



REPUBLIC OF GHANA

NATIONAL DEVELOPMENT POLICY FRAMEWORK

VOLUME I

LONG-TERM DEVELOPMENT OBJECTIVES

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NATIONAL DEVELOPMENT POLICY FRAMEWORK

INTRODUCTION

In the final analysis, the aim and measure of development is the satisfaction of human needs - material and non-material - and the development of the potential of all members of society. This aphorism is affirmed by the Fourth Republican Constitution which enjoins the State to focus its development policy on the improvement of individual and social well-being as well as the maximization of human potential, in the process of, and as a contribution to, social and economic development. Within this context, and in the light of current social and economic conditions experienced by the majority of Ghanaians, especially those in rural areas, it is essential that we adopt a consciously and transparently human-centred development strategy which will more effectively promote economic growth and development as well as make all our citizens both the beneficiaries and creators of increasing national wealth.

By meeting social needs and promoting the creation of conditions that empower people, a human-centred development strategy also leads to a more rapid creation of opportunities for urban and rural productive employment in the secondary and tertiary sectors and, with accelerated expansion in the demand for food and agricultural raw materials, contributes to more rapid increases in agricultural incomes. In this context it must be emphasized that the human factor currently acts as a major constraint on development in Ghana and a pre-condition of accelerated economic growth is substantial investment in the development of human resources on which accelerated growth can be securely based and sustained.

The underlying goal of development, as stated in the National Development Goals, is to improve the quality of life of all Ghanaians by reducing poverty, raising living standards through a sustained increase in national wealth and a more equitable distribution of the benefits therefrom.

Ghana's development objectives are therefore not confined to economic development, still less to economic growth. Economic growth is a necessary condition for achieving the fundamental development objectives, but falls a long way short of a sufficient condition. It is a means to an end, not an end in itself. By itself it cannot ensure more equitable distribution of benefits nor a reduction in poverty: on the contrary, experience elsewhere shows that economic growth may coincide with increases in poverty and polarisation of incomes. Only by ensuring an equitable distribution of the benefits of development will it be possible to achieve a general improvement in human capabilities.

Improved human capabilities not only contribute to a better quality of life for all, but also reinforce the nation's capacity to achieve accelerated economic growth. Thus the conventional assumption of an antithesis between growth and equity is invalid, as improvements in equity help to reinforce growth capabilities.¹ The belief that concern for equity inhibits growth is only true when it takes the form of forced redistribution of income through expropriation, which is not sustainable. The World Bank study referred to in footnote 1 also demonstrate the effectiveness of public sector interventions in accelerating economic growth. Even the World Bank thus acknowledges that development cannot be left entirely to market forces, but emphasises that successful intervention by governments requires an efficient and highly professional and disciplined administration. The importance of the administrative underpinnings of development policy, which are all too often ignored, is thus highlighted in this policy framework.

The implications of the fundamental development objectives to development policies with respect to all aspects of development - macro-economic, production and technology, social,

¹ This is amply demonstrated by the experience of the fast growing economies of East Asia - vide World Bank, *The East Asian Miracle: Economic Growth and Public Policy* (New York: OUP 1993).

environmental, spatial organisation and public administration - are explained in detail in the relevant sections of the framework. These provide the basis for the formulation of specific development policies by the responsible agencies. These agencies will need to examine their existing policies in the light of the fundamental objectives and make any necessary adjustments. In particular, bearing in mind that all development activities are mutually inter-active, all agencies will need to take cognisance of each other's development objectives and ensure that policies are mutually reinforcing, not antagonistic.

CHAPTER 1

OUTLINE OF THE FRAMEWORK

1.1 Orientation

The National Development Policy Framework (NDPF) provides a framework for the guidance of sectoral agencies and District Assemblies in the preparation of policies and programmes for economic and social development. The NDPF marks a significant departure from previous approaches to national development planning in Ghana, in two important respects.

First, the Framework is based on a human-centred approach, whereas previous plans concentrated on economic development and tended to ignore or, at best, relegate to a minor role, the human factor in development and paid little attention to cultural norms and values or to the administrative, legal and political environment.

Secondly, the Framework emphasises the importance of a comprehensive and integrated approach to development. This is in contrast to previous plans which consisted of compartmentalised sectoral policies and programmes and only brought together statistically - but not operationally - when the sectoral programmes were amalgamated into a national development plan or programme.

