it favors district assemblies and not NGOs). He also mentioned that unlike the district assemblies raising funds by the NGOs is always a problem. Even though, NGOs any have funding sources the donors may not want the NGOs to use their funds to fund another donor's project. This is a big challenge for the NGOs. He said that he knows some NGOs that applied but had to abandon their application process along the way because they lacked the funds they had to commit to the project. He advised that since the project benefits the district and the assembly also take some credit for the project, if they NGOs partner or liaise or work with the assembly, the challenges the NGOs face will be lessened since the assembly can easily provide all the necessary documents and even supporting with some funds. The challenge will be how the NGOs relate to assemblies and how they can work together on GGHSP project.

The Project for Construction of CHPS Compound at Kobeda in the Kintampo Municipal Assembly has improved lives in the community especially in the area of access to healthcare. Before the project Kobeda and other surrounding communities did not have a health facility and therefore had to travel more than 15 km to Kintampo town to access healthcare. Also, the nature of the road to Kintampo was also a challenge. So most of the time when someone was sick the person had to be carried on a motorbike including pregnant women in labor. In 2017 after the completion of the project, OPD attendance stood at 337 in the CHPS compound, 2018 it was 417, 565 in 2019 and 2020, it was 670. The Kintampo Municipal Assembly aside the CHPS project in Kobeda community, has also applied for another GGHSP grant to upgrade an existing CHPS to a Health Centre at Babator in the same municipality and are at the final approval stage.

However, the people who live the Kobeda community and its surroundings have financial challenges. The people are mainly food crop farmers although some people from outside the communities have started cultivating large scale cash crops like mango and cashew which employ very few people. The farmers in these communities do not have money to get farming inputs and when they are able to produce, the bad roads to the major marketing centers also present a huge challenge. In the end middlemen are the ones who profit from the labor of the

farmers leaving the people still poor. The CHPS compound is on the National Health Insurance Scheme (NHIS) and therefore those who are able to register can access the facility. The main challenge is when they have to buy drugs that are not covered under the NHIS.

Appendix 17: Summary of Interview with Mr. Gershon Tудоabor, Development Planning Officer of South Tongu District, Volta Region on 1st February, 2021 from 1am to 1:30am by phone call (recorded audio)

(on the Construction of school block at Sogakope District Primary School C in Volta Region)

The South Tongu District Assembly got to know about GGHSP when the District Chief Executive in search of funding for the construction of a school block discussed with a friend who told him about GGHSP grant by the Government of Japan.

Mr. Gershon mentioned that although the district assembly did not face major challenges with the application process, sometimes finding money to cater for some aspects of the application process was a challenge especially the banking fee. He noted that the assembly had to “misappropriate” some funds for that and had to reinstate that when they got money sometime later as community-initiated project support. He mentioned that the district also lacked logistics and getting an official fueled vehicle to travel to the Embassy was a challenge. Mr. Gershon wished the duration of the application process is shortened, for instance if the final approval of the grant could be decentralized to the Embassy. He mentioned that the district assembly would not have been able to provide the school block by its own finances without the support of GGHSP, although the assembly also provided furniture and funded a toilet facility for the school with support of the Embassy.

Before the construction of the school block, the students were in a dilapidated structure. Whenever it rained school had to close to avoid the structure collapsing on the children. The rain water also eroded the floor of the classrooms. After the project, all these challenges have been addressed.

According to Mr. Gershon, parents in the community are not always able to provide all the school needs of their wards.

Appendix 18: Summary of Interview with Mr. Saddique Watara, Project Officer of Edufund in Wa Municipal, Upper West Region, on 29th January, 2021 from 12:00am to 12:45am by WhatsApp (recording failed)

(on general view of the GGHSP and GGHSP school block project in Dignafro in Upper West Region)

Edufund is established in 1995 as a membership NGO to help improve education in the Muslim communities in the Wa Municipal and has now extended its activities to other areas in the region and even non-Muslim communities. The NGO had been obtaining regular funding support from Ibis Foundation to run and development the organization. Members also contribute financially to the activities of the organization.

