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ANTICOLONIAL CAPITALISM: HOW GHANA CAME TO EMBRACE MARKET-LED DEVELOPMENT THEORY (THE 1970s-1990s)

ABSTRACT

The shift from the Keynesian welfare state to the neoliberal market society is understood to have taken place in the Global North between, the 1970s and the 1990s while the Global South was forced to accept the economic liberalization and austerity, as devised by the World Bank and the International Monetary Fund (IMF). This article redresses this imbalance by studying how African economists, sociologists and politicians in Ghana co-wrote neoliberal development theory, co-created an anticolonial definition of capitalism and shaped Ghanaian diplomacy which sought to create a different kind of economic order. When Jerry Rawlings staged his final coup in 1981, he transformed from someone with vague socialist sympathies into a leader who spearheaded market reform and applied for loans from the World Bank and the IMF. Rather than a cynical move to retain power, this article argues he and his advisers were part of a broader intellectual shift in which African Socialism, dependency theory and Marxism were rejected as ineffective. Instead, the market came to be wielded as a new weapon for anti-colonial liberation in the 1970s and 1980s. Principal thinkers with a connection to Rawlings were Jonathan H. Frimpong-Ansah, Kwesi Botchwey and James C.W. Ahiakpor. They are analysed in this article which explores the intellectual foundation of a political regime that fundamentally changed Ghana in the 1980s.

KEYWORDS: *capitalism, dependency theory, International Monetary Fund, Jerry Rawlings, Keynesianism, neoliberalism, World Bank,*

In June 1979, Makola Market, the biggest and most renowned marketplace in Accra, was

stormed and destroyed by Flight Lieutenant Jerry Rawlings during his first coup, which toppled General Fred Akuffo's Supreme Military Council. Akuffo had come to power a year earlier. Market women, an enormous political and economic force in Ghana, were accused of driving up the price of everyday goods and services. The storming of Makola was part of a longer struggle within Ghanaian society over access to commodities and consumer markets, a battle the colonial government had already been caught up in.¹ "We had to order the destruction of the markets", Rawlings claimed, "because if we hadn't, a good number of women would have been killed" by the people who, "saw market women as their immediate exploiters".² Fashioning himself a revolutionary with socialist sympathies, Rawlings wanted to limit the influence of these women and stabilise Ghana's economy. In September 1979, Hilla Limann, who had worked at the Ministry of Foreign Affairs between 1965 and 1968, was elected President on the ticket of the People's National Party with support from followers of former Ghanaian President Kwame Nkrumah.³ On 31 December 1981, he was overthrown by Rawlings who was disappointed with the regime's economic results. Instead, Rawlings created Workers' Defence Committees and People's Defence Committees which were hugely unpopular because of their coercive price control policies. In 1983 he, therefore, made a monumental decision that would come to mark his time in office until his departure in 2001. The flight lieutenant and his advisers began negotiations with the World Bank and the International Monetary Fund (IMF), two Western-dominated Bretton Woods institutions – named after the place where they were founded in 1944 – that provided loans but in return, demanded structural adjustments such as austerity and privatisation of state infrastructure and services. Nevertheless, Rawlings still stressed that his revolt was a revolution of Ghanaians.⁴

Rawlings' shift from socialist revolutionary to market enthusiast is difficult to understand. Immediately after the revolution in 1982, African commentators like Ebenezer Babatope in Nigeria accepted the official

1 B Murillo, *Market encounters: Consumer cultures in twentieth-century Ghana* (Athens: Ohio University Press, 2017), p. 3.

2 J Rawlings and B Gullahorn Holecek, "Paying the piper", *Transition* 62, 1993, p. 164.

3 D Rothchild and E Gyimah-Boadi, "Ghana's return to civilian rule", *Africa Today* 28 (1), 1981, pp. 3-16.

4 S Chan, *African political thought: An intellectual history of the quest for freedom* (London: Hurst, 2021), p. 86; G Scott-Smith and JS Rofo (ed.), *Global perspectives on the Bretton Woods Conference and the post-war world order* (London: Palgrave Macmillan, 2017), pp. 1-10; M Alacevich, *Political economy of the World Bank: The early years*, trans. Bruno Paravia (Stanford, CA: Stanford University Press, 2008), pp. 1-20; K Bayliss, B Fineand E Van Waeyenberge, *The political economy of development: The World Bank, neoliberalism and development research* (London: Pluto Press, 2011), pp. 1-15; JR Vreeland (ed.), *The IMF and economic development* (Cambridge: Cambridge University Press, 2003), pp. 1-20.

narrative and claimed Rawlings' power grab, "represented a continuity of the socialist African revolution".⁵ In the 1990s, the debate centred on the question of Rawling's sincerity. He was seen as somebody who was, "selling out of his early ideals", with profound consequences for Ghana's economy, but also as someone whose neoliberalism – a highly contested term, referring to market-oriented reform policies – earned him immense support, especially among the rural-based electorate.⁶ The influence of his advisers was analysed, and the ideological struggle between different factions within the Provisional National Defence Council was reconstructed. In 1995 Africanist Paul Nugent concluded Rawlings' "startling transformation" was not simply, "the result of a betrayal", but sprang from the increased influence of technocrats in his government.⁷

In 2001, the return of democracy, and in 2020, after his death from a COVID-19 infection, Rawlings became cast as a towering technocrat: a skilled administrator with no ideological convictions who embraced neoliberal policy prescriptions.⁸ The technocratic and pragmatic label stuck, despite the broad acknowledgement that Rawlings' policies were based on neoliberalism, a political philosophy associated with policies of economic liberalisation, including privatisation, deregulation, globalisation, free trade, austerity and reductions in government spending in order to increase the role of the private sector in the economy and society. Conceptualised by monetarists, like Milton Friedman, who sought to control the supply and demand of money as a key determining factor of the economy it rose to prominence in the 1970s and 1980s as economies were gripped by stagflation: a situation where prices keep rising while economic growth stagnates. According to Friedman, it was an oversupply of money that was to blame for inflation. The Chicago School, Friedman's neoclassical school of economic thought associated with the work of the faculty at the University of Chicago, rejected Keynesianism, which believed in the management of demand through deficit spending, whereby

5 E Babatope, *The Ghana revolution, from Nkrumah to Jerry Rawlings* (Enugu: Fourth Dimension Publishers, 1982), pp. 1-10.

6 J Hart, "The complicated political legacy of Jerry Rawlings", 30 May 2019, <<https://africasacountry.com/2019/05/the-complicated-political-legacy-of-jerry-rawlings/>>, accessed 11 March 2022; D Green, "Ghana's 'adjusted' democracy", *Review of African Political Economy* 22 (66), 1995, pp. 577-585.

7 P Nugent, *Big men and small boys: Power, ideology and the burden of history in Rawlings' Ghana, 1982-1994* (London: Frances Pinter, 1996), p. 124; J Herbst, *The politics of reform in Ghana, 1982-1991* (Chapel Hill, NC: University of North Carolina Press, 1993); K Bofo-Arthur, "Ghana: Structural adjustment, democratization, and the politics of continuity", *African Studies Review* 42 (2), 1999, pp. 41-72.

