

Post-colonial economic legacies in ghana and india

[Finance](#), [Investment](#)



When surveying the international arena, it is immediately evident that certain countries are closer to the ideal type of a just society than others. Investigations and explanations of this observation that fail to take into account colonial relations and their lasting legacies miss a crucial part of the puzzle. In examining the cases of Ghana and India in their contemporary context, we encounter an amalgamation of factors resulting in their current underdeveloped (as Gunder Frank terms it) states. Following Gunder Frank's analysis, this will be a primarily economics-centered discussion with obvious political and sociocultural aspects; the merits and drawbacks of such an economically deterministic theory will not be addressed specifically — hopefully, the reasons for such an approach will become evident as the argument progresses. Undeniably, the evolution of both countries following independence took place along with remainders of colonial structure that had lasting effects on the functioning of independent economy and society at large. To claim that they were the only factors at play is simplistic, however. Traditional modes of living, ineffective government, drought and natural disaster, militaristic and nationalistic tendencies, and global political climate also have played a role. In light of and with full acknowledgement of this confluence of factors, I propose that the primary reason for both of these countries' relative (to the West, not each other) underdevelopment is their location within a metropole-satellite power dynamic that subverts their national needs to those of primarily Western economic concerns, with present-day economic differences between India and Ghana being explained by their unique geographies, traditional values, and most importantly, post-independence governments (Chazan and Pellow 1986, Fitzgerald 1967,

Gunder Frank 1966). These Western concerns have taken such wide-ranging forms as altruistic ideologies of development, IMF and World Bank projects, international trade blocs, aspects of urbanization, and many more (Ranganathan 2003). The economic prospects for India and Ghana today look vastly different by many conventional measurements. India is often presented as a burgeoning, rapidly modernizing country that is soon to compete with the likes of China and the U. S, while Ghana (if spoken about at all) is the site of instability and regression (Herbst 1993, Vicziany 2005). India's GDP is in fact increasing rapidly each year, while Ghana's is stagnant by comparison (Vicziany 2005, World Bank 1984). Foreign investment in India is rising while investors see little incentive to finance ventures in Ghana (Raj 2006). Outside the economic sphere, Indian government is relatively stable compared to seemingly continuous Ghanaian upheaval (Herbst 1993). These are legitimate observations with explanations that will be subsequently elaborated. But to what extent are these observations only partial representations of complex dynamics that are more similar in many ways than conventionally thought? Upon giving due credence to basic concerns such as food, water, healthcare, and housing we can begin to see the ways in which these two countries are similar. Once we have established the nature of these fundamental similarities, we can begin to understand their relationship with each country's economic history. This will give us a basis upon which to explain possible differences that we encounter between the two countries. Both India and Ghana are agriculture-based economies with histories deeply rooted in subsistence agriculture (Hopkins 1973, Philip's 2008). After the sharp decline of cocoa prices in the 1960s led to crisis in a

Ghana that depended on revenue from exporting cocoa to purchase imported foodstuffs, Ghanaian policy shifted towards more self-sustaining agricultural practices (World Bank 1984). Cocoa still being a major part of Ghana's economy not only shows the overall failure of these policies, but is representative of the thorough internalization of colonial interests into Ghana's economic functioning as a monocrop satellite (Chazan and Pellow 1986, Gunder Frank 1966). There are various other factors (the nature of cocoa production, black market sales, international market fluctuation, profits obtained from alternatives, labor required to grow alternatives, capital investment needed for a switch) contributing to the persistence of cocoa in Ghana's economy, but the fact remains that cocoa production and exportation would never have assumed such a central role in the economy had British rule never occurred — the plantation system and its associated market were solidified during that period (Fitzgerald 1967, Gunder Frank 1966). Following Gunder Frank, those who did in fact make the switch back to more subsistence-type agriculture did so because of the decrease in demand for cocoa (Kay 1972). Where Gunder Frank is questionable is in his assumption that all areas have been in contact with imperial markets — this may simply be a lack of specification on his part, however (1966). In either case, North Ghanaian regions that are isolated today remain so because of failed British efforts to incorporate them into the empire, not because of a lack of demand for their products or productive capacity (Chazan and Pellow 1986). India's large size and resultant climactic variation was beneficial in that it allowed for its agricultural sector to maintain more regional variation. Of course, India's economy was subverted to British interests during colonial

rule, but this heterogeneity made it much easier for India to be relatively self-sustaining in this sector during its isolationist period (Raj 2006). Population issues, rampant poverty, competition with subsidized Western produce, its geography, and climate change make it difficult for India to be entirely self-sustaining nowadays, but it has clearly benefited from not having to undergo massive agricultural overhaul in the way that Ghana will likely have to do in the near future (Raj 2006). It must also be kept in mind, however, that the green revolution and ensuing foreign capital investment has led to a large segment of India's agricultural sector taking up rice production; what this means for the country's economic future remains to be seen (Philip's 2008). Issues with access to water in both countries is an issue that is largely a result of imperial rule. Sources such as wells, streams, rain collection, plant and animal sources, etc. for millenia have been traditionally accessed; if these ran out, groups could physically move to alternatives. With the advent of urbanization, innocuous in and of itself, these points of access were undercut as increasing numbers of individuals and industry necessitated immediate access to water on a previously unimaginable scale. Imperial rule concentrated loci of power in areas that came to become modern cities (Kay 1972). As this urbanization process occurred slowly over time and there was little immediate incentive for the British to do so, issues such as city planning and water access were not explicitly addressed in regards to future concerns (Kay 1972). Urbanization would have likely occurred had imperial rule not taken place, but in a much different fashion that gave adequate attention to issues such as water access. This legacy is why we see projects such as the Sardar Sarovar even being conceivable.