Discussing about the GGHSP, Mr. Watara noted that the speedy implementation or specifically construction of the GGHSP project is one good point of the GGHSP. However, he pointed out that the aspect of the GGHSP application process whereby the applying organization was supposed to bear the cost of banking fees should be reviewed to reduce the burden of organizations applying for the grant. He had suggested that that amount which is in US dollars which when converted to Ghana cedis is a lot of money presents a challenge for the applying organization. He, therefore, suggested that the grant amount should include the banking fees. Which may imply that the Japanese Embassy should be opening the bank account for the project, though in the name and with the involvement of recipient organization. He also mentioned that the GGHSP should also commit some funds to organizational development of the grant recipient organization which includes support for training and capacity building. Although the GGHSP process mentions that soft components like workshops and training can be supported when it is considered important and urgent. However, it does not include hard components which may equally affect recipient organization's abilities to implement projects successfully which looks like something Mr. Watara wants to be included in the grant process. He cited that Ibis Foundation provided the motorbikes his NGO is using for their activities.

Regarding whether NGOs should partner district assemblies to get some support including financial support to lessen burden and challenges of the NGOs when applying for GGHSP, Mr. Watara mentioned that, that may not be possible because of mistrusts between NGOs and district assemblies. He mentioned that already NGOs activities usually are frustrated by district assemblies. He also expressed concern about whether the NGO or the district assembly or both will be the signatory in such partnership. He also mentioned that district assemblies would want to have financial control of the grant and that may create a problem with the NGOs. Mr. Watara also said if the district assembly will seek to have control over the project but that will lead to poor quality projects. He mentioned that NGOs partnering with district assemblies will give the NGOs more problems than the NGOs doing it by themselves.

Despite the challenges Mr. Watara identifies with the GGHSP project, he said his organization will be willing to apply for the grant. For him, the costs that the applying NGO is supposed to bear during application and implementation of the project can be obtained through the financial contributions made by the members of the NGO.

About the basic school project at Dignafro implemented by LifeCare Ghana, another NGO in the Upper West Region, through GGHSP funding, Mr. Watara mentioned the project was well implemented although his organization was not involved in the implementation process but invited to the inauguration of the project. He thinks that although the community is deprived and lacks many things, the project was the number one priority for the community to help improve education as the community did not have a good structure for the school and lacked furniture, so children had to bring chair from home and those who did not have chairs had to sit or lie on the classroom floor. For him, children's education is the most important thing for development of the community.

Mr. Watara also talked about the Dignafro community as a deprived community whose livelihood is mainly farming with some women walking six kilometers to Wa daily to work as head porters. Since the economic conditions of the people are bad, many parents find it difficult to provide the educational needs of their wards. While some children wear tattered uniforms to school, others do not have uniforms at all. Generally, teachers have to overlook parents'

inability to provide school needs for their children. He mentioned therefore that there is a need to improve economic activities in the community to increase parents' income to be able to take care of their children's needs including school needs.

Appendix 19: Summary of Interview with Mr. Emmanuel Kwashie Fugah, Chief Executive Officer of Community Youth Development Foundation in Kintampo Municipal, Bono East Region, on 8th February, 2021 at 11:23pm by email attachment

(on general view of the GGHSP and GGHSP CHPS project in Kobeda, Kintampo Municipal)

CYDEF has been mainly engaged in Health, Education, Good Governance, advocacy, Child's rights and environmental activities it's a national Organization in character operating in four regions so far and has been properly registered with the Registrar General and the Social Welfare Department. The operations of the NGO cover the Kobeda community where a CHPS compound project funded by GGHSP is located.