8 *The New York Times*, 12 November 2020; DA Donkor, *Spiders of the market: Ghanaian trickster performance in a web of neoliberalism* (Bloomington: Indiana University Press, 2016).

a government would go into debt to stimulate demand. Demand, according to Keynes, led to recession if it was too low or inflation if it was too high.⁹ In the course of the 1980s, neoliberalism was most famously promoted and implemented by President Ronald Reagan in the United States and Prime Minister Margaret Thatcher in the United Kingdom and was adopted by the World Bank and the IMF.¹⁰

What is overlooked, however, is how Rawlings' policy change was part of a wider ideological shift that marked the Global South during the 1970s and 1980s. In Africa, high-profile reports mirrored the new wind that was blowing through the continent. The World Bank's Berg Report of 1981 – officially named *Accelerated development in Sub-Saharan Africa: an agenda for action* – criticized African governments for their ineffective governance. The report justified the Structural Adjustment Programs while the Organization of African Unity (OAU) in 1980 made the case for economic self-reliance and resistance to the free market according to Kwaku Baprui Asante, a diplomat during the Nkrumah regime.¹¹ Nevertheless, the Lagos Report still identified the expansion of markets as the solution to underdevelopment, particularly the, "establishment of an African Common Market leading to an African Economic Community".¹² Market-based development, austerity and "Structural Adjustment Programs", it will be argued here, were not only forced upon a recalcitrant Global South by the Global North as claimed by activists and academics such as Joseph Stiglitz, who was the World Bank's Chief economist from 1997 to 2000. Stiglitz deplored the ideological zeal of the neoliberals behind the Washington consensus, a term devised in 1989 which referred to the World Bank's reform package which he argued led them to ignore the need for new institutions and regulations.¹³

9 D Harvey, *A brief history of neoliberalism* (Oxford: Oxford University Press, 2007), pp. 1-3; R Leeson, *The eclipse of Keynesianism: The political economy of the Chicago counter-revolution* (Houndmills: Palgrave MacMillan, 2001), pp. 1-15; R Cord and JD Hammond, *Milton Friedman: Contributions to economics and public policy* (Oxford: Oxford University Press, 2016).

10 F Bartel, *The triumph of broken promises: The end of the Cold War and the rise of neoliberalism* (Cambridge: Harvard University Press, 2022); MB Steger and RK Roy, *Neoliberalism: A very short introduction* (Oxford: Oxford University Press, 2010); C Moore, *Margaret Thatcher: The authorized biography: from Grantham to the Falklands* (New York: Random House, 2015); M Schaller, *Ronald Reagan* (Oxford: Oxford University Press, 2011); Bayliss, Fine, and Waeyenberge, *The political economy of development*, pp. 1-10.

11 KB Asante, *African development: Adebayo Adedeji's alternative strategies* (London: Hans Zell Publishers, 1991), p. 60.

12 Organisation of African Unity, *Lagos plan of action for the economic development of Africa 1980-2000* (Addis Ababa: Organisation of African Unity, 1980), p. 5.

13 G Standing, "Brave new words? A critique of Stiglitz's World Bank rethink", *Development and Change* 31 (4), 2000, p. 740.

Reliance on the market was not a hypocritical or misguided move by Rawlings. Rather, African leaders, economists and intellectuals in the 1970s and 1980s increasingly began to embrace – what is termed here – anticolonial capitalism, an economic philosophy in which the market became a new weapon of anticolonial liberation. Economists and development experts did not see a contradiction in their overture towards the World Bank and the IMF. They wanted to overcome the ineffectiveness of dependency theory and African Socialism and tried to return to neoclassical economics, concerned with the efficient allocation of limited productive resources, while they influenced policy-making.

Nevertheless, scholars have told an altogether different story. Sociologists and anthropologists have long been critical of the Global North imposing its economic priorities regardless of local contexts. Graham Harrison, for instance, argues neoliberalism in Africa, “was not an indigenously conceived project by any stretch of the imagination” while Aihwa Ong’s ethnographic study traces how, “neoliberal exceptions to business as usual” are, “reconfiguring relationships between governing and the governed” in Asia.¹⁴ Historians have paid a lot of attention to the modernisation projects that were spearheaded by the Cold War superpowers and former imperial powers in the 1950s and 1960s. The focus is on understanding how postcolonial societies were remade along the norms and practices of the West and how they shaped the Global Cold War.¹⁵ The 1970s and 1980s emerge as an era in which state-led modernisation theory failed to deliver on its promises and community-based approaches gained popularity.¹⁶ The role of private enterprise in development aid is obscured, even though neoliberalism seeped into the policies of Reagan and Thatcher. What did a market-based development aid look like?

Conversely, the intellectual history of neoliberalism and capitalism in the Global South focuses on the Anglo-European core and has only recently begun to pay attention to local histories and ideas in African and European

14 G Harrison, *Neoliberal Africa: The impact of global social engineering* (London and New York: Zed Books, 2010), p. 38; A Ong, *Neoliberalism as exception: Mutations in citizenship and sovereignty* (Durham: Duke University Press, 2006), p. 3; J Ferguson, *Global Shadows: Africa in the Neoliberal World Order* (Durham N.C.: Duke University Press Books, 2006); N Poku and J Whitman, *Africa under neoliberalism* (New York: Routledge, 2017); J Mensah, *Neoliberalism and globalization in Africa: Contestations from the embattled continent* (London: Palgrave MacMillan, 2008); P Konings, *The politics of Neoliberal reforms in Africa: State and civil society in Cameroon* (Leiden and Bameda: African Books Collective, 2011).

15 N Gilman, *Mandarins of the future: Modernization theory in Cold War America* (Baltimore: The Johns Hopkins University Press, 2004).

16 D Immerwahr, *Thinking small: The United States and the lure of community development* (Cambridge: Harvard University Press, 2015).

countries.¹⁷ However, the link with policy-making in the Global North remains obscure, and localised narratives of the Global South are not coupled with the emancipatory Afro-Asian liberation project. The Eurocentrism is most striking in the different analyses of the Chicago Boys, a group of Chilean economists who were trained at Chicago University by Milton Friedman. They are seen as passive recipients of an economic doctrine developed in the U.S. even though Angus Burgin has complicated that single origin story.¹⁸

Free-market enthusiasts in the Global South are seen as class traitors by neo-Marxist authors,¹⁹ while Global Cold War historians see this embrace of capitalism as a strategic choice in the East-West Struggle.²⁰ Area specialists consider market-led development ideas to have a marginal influence. Enthusiasm for neoliberal ideas is therefore understood as an extension of colonial economic structures. As Muriam Haleh Davis writes, the “market economy” in Algeria was introduced by the French who wanted to, “modernize society and discourage anticolonial nationalism”.²¹ Similarly, the New International Economic Order (NIEO), a proposal by developing countries to overturn unequal global trade relations, is claimed to be following North-South lines, with economists in the US and Europe opposing it and those in the South supporting it. However, African economists began to question the NIEO’s feasibility in the course of the 1970s and 1980s while Africanists like John Iliffe made a case for the existence of an indigenous capitalism in his 1983 classic *The emergence of African capitalism*. African entrepreneurs were regarded to be inadequate capitalists by critics on the right as commentators on the left argued an, “autonomous and creative African capitalism was simply impossible because of the dominance of competing international firms”.²² Iliffe,

17 Q Slobodian and D Plehwe (ed.), *Market civilizations: Neoliberals east and south* (Brooklyn: Zone Books, 2022); J Martin, *The meddlers: Sovereignty, empire, and the birth of global economic governance* (Cambridge: Harvard University Press, 2022).

18 V Brender, “Economic transformations in Chile: The formation of the Chicago boys”, *The American Economist* 55 (1), 2010, pp. 111-122; A García, *The political economy of the rise and fall of the Chicago boys* (Cambridge: Centre of Latin American Studies, University of Cambridge, 1983); A Burgin, *The great persuasion: Reinventing free markets since the depression* (Cambridge: Harvard University Press, 2015), p. 4.