Such massive projects are advanced for the so-called common good under a cloak of " progress. " (Roy 1999) Urban water need is a real issue- India's mostly rural population is becoming increasingly urbanized in large part because of its West-oriented service sector, and lifestyles are becoming increasingly water-intensive (Philip's 2008). But the myopic vision of such projects fail to take into account environmental concerns, consider that dislocated individuals move to urban areas and only further the problem, and question Western motives for so hastily supporting these projects (Maitra 2009). In reality, the project allows for Western financiers such as the IMF and World Bank to profitably supply vast quantities of money to projects that supply Western industry with water and allow unheeded advancement of India's West-oriented economy (Ranganathan 2003). In examining the Indian government's handling of these projects, issues of national policy vs. implementation, a lack of public accountability, poor policy formation, and the use of force to suppress dissent are brought to the forefront (Ranganathan 2003). Many of these same issues were present in Ghana's formulation and implementation of the Volta River Project (Chazan and Pellow 1986). Foreign investment spurred its formulation and execution, with many promises of its utility to the country made to a government that did not adequately research the project or have popular support for it (Chazan and Pellow 1986). The massive electricity jump from the dam had little real benefit for the country (Chazan and Pellow 1986). What the project did allow for was a massive infusion of Western capital that indebted the brand-new Ghanaian government to Western institutions at a point in time right before its economy would suffer a major hit in the decline of cocoa prices in 1965

(World Bank 1984). What this meant for future policy was that many successive loans had to be taken out in order to pay old debts instead of funding projects (Chazan and Pellow 1986). This massive deficit persists today (Geography of the World 2009). The disparity we encounter between contemporary Ghana and India's respective economic prospects turns out to not merely be a superficial one, then. Ghana is still hindered by a monocrop export-oriented economy, huge deficits, importation of necessary foodstuffs and primary goods, large amounts of oil exportation, a lack of intra-national capital infusion, poor urban housing, decrepit transportation and telecommunications infrastructure, cultural suspicion of modern medicine, and an active underground market (Chazan and Pellow 1986, Herbst 1993, World Bank 1984). Meanwhile, India must deal with urban housing, unemployment, water access, energy supply, roads, displacement, and healthcare issues (Maitra 2009, Philip's 2008, Raj 2006, Vicziany 2005). There is indeed significant industrial growth occurring in India — however, it must also be kept in mind that poverty has not been adequately addressed (Philip's 2008). In other words, this economic growth has had little actual benefit for the vast majority of India's population. Ghana's struggle began with a post-independence CPP government that squandered the opportunity the international pan-African and post-colonial climate provided, the country's vast natural resources, mass political engagement, high education rate, and initial capital by spending too much on imported goods and expanding too quickly and in the wrong sectors (Chazan and Pellow 1986, World Bank 1984). The successive regime shifts and corruption further worsened things by failing to maintain any political consistency and potential

realization of goals (Herbst 1993). India, in its isolationist policy post-independence, allowed for pressing internal needs to be handled before entering into a global environment that subjected the country to certain parameters of development (Gunder Frank 1966, Ranganathan 2003). This isolationist policy served its purpose until external competition, markets, and capital infusion became necessary. Looking at India's example and taking into consideration the plethora of factors that were in Ghana's favor leads to the conclusion that the post-independence governments are to be held primarily accountable for Ghana's current state of affairs. It could be argued that Ghana's post-independence government is entirely to blame, but it seems as though this would be akin to assuming the government came into power in a vacuum and with a blank slate of a country to work with. Similarly, one could claim that traditional values and their clash with "development" is the root of Ghanaian problems. The difficulty would then lie in formulating a convincing account of why Ghanaian values, or their interaction with modernity differ in ways as to explain the discrepancy with India's progress. Lastly, assertions of a strictly neo-colonial nature could be made (Hobson 1902). These would stress the importance of Ghana's monocrop, export-oriented economy and argue that switching to a more tenable state is impossible in a global capitalist environment. Isolationist policy would have to be problematized on a basis such as a lack of competition, capital, markets, or suitable geography. Acknowledging the complicity of Ghana's governments in fostering the country's current-day situation by no means diminishes the impacts imperial legacies have had on the country. Both India and Ghana's governments were born into

environments imbued with the lasting economic, social, and psychological impacts of imperialism. How each government saw those legacies at play in their own functioning along with their handling of their location within a global context, especially immediately following independence, largely contributed to their countries' post-independence development.

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Professor Alisa Gaunder Comparative Politics I have acted with honesty and integrity in producing this work and am unaware of anyone who has not.

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