Mr. Fugah mentioned that the GGHSP project in the Kobeda community has positively impacted on the peoples' lives and relief them from their economic burdens. The project also stopped them from traveling many kilometers to access health care. The project is helping save time to concentrate on their businesses and save money for other economic activities. However, he added that the economic situation of the people hinders them from adequately access and benefit from the project. Mr. Fugah said that addressing the health status is paramount, the road network leading to the community is very bad that affect the health and economic situations. Mr. Fugah wished his NGO was included in the project processes which was not the case although his NGO works in collaboration with the Kintampo Municipal Assembly. He added that the Municipal Assembly is ever ready to continue with that collaboration and releasing any document that helps to reduce such burdens. He also expressed that his NGO will be interested in applying for GGHSP projects.

Appendix 20: Summary of Interview with Mr. George Osei-Bimpeh, Country Manager of SEND Ghana (NGO) on 5th February, 2021 from 7:20 pm to 8pm by Zoom (recorded audio)

(on general view of the GGHSP in Ghana)

To start with, Mr. Osei-Bimpeh did not have anything wrong with the GGHSP process especially the aspect that requires the applicant (communities) to bear some costs in the process, although he mentioned it will present some challenge to very deprived communities.

Comparing Japanese aid with other donor countries, he mentioned that Japan seems to be more interested in demand driven projects, and therefore would like stakeholders which are recognized entities to approach them, like the district assemblies and particular NGOs that know how the Japanese aid system works. The advantage with this approach allows the people to take the initiative, allowing Japan to be flexible to responding to that. He mentions that he does not know how Japan's approach is but other development partners like USAID, UKAID do a political and economic analysis of the country and then prioritize areas they will want to work. Making their aid quite targeted even geographically. He mentioned that many of the

current USAID projects are focusing on the north of Ghana, Canada is also interested in northern Ghana as well as the UKAID despite other projects across is also focusing on northern Ghana. This is because of the critical need to address spatial inequality and all forms inequality. He mentioned that the Japan's aid does not seem to be targeting and depends on which local body is able to proactively approach them and they respond. So, it can be said that while other development partners look at a particular target Japan's look at what a particular community wants. It may well be that it is not well targeted as it is based on the proactiveness of the institutional body applying for the fund. He also mentioned that nevertheless, community level NGOs that may understand the situation of the community may not have the capacity to apply for Japan's aid.

Mr. Osei-Bimpeh mentioned that the long duration of the application process of Japan's aid is not peculiar as it seems to be the same process of other development partners.

He also mentioned that the US for instance work with many US and other international NGOs as well as the UK, which is not so seen with Japanese aid.

He mentioned that Japan's aid working with recognized institutions like district assemblies and registered NGOs, the underlining assumption is that district assemblies especially are in tune with need and aspirations of the communities which can be wrong because it may happen that they may prepare a proposal with the community without fully consulting them to set the priorities especially regarding the weaknesses of the decentralization framework in Ghana which does not allow for the anticipated bottom up process to happen. This may create a situation where aid provided may not meet the needs of the community people.

He mentioned that the US sometimes to ensure community participation in the project will request some contribution of the community in the project. However, he was not sure to what extent what background checks are done to ensure the priorities of the community.

He mentioned that many development partners consult with Civil Society Organization in developing their development programs, which Japan does seem to involve.

On the issue of whether NGOs should partner district assemblies for GGHSP projects, he said district assemblies sometimes also have capacity problems. There could also be some challenges of sidelining or crowding in and crowding out.

He concluded that the Japanese aid principle of self-help is important in defeating "welfare mentality" as it imposes some responsibility on the community and enhances the idea of collective ownership. However, it is discriminately in the sense that the applicant should have some social capital, economic power and capacity to access it which goes against the extremely poor who would have needed some equity consideration. So, in the end it creates some inequities.

He also mentioned the need for more community engagement which Japan should consider to promote the idea of self-help to ensure community commitment and ownership which will help address some of the challenges applying organizations go through that eventually affect the project.