19 V Prashad, *The darker nations: A people’s history of the Third World* (New York: The New Press, 2007); V Prashad, *The poorer nations: A possible history of the Global South* (London: Verso, 2012); W Rodney, *How Europe underdeveloped Africa* (revised edition, Dar es Salaam: Tanzania Publishing House, 1972).

20 OA Westad, *The Cold War: A world history* (New York: Basic Books, 2017).

21 MH Davis, *Markets of civilization: Islam and racial capitalism in Algeria* (Durham: Duke University Press, 2022).

22 J Iliffe, *The emergence of African capitalism* (London and Basingstoke: Palgrave MacMillan, 1983), p. 75.

however, shows that African businessmen were probably less dependent on foreign capital than was commonly believed.²³

Thinking about the intellectual genealogy of anticolonial capitalism in Africa and Ghana in particular highlights how a global intellectual history of inequality, has to critically reflect on geography and not assume economic ideas about the free market emerged in similar ways around the globe.²⁴ Conversely, the colonial division between the Global North and South did not mean economists, development theorists and politicians in Africa automatically rejected capitalist and market-driven solutions to underdevelopment. The following pages will demonstrate how new definitions of inequality, equity and equality were developed in the work of African economists who were disappointed by Marxism and unhappy with the crude concepts put forward by Dependency theorists and Keynesian development economics. Particular attention will be paid to the writings of Jonathan H. Frimpong-Ansah, Kwesi Botchwey and James C.W. Ahiakpor. At the same time, the connection between the Rawlings regime and these thinkers who were trying to figure out new routes to development will be analysed. In that way, the intellectual foundation of a political regime that fundamentally changed Ghana will also be explored.

1. THE 1970s: THE EMERGENCE OF ANTICOLONIAL CAPITALISM AND THE FIGHT AGAINST CORRUPTION

The origins of capitalism as an economic system in Africa are murky. For Kenya, for instance, Apollo Njonjo claimed the Mau Mau uprising was an anti-capitalist rebellion by dispossessed Kikuyu, whereas Michael Cowen saw the anticolonial activists as frustrated members of the bourgeoisie who wanted to free themselves from the constraints imposed by the colonial order.²⁵ Nevertheless, what was at stake in the 1970s was not the question if links with precolonial social structures existed, but what the liberationist qualities

23 Q Slobodian, *Globalists: the end of empire and the birth of neoliberalism* (Cambridge: Harvard University Press, 2018), p. 23; A Getachew, *Worldmaking after empire: The rise and fall of self-determination* (Princeton: Princeton University Press, 2019), pp. 142-75; Iliffe, *The emergence of African capitalism*, pp. 1-22, 75; S Amin, *Le monde des affaires Sénégalais* (Paris: Editions de Minuit, 1969).

24 CO Christiansen and S Jensen (ed.), *Histories of global inequality: New perspectives* (Basingstoke: Palgrave MacMillan, 2019); T Piketty, *Capital in the twenty-first century*, trans. A Goldhammer (Cambridge: Belknap Press, 2014).

25 Iliffe, *The emergence of African capitalism*, p. 31; AL Njonjo, *The Africanisation of the "White Highlands": A study in agrarian class struggles in Kenya, 1950-1974* (PHD, Princeton University, 1977), pp. 10-12.

of the market were. Could market capitalism be relied upon to sustain the anticolonial struggle and create prosperity?

While theorists such as Alexander Neville in South Africa and Cedric Robinson in the United States, turned to racial capitalism in their attempt to explain wealth disparities, African politicians and economists in countries that had already attained independence were developing their own indigenous form of anticolonial capitalism.²⁶ In 1983 Robinson explained in *Black Marxism* that capitalism's requirement for inequality historically coalesced through racial practices that developed between and among people, all of whose descendants may well have become white. Neville, who published under the name No Sizwe, argued, "racism" had, "been to the development of capitalism in South Africa what the doctrine of individual rights" had been, "to the development of capitalism in England and France".²⁷ Racial inequality was thus seen as a necessary condition for capitalism to work. However, in Ghana, that connection was severed, and a development theory rooted in free enterprise and privatisation was worked out by theorists and tested by politicians. The turn to the market as a weapon of liberation was by no means a linear evolution to an African free-market consensus, even within Ghana. In the 1990s neoclassical economics as preached by George Ayittey, a Ghanaian economist working in the U.S., still coexisted along with the work of anthropologist and sociologist Kwesi Kwaa Prah who worked in South Africa and made the case for the importance of African culture. Moreover, Ayittey rejected World Bank intervention while Prah was critical of African leaders.²⁸

Nevertheless, the 1970s marked a difficult new phase in the economic and political history of Ghana and independent Africa in general.²⁹ On 24 February 1966, as he arrived in Beijing, Nkrumah learnt he had been deposed and replaced by the National Liberation Council (NLC), a military government. In a report entitled *Nkrumah's subversion in Africa*, the NLC explained how the Ghanaian leader had funnelled funding away from Ghana's development towards, "amazing fabulous wealth" while beginning,

26 J Leroy, "Racial capitalism and black philosophies of history". In: J Leroy and J Destin (ed.), *Histories of racial capitalism* (New York: Columbia University Press, 2020), pp. 169-84; CJ Robinson, *Cedric J Robinson: On racial capitalism, black internationalism, and cultures of resistance*, 2nd ed. (Chapel Hill, NC: The University of North Carolina Press, 2019); N Alexander, *One Azania, one nation: The national question in South Africa by No Sizwe* (London: Zed Press, 1979), p. 38.

27 Alexander, *One Azania, one Nation*, p. 105.

28 ML Guichon, "(Black) neo-colonialism and rootless African elites: tracing conceptions of global inequality in the writings of George Ayittey and Kwesi Kwaa Prah, 1980s-1990s", *Intellectual History Review*, published on-lines, doi: 10.1080/17496977.2021.1913390, accessed 10 June 2022.

29 G Austin and G Serra, "West Africa". In: V Barnett (ed.), *Routledge handbook of the history of global economic thought* (New York: Routledge, 2015), pp. 243-56.

“to dream of himself as the ruler of all Africa”.³⁰ The civilian government led by Kofi Abrefa Busia, elected in 1969, introduced austerity measures inspired by the IMF, which alienated the farmers and the middle class that were most heavily affected. In 1972, Busia was overthrown in a coup by General Ignatius Kutu Acheampong. In response, Nkrumah published an open letter in which he told Busia he, “was a complete failure on the political scene”.³¹ Acheampong’s government was overthrown by General Akufo in 1978. The constant coup threat made all these governments sympathetic towards the free market and privatisation and the promise of foreign investments it implied required to keep their regimes afloat, but at the same time made them hesitant about the devaluation of the cedi, the national currency.³² Post-Nkrumah politics was invested in finding a new development model that could outperform African Socialism, the sharing of economic resources in a pre-colonial African way while debating to what extent African socialist regimes had actually been Marxist.³³ Modernisation theory, which claimed that an attachment to tradition caused underdevelopment, and dependency theory, which argued underdevelopment is rooted in the peripheral position of affected countries in the world economy, had both proven to be ineffective in delivering material affluence.³⁴

Jonathan H. Frimpong-Ansah, Governor of the Bank of Ghana between 1968 and 1973, wanted to search for an alternative path to prosperity. Frimpong-Ansah attended Odumase Krobo, a Presbyterian Secondary School, and studied statistics at the London School of Economics in the 1950s. He trained in monetary economics at the IMF between 1961 and 1962 and obtained a PhD at the University of Salford in 1989.³⁵ As one of the most famous neoclassical economists in Africa, he argued underdevelopment

30 *Nkrumah’s subversion in Africa: documentary evidence of Nkrumah’s interference in the affairs of other African states* (Accra: Ministry of Information, 1966), p. iii.

31 K Nkrumah, “A letter of consolation to dr. Kofi A. Busia: on the coup in Ghana”, *The Black Scholar* 3 (9), 1972, p. 26.

32 *Nkrumah’s subversion in Africa*, p. iii.

33 Classic works concerned with discussing issues of “authenticity” and classifying different forms of African socialism include WH Friedland and CG Rosberg, Jr. (ed.), *African socialism* (Stanford: Stanford University Press, 1964); CG Rosberg and TM Callaghy (ed.), *African socialism in Sub-Saharan Africa: a new assessment* (Berkeley, CA: University of California, 1979); ARM Babu, *African Socialism or socialist Africa?* (London, 1981); D Ottoway and M Ottoway, *Afrocommunism* (New York: Africana, 1981); G Serra and F Gerits, “The politics of socialist education in Ghana: The Kwame Nkrumah Ideological Institute, 1961-6”, *The Journal of African History* 60 (3), 2019, pp. 407-28.

34 WW Rostow, *The stages of economic growth: a non-communist manifesto* (Cambridge: Cambridge University Press, 1960); I Wallerstein, “Africa in a capitalist world”, *Issue: A Journal of Opinion* 3 (3), 1973, pp. 1-11.

35 Kwadwo and Amma Frimpong-Ansah, “Jonathan Frimpong-Ansah”, 19 May 1999, <<http://jhfrimpong.ansah.com/>>, accessed 9 June 2022.

resulted from too much state intervention. Only, “free market forces, together with the focus on the private sector” could be, “an engine of growth” and, “place the continent on a new and stable long-term growth path” Frimpong-Ansah claimed.³⁶ “The state economic machinery” had to be placed on the same, “efficient basis” as the, “private sector” to be effective.³⁷ Marxism, in contrast, was, “unable to offer adequate economic reward to the worker”. Admittedly, Keynesianism was better at, “retaining the self-interest of the individual as the primary force in national economics”, but the state was still involved in manipulating, “the level of investment in order to maintain fuller employment” with deficit spending during recessions.³⁸ The Keynesian approach was therefore still considered deficient.

Nevertheless, for Frimpong-Ansah the solution to African development did not lay in an adoption of a “monetarist economic model”, the neoliberal solution of the 1970s. The, “greatest virtue” of monetarism was, “the enforcement of fiscal and monetary discipline”, but Frimpong-Ansah believed the theory could only work, “in the short term” and was, “less suited to growing economies”.³⁹ To apply an economic model and jump-start development, an, “economic system” had to be, “compatible with the selected political philosophy”.⁴⁰ Frimpong-Ansah, while critical of state intervention, was only interested in adopting parts of the neoliberal doctrine. What neoclassical Ghanaian economists were promoting, therefore, was not the neoliberalism of the North, not the universality of free markets, which economist Albert Hirschmann called “mono-economics”.⁴¹ In the South, the power of markets had to be harnessed, but Africa’s historical condition mattered.

To determine what Ghana’s appropriate development model was, economists had to rely on science. Frimpong-Ansah claimed economics as a discipline had to be, “backed by a good statistical collection, compilation, computation and research system”. This last part of Frimpong-Ansah’s development model required more attention and care from academics and practitioners since, “the professional practice of economics” was in dire need of improvement. He argued, “special facilities for the training of economists” and a greater emphasis on the, “development of an up to standard statistical class” were required for economics to become a professional undertaking.

36 EP English and HM Mule, *The African Development Bank* (Boulder: Lynne Rienner Publishers, 1996), p. ix.

37 JH Frimpong-Ansah, *Annual alumni lecture: Economic advice, the giver, the receiver and the national interest* (Accra: Ghana University Press, 1980), pp. 9, 13.

38 Frimpong-Ansah, *Annual alumni lecture*, p. 2.

39 Frimpong-Ansah, *Annual alumni lecture*, p. 3.

40 Frimpong-Ansah, *Annual alumni lecture*, p. 6.

41 P Streeten, “Development economics: The intellectual divisions”, *Eastern Economic Journal* 11 (3), 1985, pp. 235-47.

Unproven economic development theories had flourished, and economic research had been of such poor quality that dependency theorists and Marxists could not be disproven. Nkrumah and Busia, therefore, had not intentionally destroyed Ghanaian development but were in a hurry to develop the country even though they had, “little resources at their disposal”.⁴²

Frimpong-Ansah’s work incorporated elements of rational-choice institutionalist political economy, an approach to the study of institutions which argues actors are affected by organizations which they on their turn try to use to maximize their utility.⁴³ Consequently, the poor performance of postcolonial Ghana was explained as the cumulative outcome of corruption and policy decisions to satisfy unproductive urban constituencies rather than farmers. Corruption was problematic because it weakened, “the public sector services” that were required, “to support economic modernization”.⁴⁴ The key to development, therefore, lay in a fight against corruption and a shift from industrialisation to agriculture and individual initiative. The rent-seeking behaviour of an elite in Accra meant inequality had become politically anchored, making it difficult to address with economic measures alone. Ghana, in his view, had over-taxed the cocoa industry in order to fund rapid and, all too often, inappropriate development projects that were in the short-term interest of the ruling class. Other Ghanaian economists in the diaspora, such as George Ayittey, Kwesi Kwaa Prah and James C.W. Ahikpor agreed.⁴⁵ African neoclassical economist Ahikpor claimed the, “less privileged in society were getting relatively poorer as foreign-exchange, price, and import-control systems, meant to alleviate the growing poverty of the majority of the population, benefited a select few with connections to people in government and the control agencies”.⁴⁶

Frimpong-Ansah’s conclusion that governmental fraud was a major cause of underdevelopment dovetailed with Rawlings’ populist anticorruption anti-*Kalabule* discourse. *Kalabule* – probably a translation of the Hausa expression *kere kabure*, “keep it quiet” – entered the Ghanaian vocabulary and referred to profiteering.⁴⁷ After his first coup attempt against Akuffo in May

42 Frimpong-Ansah, *Annual alumni lecture: economic advice*, pp. 9, 13.

43 RL Calvert, “The rational choice theory of institutions: implications for design”. In: DL Weimer (ed.), *Institutional Design* (Dordrecht: Springer, 1995), pp. 63-94.

44 JH Frimpong-Ansah, *The vampire state in Africa: The political economy of decline in Ghana* (Trenton: Africa World Press, 1991), pp. 35.

45 J Toye, *Dilemmas of development: reflections on the counter-revolution in development theory and policy* (Oxford: Basil Blackwell, 1993); G Austin, “National poverty and the “vampire state” in Ghana: a review article”, *Journal of International Development* 8 (4), 1996, p. 555; Guichon, “(Black) neo-colonialism and rootless African elites”, p. 4.

46 JCW Ahikpor, “The success and failure of dependency theory: The experience of Ghana”, *International Organization* 39 (3), 1985, p. 539.