Appendix 21: Summary of Interview with Nana Mensah, Journalist and TICAD participant (TICAD IV and V) on 18th August 2021 from 8: 30pm to 10pm by WhatsApp.

Nana Mensah highlights the importance of trade as an economic tool for advancement of any country. He redefines trade, recognizing how complex it is in the modern world. This, he elaborates as far different from the African concept of trade with limited economic viability as in the era of barter trade. He goes on to express that his criticism of aid in his book, *Beyond Senses* published in 2019, does not imply that aid should be removed completely but just to stress the importance, superiority and reliability of trade over aid. He mentions that the impact of aid has been minimal in Ghana and Africa as a whole, adding that no country can live on aid. In this regard, Nana Mensah thinks TICAD's new approach to shift focus from aid to trade and investment is the way to go to assist Ghana and Africa's development.

On the issue of TICAD's shift possibly deepening spatial inequality in Ghana, Nana Mensah mentioned that, the northern part also has economic potential that should be researched. He draws attention to the fact that the north has been supplying some food item to the south. For him, through research, trade can be made an effective economic tool in the north as equally as the south. He adds that the northern part of Ghana is endowed with many resources, the land and water bodies, that are yet to be tapped and the human scale in the northern part of Ghana cannot be underestimated. He indicates that the local government system must be restructured to be more business driven than political and administrative to attract businesses including the north. This he believes should come from a long term comprehensive economic transformation agenda from the government that will engender the local government to take the steps to attract businesses. He however, mentions some of the challenges of setting up business in the north like transportation links and telecommunication challenges. In a nutshell, this will require a deliberate effort for about a twenty year period, which will depend hugely on Ghana government. He highlights a number of lessons that can be learned from Japanese industrialization. He mentions that it is important Ghana is more sophisticated and realistic about its own development course and agenda. He further points out the need for the government to build capacity of businesses and address issues of businesses. He also mentioned the media could also play an important role in sensitization on TICAD, business capacity building and others.

Mr. Nana Mensah shares his experience at TICAD V where for him TICAD's shift towards trade and investment seemed to have come as a surprise to both African leaders and other participants from Africa. This is because, including himself, before leaving Ghana as a journalist and even other Ghanaian private sector, were not aware of this shift in TICAD, for which they would have discussed (discussion forums and write-ups) and prepared in advance. They were expecting the usual announcement of aid by the Japanese government to Africa which did not happen and this seemed a surprise and disappointment on the faces of African leaders present. Which was an indication African leaders before arriving in Yokohama were also not aware of this shift. He thought this raise some questions. He added that TICAD's shift to trade and investment like other themes that are generated at TICAD must be African or Ghanaian owned, as the whole TICAD process seeks to do. However, he praises the private sector participation that TICAD's shift brings about.

He, nevertheless raise some challenges with this new approach by TICAD regarding organization and the economy. He expresses worries about partnership between Japanese big companies that are very present and active in Ghana, due to different levels of operational skills, ability and organization of Ghanaian businesses. He thinks that such partnerships cannot happen now due to their sheer different sizes and capabilities. He calls for the need to develop the capacity and caliber of Ghanaian businesses so that they can match with Japanese companies to be able to partner. He goes on to say that by that TICAD's shift was a bit drastic and dramatic.

He concludes that the ownership aspect of TICAD is very important and specifically lauded the concept of TICAD focusing on the private sector. He adds that Africa and Ghana for that matter should be strategic. In that case, the Government of Ghana has huge responsibility and role to play. He also encouraged the Government of Japan to assist Ghana in developing a data base on the kinds of economic players and business potentials Ghana has to be able to see what business matching and partnership that can be done between Japan and Ghana, paying attention to the kinds of businesses that can be drawn from Japan. He also encouraged that some African participants at TICAD could be engaged in terms of sharing ideas.

Appendix 22: Summary of Interview with Mr. Michael Senayah, Trade Attaché of the Embassy of Ghana in Japan and Participant of TICAD VII on 26th August 2021 at 1:20pm by Email.