47 Nugent, *Big men and small boys*, p. 38.

1979 Rawlings and other officers of the underground Free Africa Movement were sentenced to death in a Court Martial and imprisoned. During the trial, Rawlings won public sympathy by appealing to the growing despair among Ghanaians who were struggling to survive. In one of his speeches in court, he recalled his anger, “way back at... school” where he, “realized the extent of corruption and injustices in the Nkrumah regime”.⁴⁸ A month later he was freed from prison and staged a second coup. Acheampong, Akuffo and six others faced a firing squad, an event often referred to as a “house cleaning”. A civilian government led by Hilla Limann, elected in September 1979, had to do away with corrupt military personnel. In December 1981 Rawlings established his own government, which Nugent has termed a “caretaker regime”: a regime that watches the state while a civilian government can prepare to take over.⁴⁹

During those turbulent years, Frimpong-Ansah was in a position to influence policy. In 1971 he became the informal head of the Harvard Development Advisory Service (DAS), a group that did not only have close ties to the World Bank and the IMF but also acted as the principal adviser to the Economic Committee of the National Liberation Council which had come after Nkrumah. He negotiated Ghana’s debt situation with the British, the IMF and the World Bank and established himself as Busia’s “alternate Minister of Finance”.⁵⁰

A return to the market then was seen as the best way to abandon “ideology” and address the issues that dependency theory had been unable to tackle. According to African neoclassical economists like Frimpong-Ansah, the market had a different function in the Global South than in the Global North. As Quin Slobodian shows, neoliberal theorists from the Austrian School and the Chicago School viewed the market as a means to insulate actors from democratic pressures in a series of institutions from the IMF and the World Bank. In the Global South, however, the market became a tool to increase democratic governance and fight corruption.⁵¹ Moreover, the intellectual framework of market-led development began to filter into policy-making with initiatives emphasizing free enterprise such as the creation of the African Regional Centre for Consultancy and Industrial Management Services.⁵²

48 Quoted in: JCW Ahiakpor, “Rawlings, economic policy reform, and the poor: Consistency or betrayal?”, *The Journal of Modern African Studies* 29 (4), 1991, p. 586.

49 Chan, *African political thought*, p. 85; P Nugent, *Africa since independence: A comparative history* (New York: Palgrave Macmillan, 2004), p. 216.

50 RT Libby, “External co-optation of a less developed country’s policy making: The case of Ghana, 1969–1972”, *World Politics* 29 (1), 1976, pp. 68, 70.

51 Slobodian, *Globalists*, p. 4.

52 *Organization of African Unity, Lagos plan of action for the economic development of Africa 1980-2000*, p. 4.

Neoclassical economists found, in Rawlings, a man sympathetic to their anti-corruption ideas. In August 1983 Rawlings rejected “empty theories” that promised equality but delivered corruption.⁵³ As head of the Provisional National Defence Council, he had instigated a dual process of economic and political reform in 1981.⁵⁴ That restructuring was initially meant to, “reduce our need of the IMF, by seeking alternative ways of production”.⁵⁵ Rawlings wanted to succeed where Nkrumah had failed and create a genuine socialist society. However, reforms were introduced, neoliberal solutions became more important and advisers like Kwesi Botchwey acquired more influence.

2. 1980-1985: THE REJECTION OF DEPENDENCY THEORY AND THE SEARCH FOR A NEW MARKET-BASED DEVELOPMENT MODEL

The different suggestions that were raised by the motley crew of anticolonial capitalist thinkers were applied to the Ghanaian reality by Kwesi Botchwey, Minister for Finance and Economic Planning from 1982 to 1995. After studying law at the Universities of Ghana, Yale and Michigan, he was appointed by Rawlings to assist with the stabilisation of Ghana’s collapsed economy. Like Frimpong-Ansah he also wanted to save development theory and economics from the clutches of dependency theorists, Marxists and Keynesian economists through a re-evaluation of statistics and the new science of market economics. In a press conference in 1986, he proclaimed, “I get bemused when people bemoan statistics (...) Isn’t it science, whether it is social or natural, based on some quantification?”.⁵⁶ As concluded by Gerardo Serra, the emphasis on statistics was part of a broader discourse of economic organisations such as the United Nations Economic Commission for Africa (ECA) in the 1970s and 1980s.⁵⁷ In the words of Nugent, “Botchwey sincerely believed he held the intellectual cards (or those that mattered) and

53 Ahiakpor, “The Success and Failure of Dependency Theory”, p. 537.

54 J.L. Adedeji, “The legacy of J.J. Rawlings in Ghanaian politics, 1979-2000”, *African Studies Quarterly* 5 (2), 2001, p. 4.

55 J. Williams, “The ‘Rawlings revolution’ and rediscovery of the African diaspora in Ghana (1983–2015)”, *African Studies* 74 (3), 2015, pp. 366-87; E. Hansen and P. Collins, “The army, the state, and the ‘Rawlings revolution’ in Ghana”, *African Affairs* 79 (314), 1980, pp. 3-23; E. Brown *et al.*, *Structural adjustment: Theory, practice and impacts* (Milton Park: Routledge, 2013).

56 *The state of the economy (1): address by dr Kwesie Botchwey, PNDC secretary for finance and economic planning at a press conference in Accra on Thursday, January 2, 1986* (Accra: Information Services Department, 1986), pp. 14-15.

57 G. Serra, “Development indicators at the United Nations Economic Commission for Africa, 1980-1990”, *Histoire & Mesure* 33 (1), 2018, pp. 149-72.

that his opponents were either ignorant or unwilling to come to terms with the objective facts of the situation". Botchwey began to borrow the language of donor agencies to appeal to them while simultaneously celebrating their emphasis on statistics in the making of economic policy.⁵⁸ Moreover, economic liberalism and neoclassical economics also provided an intellectual coherent reform program, something Ghanaian dependency theorists, Marxists and adepts of the Keynesian development model, in the words of Jeffrey Herbst, did not have.⁵⁹ The clear and simple messaging facilitated the promotion of Botchwey's ideas.

As an economist at the University of Ghana in 1977, Botchwey had already criticized "fangled vulgar Marxism", which referred to the spate of Afro-Marxist theories that had gained popularity in the 1970s. Marxism had been poorly executed, misunderstood and had been unjustly criticized as Eurocentric and static, by academics who did not understand Marx, he claimed.⁶⁰ In 1981, Botchwey flipped one of those vulgar Marxists theories, dependency theory, on its head in *Transforming the periphery*, a paper he wrote for the United Nations University. He argued, "social science" was in a, "general crisis" and criticized those scholars who considered the unequal economic structures of colonialism to be, "god-given" and precolonial African societies to have been, "classless".⁶¹ Those assumptions could not be statistically proven and therefore had to be taken with a grain of salt. The dependency theorists of the 1970s had a tendency to explain underdevelopment as the consequence of, "a centrifugal force", Botchwey pointed out, while they measured African social classes against the Marxist yardstick and ignored the, "role of the social forces".⁶² Instead of investing time and effort into theoretical discussions about developmental principles and the unproven workings of the global economy, researchers had to pay more attention to solving the situation on the ground where people were struggling to survive. In the early 1970s, he exclaimed, "the real question is what should a Marxist do when faced with the real situation in Ghana [...] the objective of feeding the people [...] not from the point of view of any ideal conditions existing in one's head, but the real conditions on the ground?"⁶³ The economic theory had to address Ghanaians' real-life problems.

58 Nugent, *Big men and small boys*, p. 131.

59 Herbst, *The politics of reform in Ghana, 1982-1991*, pp. 34-35.

60 K Botchwey, "Marxism and the analysis of the African reality", *Africa Development / Afrique et Développement* 2 (1), 1977, p. 15.