1) Japanese companies like Degas Ghana Ltd. are making great strides in northern Ghana, does Ghana consciously encourage Japanese companies to establish in northern Ghana or the choice is in the hands of the company to decide where to establish?

Ans. It all depends on the type of company and business to be established. Basically, companies are advised either to set up close to their source of raw materials or where they can make the most impact etc. and secondly, extra incentives are offered to companies/ businesses which decide to set up at remote parts of the country.

In view of the above, one can say that the Ghana government does not consciously encourage Japanese companies to establish in the Northern part of Ghana, but then various options and incentives are presented for the entrepreneurs to decide where to place their businesses.

3) There is the view that economic investments, both public and private, should build on existing ones to achieve faster economic growth instead of trying to create new ones at new places which may take a longer time achieve the outcome? What is your opinion on that?

Ans. If by "building on existing economic investments" mean expanding on that particular investment, then I agree with the statement that it will lead to achieving a faster economic growth as compared to creating new ones at new places, which might take a longer time to achieve the same outcome. But then if by "building on existing economic investments" mean the initial investment failed and now one is thinking of whether to build the same investment at the same location or to invest some place else, then it I will say my response will depend on certain factors.

- I. If the conditions that led to the failure of the initial investments are still pertaining, then it would be better to create the new investment at a new place where the needed and favourable environmental conditions are available....

II.

6) What do you think of TICAD shifting focus from human development aid to promote economic development aid, trade and investment, and what do you think are the prospects for countries like Ghana?

Ans. TICAD has shifted its focus from ‘human development aid’ to trade and investment because both parties (African countries & Japanese government) have come to realise that over the years, human aid development has not really helped any African country in terms of economic growth. Hence the focus is for African countries to partner with their Japanese counterparts in the Private sector to add value to their natural resources. The issue of investing in Africa’s infrastructure has also come to the fore.

Note: All times are Japan times

Appendix 23: AGREEMENT FOR INTERVIEW FOR PhD THESIS (For Semi-Structured and Qualitative Research)

Preamble

This is an agreement to seek your consent to be interviewed for the purpose of academic research being conducted by me, Stanislaus Acquah (interviewer), a PhD student of Utsunomiya University, Japan. The interview will be in relation to my research titled, **“Japan’s Support for Ghana’s Development through TICAD: In an “Unfair” Global Economic System”**. The purpose of the interview is to get data to complete my thesis which is a requirement for my graduation. This research work also seeks to add to knowledge in academia, promote Ghana-Japan relations, and Ghana’s development. For that matter, your ability to grant interview will be of immense and valuable support for my research work and what my research work seeks to achieve. This research has been approved by Utsunomiya University, Research Ethics Committee, with number: **H19-0042**

I assure you that;

- a) Your privacy and your opinions are respected
- b) There will be no prejudice on the basis of your background
- c) Information collected will be used solely for the purpose of the research
- d) Your identity in the research work will be revealed only based on your request
- e) Your responses will be shown to you as they appear in the work for confirmation
- f) Personal issues will not be demanded
- g) All effort will be made to ensure that you are not hurt psychologically, emotionally or physically in relation to the interview and the research work
- h) Recording of your interview and taking of your photo will only be done based on your permission

Sign:

Stanislaus Acquah (Interviewer)

PhD Student

Utsunomiya University, 0081 (0) 50-6873-3415, 00233 (0) 266-415844,
stanacquah@gmail.com

Date:.....

Sign:

Interviewee's name:

Affiliation/organization:

Position:

read and

Date:.....**explain to them in a language they can**

understand

Phone Number and Email Address:

For further information, please contact Stanislaus Acquah (Interviewer) on
stanacquah@gmail.com, Phone Number: 0081 (0) 50-6873-3415

For any complaints, please contact my PhD supervisor, Dr. Kumiko Sakamoto, Associate
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