61 K Botchwey, *Transforming the "periphery: A study of the struggle of the social forces in Ghana for democracy and national sovereignty* (Tokyo: The United Nations University, 1981), p. 4.

62 Botchwey, *Transforming the "periphery"*, p. 11.

63 *Interview given to African News Wire Service in West Africa*, 28 January 1985 quoted in: Ahiakpor, "Rawlings, economic policy reform, and the poor: Consistency or betrayal?", p. 590.

In his telling of history, the Ghanaian economy had never been genuinely socialist: Nkrumah's African Socialism perpetuated, "the old relations of production" and did not create an anti-bourgeois working class, which became clear when the regime fell in 1966 and the opposition succeeded in uniting, "working classes" and, "petit-bourgeois students, traders, civil servants".⁶⁴ Marxist class analysis did not apply. The anti-Nkrumah coup, however, had been unable to solve Ghana's problems, Botchwey went on, because, "pre-Keynesian free enterprise" advocates had been strengthened instead of neoclassical free-market adepts like himself. Those capitalists had no anti-colonial credentials and only wanted to put the, "interests of foreign capital on firmer ground".⁶⁵ Botchwey, like Frimpong-Anshah, did not turn to the market because he rejected Marxism, but because he was disappointed with the results of applying those ideas to Africa. The market stood out as a shining beacon, a value-free alternative to development projects and political ideologies that had become self-referential and detached from the economic challenges they purported to solve. Nevertheless, the market could not work in Africa without adjustments. Instead of the, "highly paid Anglo-American liberalism", "the crude anti-Marxism of the right" and the, "neo-Marxist tendencies" of the left, Botchwey wanted to carve out a middle road.⁶⁶ What was needed was the creation of an indigenous capitalism which avoided imperial ties and theoretical sand castles alike.

The reconciliation of those opposing ideologies in the supposed objectivity of the market also served a political purpose. Rawling's Provisional National Defence Council had increasingly become hamstrung by the unresolved conflict between Marxists and free enterprise adepts who both were pushing their ideas for Ghana's future. Within the June 4 Movement (JFM) – which was the Provisional National Defence Council' core – the leftist members were pushed out at the end of 1982. The members of the New Democratic Movement (NDM) supported austerity but did not want to create the impression that they were capitulating to the Bretton Woods institutions. In the spring of 1982, Rawlings – who was given tutorials in economics by Botchwey – formed a National Economic Review Committee (NERC) to assess the economic situation. The Committee's leading economic advisor and former minister of trade, Dr Joseph Leo Seko Abbey, gathered evidence on Ghana's dire position and opened negotiations with the World Bank while also acting as a de facto think tank for economic reform. Rawlings, who had started out as a socialist, now publicly declared, "production and efficiency"

64 Botchwey, *Transforming the "periphery"*, p. 12.

65 Botchwey, *Transforming the "periphery"*, p. 13.

66 Botchwey, "Marxism and the analysis of the African reality", p. 15.

had to be, “our watchwords”; “populist nonsense” had to “give way to popular sense”; “There can be no ownership without production first”.⁶⁷

The Budget for the Economic Recovery Programme of 1983 was built on austerity measures and a devaluation of the cedi, the national currency, a radical move others had desperately tried to avoid. The programme had to attain stabilisation in the first year and was followed by a three-year rehabilitation programme. The budget’s language, an adoption of the structural adjustment jargon, signalled to the World Bank and the IMF that Ghana was ready to start negotiations. In 1987 Ghana implemented a second Economic Recovery Package but also introduced a Programme of Action to Mitigate the Social Costs of Adjustment. Emblematic for the reform programme was the lay-offs in the public sector, particularly the Cocoa Marketing Board, which famously had set prices for decades and had been a pivotal player in development policies.⁶⁸ For critics, like Kwame Ninsin, Head of the Department of Political Science at the University of Ghana, the budget’s greatest significance lay in the, “clear indication it gave of the government’s real ideological inclination against the working masses”.⁶⁹

Rawlings transformation into a market revolutionary is not unique. In central Africa, Zaire went through a similar transition. Mobutu Sese Seko’s prime minister, Léon Kengo Wa Dondo, appointed technocrats while supporting free-market reforms. In September 1983 the national currency, the Zaire, was devalued and salaries restricted to attract foreign investments and convince the IMF to extend its loans.⁷⁰ In French West Africa the market also emerged in full force. As minister of economics in Ivory Coast and advisor to the World Bank, Henri Konan Bédié pursued austerity.⁷¹ In the 1970s even Dar es Salaam, in Tanzania, the land of Julius Nyerere’s African Socialism, regained its position as the melting pot for the making of an African entrepreneurial elite which, in the process, also participated in the city’s commercialization and industrialization.⁷²

Market capitalism was also embraced in other parts of the Global South. In 1983 Indian-British neoliberal economist Deepak Lal criticized the

67 Quoted in: Nugent, *Big men and small boys*, p. 113.

68 B Agyeman-Duah, “Ghana, 1982-6: The politics of the P.N.D.C.”, *The Journal of Modern African Studies* 25 (4), 1987, pp. 630-631; Chan, *African political thought*, p. 87; Nugent, *Big men and small boys*, pp. 31-40.

69 KA Ninsin, “Ghanaian politics after 1981: Revolution or evolution?”, *Canadian Journal of African Studies / Revue Canadienne Des Études Africaines* 21 (1), 1987, p. 32.

70 G Kronsten, “A new economic direction in Zaire?”, *The World Today* 41 (10), 1985, pp. 188-90.

71 A Banga, “Dynamique et enjeux de l’évolution des relations sino-ivoiriennes (1960-2018)”, *Relations internationales* 178 (2), 2019, pp. 103-117.

72 CS Chachage, *A capitalizing city: Dar Es Salaam and the emergence of an African entrepreneurial elite (C. 1862-2015)* (PHD, Harvard University, 2018), pp. 1-25.

development economics of the 1950s and 1960s. Economic problems in the Global South do not result from, “inevitable imperfections of a market economy”, he claimed, but from policy-induced, “distortions created by irrational *dirigisme*”. “Market mechanisms” therefore had to be relied upon because they, “perform better in practice”.⁷³ When Michael Manley returned as Prime Minister of Jamaica in 1989 he abandoned his old democratic socialist beliefs and claimed, “the only damn thing you can do is to pursue the market logic completely”. By exposing the economy to, “the shock of competition”, a, “leaner but more enduring process of development” would be created. Manley believed the political project that had come out of dependency theory, the NIEO, was, “predicated on a fantasy”. Genuine equality was impossible.⁷⁴ This rejection of the economic possibility of equality became more outspoken in the second half of the 1980s.

3. 1985-1991: A STABILIZATION PROGRAMME FOR AFRICA AND A NEW TYPE OF EQUALITY

Rawlings’ experiment on its turn inspired scholarship. In the mid-1980s, Ghanaian theorists in the diaspora, like James C.W. Ahiakpor worked out a more elaborate critique of dependency theory and Keynesianism. Ahiakpor, an admirer of Adam Smith and critic of Keynes, was born in Ghana and is currently a Professor of Economics at California State University, East Bay. He received his PhD in economics from the University of Toronto and he has taught at Saint Mary’s University and the University of Ghana.⁷⁵ In his analysis, dependency theorists were amateur economists at best, false prophets at worst who did not understand, “neoclassical economic analysis”.⁷⁶ The condemnation of the, “unequal exchange” that characterized the international economy and the pursuit of, “justice and equity” were, “characteristics of the virtuous” and admirable, but misguided according to Ahiakpor who claimed effective development could never be painless. Neoclassical economists, unlike dependency adapts, understood foreign economic investments and the unbalanced trading position as a necessity for effective development.⁷⁷

73 D Lal, *The poverty of “development economics”* (London: The institute of Economic affairs, 1983), pp. 103-6.

74 Getachew, *Worldmaking*, p. 180.

75 Ahiakpor, “Rawlings, economic policy reform, and the poor”, pp. 583-89; J Ahiakpor, “On Keynes’s misinterpretation of ‘Capital’ in the classical theory of interest”, *Hope* 22 (3), 1990, pp. 507-28.

76 Ahiakpor, “The success and failure of Dependency Theory”, p. 538.

77 Ahiakpor, “The success and failure of Dependency Theory”, p. 538; Toye, *Dilemmas of development*, p. vii.

Ahiakpor argued Rawlings' initial repression of the market – exemplified by his raid of Makola Market – had, “only made matters worse” for the poor in Ghana. It was only after accepting help from the World Bank that things turned around. In an article in 1991, Ahiakpor defended the, “structural adjustment programme” in no uncertain terms. Economists had to pay more attention to the most urgent problems that needed solving not make a case for the, “collectivist case for income equality in the Third World”. Anticolonial capitalists saw themselves as the realists. “Would the economy have recovered as well”, Ahiakpor asked, “if the Marxist-Leninist alternatives being canvassed in 1982 had been adopted?”.⁷⁸ The application of Marxist development theories to Ghana's economic problems had actually increased domestic inequality since socialist central planning had produced modern oppressive native autocrats. Ahiakpor thus disagreed with Bissau-Guinean and Cape Verdean anticolonial thinker, Amilcar Cabral, who claimed that an indigenous bourgeois ignored genuine' national development. Nevertheless, even if Marxism had been applied correctly somehow and elites would not have been lured by corruption, it would still not have led to development.⁷⁹

Neoclassical economics, therefore, wanted to focus on a different type of equality: a more equal position of consumers and producers which would result in an alleviation of poverty. To achieve this the, “cumulative effects” of, “colonial passivity” before the 1950s and, “post-independence aggression” of the 1960s had to be alleviated by creating, “new philosophies on international trade and domestic development”. Key objective was getting the, “producer's interests” to become, “at least as respected as those of the consumer” and retain, “maximum producer incentives”.⁸⁰ In Africa that producer was the farmer, an often discussed figure in African development economics. In September 1987, to make his case, Frimpong-Ansah wrote about Arthur Lewis, the famous “patriarch of development economics” who had advised the Nkrumah government to pursue a dual-sector model. Lewis explained the growth of a developing economy in terms of a labour transition between two sectors, the capitalist sector and the subsistence sector. In practice, the model referred to the migration of labour from the rural agricultural sector to urban manufacturing. With land being a fixed resource, the surplus of

78 Ahiakpor, “Rawlings, economic policy reform, and the poor”, p. 584.

79 GBN Ayittey, *Indigenous African institutions* (Ardley: Transnational Publishers, 1991), 10; Ahiakpor, “The success and failure of dependency theory”, p. 537; Prashad, *The Darker Nations*, p. 28; P Chabal, *Amilcar Cabral: Revolutionary leadership and people's war* (Cambridge: Cambridge University Press, 1983), pp. 1-15.

80 Quoted in: JH Frimpong-Ansah, “Sub-Saharan Africa and the international trade system: Perspectives of policy”. In: JH Frimpong-Ansah and RSM Kanbur (ed.), *Trade and development in Sub-Saharan Africa* (Manchester: Manchester University Press, 1991), p. 67; See also: Frimpong-Ansah, *The vampire state in Africa*, pp. 33-34.

agricultural workers could be employed in industry, which would lead to an increase in production and higher wages. Governments, therefore, had to pay attention to their agricultural sector if they wanted to grow and not only pursue industrialisation because this would lead to labour shortages and an eventual crash. An expanded industrial sector would be unable to find labourers since they would still be working the land.⁸¹ Frimpong-Ansah, however, felt Lewis' stress on agriculture in development had not been adopted, to the detriment of Ghana's economy. "Lewis was concerned" he wrote, "that the rural economy which provided the bulk of the funds for development was not being permitted to make good development plans for themselves".⁸² Rawlings similarly saw, "cities" as, "nothing but parasitic entities" expressed his discomfort with the fact that, "the urban areas" in Global South, "had to rely upon and exploit the rural areas".⁸³

What caused underdevelopment, according to anticolonial capitalists, was thus not tradition nor the periphery-centre structure of the international economy but an obsession with equality. African economists who embraced "neoclassical economics" wanted to restore the position of private enterprise in the development policies of independent African states such as Ghana, as a way to alleviate poverty and create economic growth. African capitalists in the 1960s, like Felix Houphouët-Boigny of Côte d'Ivoire, had ostensibly claimed they were, "not socialists" and wanted their projects to be, "linked to a planned economy" only as a form of, "state capitalism".⁸⁴ African capitalists in the 1970s, in contrast, devised their own African theory of market-centred economic development which centred on stabilization: only by restoring the position of producers and fighting corruption, the national economy could be stabilized. Specifically, the number of people living in poverty would decrease if the market was strengthened because corrupt leaders who had sustained old development policies could be circumvented.

As market thinking became more ubiquitous in the 1990s, theorists also sought to embed the capitalist tradition within African history. "Like the classical development theorists", Frimpong-Ansah wrote, "the African leaders of the inter-war period" that had come before them had already, "recognised the importance of capital accumulation to development". In his reading of history, they had already focussed on, "modernization from the

81 M Figueroa, "W. Arthur Lewis's social analysis and the transformation of tropical economies", *Social and Economic Studies* 54 (4), 2005, pp. 72-90; RL Tignor, *W. Arthur Lewis and the birth of development economics* (Princeton: Princeton University Press, 2006); AW Lewis, *The theory of economic growth* (London: George Allen & Unwin, 1955).

82 JH Frimpong-Ansah, *Professor sir W. Arthur Lewis: A patriarch of development economics*, Salford Papers in Economics 87 (Salford: University of Salford, 1987), p. 32.

83 Rawlings and Holecek, "Paying the piper", p. 116.

84 Quoted in Nugent, *Africa since independence*, p. 138.

grassroots” and sought, “producer incentives to maximize productivity” and the, “promotional role of government” in areas such as farming and industry.⁸⁵ Even though these historical claims were meant to bolster his narrative, these were not completely unfounded. In the 1950s one of Ghana’s founding fathers and Nkrumah’s principal opponent, Joseph Boakye Danquah, had already argued that a liberal economic order was the only way forward since it was compatible with the so-called “traditional” Akan civilization, which from the 15th to the 19th century dominated Ghana.⁸⁶ Nkrumah’s rise to power had marginalised those voices which now re-emerged.

Those ideas about equality shaped Ghana’s involvement with the United Nations Conference on Trade and Development (UNCTAD). The first session of UNCTAD took place in Geneva between March and June 1964. One hundred twenty delegations participated, with over 4,000 delegates representing the 115 members of the United Nations, plus a number of international organisations. Among others, the World Bank, the IMF, the General Agreement on Tariffs and Trade (GATT), the European Economic Community (EEC), and the Council for Mutual Economic Assistance (CMEA) were all represented at the first UNCTAD conference.⁸⁷ The Secretary-General of the conference was Raúl Prebisch. Born in Argentina, he had worked with multiple governments in Buenos Aires as economic advisor since the 1920s. He became head of the Economic Commission for Latin America (CEPAL), a newly-formed UN agency based in Santiago, Chile. At CEPAL Prebisch further expanded dependency theory, which he had helped devise. As Secretary-General, he turned the UNCTAD into an embodiment of this trade and aid theory.⁸⁸

Kenneth Dadzie, who had been part of the Ghanaian diplomatic service since 1952, became UNCTAD’s Director-General for Development and International Economic Cooperation between 1978 and 1982. After Rawlings’s coup, Kofi Djinn – Director of the Bank of Ghana – became Ghana’s Representative at the seventh UNCTAD Round in 1987.⁸⁹ In that capacity both adopted and furthered the market-based approach to development which UNCTAD itself had begun to adopt in the 1980s. The trade and development

85 Frimpong-Ansah, *The vampire state in Africa*, pp. 32-33.

86 K Okoampa-Ahoofe Jr, *Dr. J. B. Danquah: Architect of modern Ghana* (Accra: iUniverse, 2005), pp. 1-20.

87 J Toyé and R Toyé, *The UN and global political economy: Trade, finance and development* (Bloomington, IN: Indiana University Press, 2004), pp. 184-205.

88 EJ Dosman, *The life and times of Raúl Prebisch, 1901-1986* (Montreal, QC: McGill-Queens University Press, 2008), pp. 7-272.

89 Proceedings of the United Nations Conference on Trade and Development, seventh session, 1987, <report and annexes: https://unctad.org/system/files/official-document/td352vol1_en.pdf>, accessed 2 February 2022.

report in 1992 claimed African economic performance was modest, except for countries where imports, “were facilitated by trade liberalization”. Economic growth was weak but, “structural adjustment programmes underpinned an above-average performance”.⁹⁰ Nevertheless, at the eight UNCTAD Round in 1992, Ghana’s representative argued UNCTAD had to change and assist in debt relief and diversification of production if it wanted to remain relevant. It showed how officials never uncritically adopted market liberalization despite their admiration.⁹¹ First and foremost UNCTAD measures had to support the privatisation of state enterprises, the banking sector reform, and the creation of a stock exchange in Ghana in the 1990s.

The main objective of Ghanaian market theorists in the 1990s became “stabilization”, which was in line with the technocratic mantra of the Washington Consensus, which wanted to “Stabilize, privatize, and liberalize”.⁹² With the transition from military rule to democracy in 1993 and the triumph of market liberalism at the end of the Cold War in 1989, a new enthusiasm for neoliberal economic reform took root. According to Frimpong-Ansah, the political economy of stabilisation was the most important aspect of the reform process that African economies had to go through. Focussing on external trade relations rather than internal reform had been a misguided move by dependency theorists since post-independence trade and development policies were largely the result of, “the perceptions by the immediate post-independence states in Africa” of the effects of colonial policies on the, “indigenous economy”. Instead, “political conviction”, the, “political authority to effect change” and the, “political ability to enforce change” had to be injected into African economies to make them perform better.⁹³ As director of the World Bank’s Africa Capacity Building Fund in 1991, he employed the neoliberal lexicon and argued that if the results of the reforms of the 1980s were to be safeguarded, African countries, the donor community, the international agencies and the multilateral institutions needed to redevelop, “human capital” and do, “capacity building”. Rather than address, “the whole problem” Frimpong-Ansah wanted to illustrate to the donor community what was

90 UNCTAD trade and development report, 1992, pp. 15-16, <https://unctad.org/system/files/official-document/tdr12_en.pdf>, accessed 2 February 2022.

91 Proceedings of the United Nations Conference on Trade and Development eight session Cartagena de Indias, Colombia 8-25 February 1992 Report and Annexes, 58, <https://unctad.org/system/files/official-document/td364rev1_en.pdf>, accessed 2 February 2022.

92 D Rodrik, “Goodbye Washington consensus, hello Washington confusion? a review of the World Bank’s ‘economic growth in the 1990s: learning from a decade of reform’”, *Journal of Economic Literature* 44 (4), 2006, pp. 973-987.

93 Frimpong-Ansah, “Sub-Saharan Africa and the international trade system: Perspectives of policy”, p. 37; JM Nelson, “The political economy of stabilization: Commitment, capacity, and public response”, *World Development* 12 (10), 1984, pp. 983-1006.

wrong. The Fund paid particular attention to policy analysis and development management.⁹⁴ By 1989 ideas about the developmental capacity of the market in North and South had converged.

4. CONCLUSION: INTERNATIONAL AND DOMESTIC EQUALITY AS THE CAUSE OF UNDERDEVELOPMENT

In the 1970s and 1980s, anticolonial economists in Ghana such as Frimpong Anshah, Botchwey and Ahiakpor, developed a new understanding of the development process that stressed anticolonial liberation could be attained by embracing the market and neoclassical economics. Whereas the theorists of high modernisation theory in the United States and Europe, such as Walt Rostow, had always had a fascination with Communism because of its potential for industrialisation and applauded the Soviet Union's forward-looking appeal, anticolonial capitalists in Ghana in the 1970s and 1980s could not look past the failed promises and Eurocentrism of Marxism and Keynesianism.⁹⁵ Dependency theory, despite its rejection of modernization theory, was also considered untrustworthy because it was static and rooted in Marxist ideals. Both theories had to be replaced with a market-based anticolonial capitalism that could stabilize the economy and support productive sectors of society, particularly agriculture. The cause of underdevelopment – according to anticolonial capitalists in Ghana – was an unrealistic pursuit of equality in international aid relations between rich and poor countries and within societies between consumers and producers. That dynamic became even more problematic because of corruption, one of the biggest dragons neoclassical economists sought to slay.

While more research is required, it is clear that in the 1970s and 1980s African economic development theories became more diversified. Theorists in South Africa, such as Neville Alexander who employed a racial capitalist framework, rejected the liberal analysis which claimed apartheid's racial inequalities could be reformed through the establishment of a better type of capitalism. The theorists in West Africa, particularly Ghana, in contrast, believed successful development and a better position in the global economy could only be attained if an anticolonial capitalist economy was created.

Anticolonial capitalism – the use of capitalism and the market as a new form of liberation – is a concept that is meant to capture the ambiguities of

94 CL Morna, "Interview: Jonathan Frimpong-Ansah: strengthening Africa's human resources", *Africa Report* 36 (4), 1991, pp. 28-30.

95 DC Engerman, *Modernization from the other shore: American intellectuals and the romance of Russian development* (Cambridge: Harvard University Press, 2004), p. 21.

market enthusiasts in Africa in the three decades after 1970. The activism of Frimpong-Anshah, Botchwey, Ahiakpor and others who were often trained outside of Africa, was not animated by anti-Marxism, but rather the product of disappointment. Socialist and Marxist ideas had been poorly implemented and had created a feeding ground for corruption. Moreover, the free market was not seen as a universal model that could be implemented in Africa. The advantages of the market, such as isolation from political decision-making and the prominent position of producers had to be promoted. However, not every aspect, for instance monetary politics, was applicable to the African reality. The study of capitalism and neoliberalism in the Global South should take the agency of actors in Africa, Asia and Latin America seriously to arrive at a more multifaceted understanding of the economic and social realities that marked the globe between the 1970s and the 1990s.