Both these characteristics of previous plans are manifested in the public investment programmes (PIP). Not only are there no cross-references in the PIP between sectoral programmes, but these programmes reflect the somewhat arbitrary allocation of ministerial areas of responsibility rather than sectors of economic activity.

In recent years forward planning for development in Ghana has been largely replaced by economic management. This has been partly due to the success of the economic recovery programme (ERP) which, in a short space of time, was able to reverse a long-term decline in the country's economic performance. The ERP succeeded because of the espousal of well-designed macro-economic policies and the strong political commitment to their implementation. However, its very success engendered the belief that effective crisis management was sufficient to maintain the recovery. After 10 years of this approach there are clear signs that a longer term perspective is needed to ensure that current policies are capable of achieving continued development at an accelerating rate.

1.2 Time Horizons

The Framework provides for two time horizons, long-term and medium-term. The long-term horizon has been set at year 2020, or 25 years from the start of the programme in 1995. The purpose of the more distant time horizon is to provide an opportunity to set long-term objectives for development policies and to indicate the improvements in the quality of all aspects of life which all Ghanaians should be able to enjoy a generation hence. The long-term objectives can thus be regarded as signposts: they point the way along which development should proceed and act as guides for the formulation of the more detailed medium-term programmes.

The time horizon for the medium-term is five years. Policies will be implemented through five year rolling programmes (FYRP) which will be revised each year: the terminal date for the first FYRP is accordingly year 2000.

As far as possible the Framework indicates quantified long-term targets at which development policies should be aimed. However, the speed of progress in achieving specific targets will vary considerably and assessment of realistic medium-term objectives can only be made in the light of detailed knowledge of each area of development. For this reason the Framework has not attempted at this stage to indicate medium-term objectives and targets. These will be developed

2. NDPF - Long Term Development Objectives

by the various sectoral agencies and the District Assemblies in the light of their specialised knowledge of their respective sectors and districts.

The Framework does, however, provide an assessment of the current level of development in Ghana and of the principal constraints on development as a guide in setting medium-term objectives and strategies.

1.3 NDPF and PIP

The three-year rolling PIP has provided the basis for Ghana's development programmes since 1986. The PIP framework represented a major improvement in development management. It introduced a more disciplined approach to the formulation of proposals for development expenditure and laid down clear criteria for project selection. However, in addition to the defects mentioned above, the PIP relied exclusively on economic criteria, in particular the projected economic rate of return (ERR). Projects designed to produce quantifiable economic benefits were expected to produce an ERR of not less than 15%. However, apart from the conceptual problems associated with benefit/cost analysis, the ERR criterion could not be applied to projects whose benefits were in principle non-quantifiable or which could not be measured with any accuracy. This applied to most projects in the social sector and the criterion for their inclusion in the programme was the much weaker one of cost-effectiveness. Ideally, this requires an estimation of the costs of alternative methods of implementation, but in practice these are seldom if ever mentioned in the PIP project profiles. Reliance on narrowly economic criteria for the selection of projects for social development is also open to question and in reality it is doubtful whether they were applied systematically.

The primacy afforded to economic criteria in the PIP tended to favour "hard" projects - those with quantifiable ERR - over "soft" projects which were assessed only in terms of cost-effectiveness. This led to a bias against the social sector. For example, in the PIP for 1993-95 the allocation for social, administrative and cultural projects was less than 14% of the total planned expenditure, with the two major components, education and health, receiving 11%. The economic infrastructure was allocated 70% of the total, of which 22.5% was for roads and highways.

With the adoption of the NDPF, the PIP will be absorbed into the five year rolling programmes, under which the prime criteria for project selection will be conformity to development objectives. Where appropriate, economic criteria - ERR or cost-effectiveness - will be applied to projects selected on the basis of their positive impact on development to ensure that resources are being used to maximum effect. Given the emphasis in the framework on the human factor in development, this can be expected to result in a significant increase in the share of resources allocated to social development projects and, in particular, to health and education. It is relevant to note that the World Bank report on East Asia² concludes that "elevated rates of investment..... combined with rising endowments of human capital because of universal basic education, tell a large part of the growth story". A shift towards greater investment in the social sector can thus be expected to accelerate rather than retard the rate of economic growth.

1.4 Public and Private Sectors

A basic assumption underlying this framework is that the present policies with respect to the relative roles of the public and private sectors in socio-economic development will be maintained and strengthened. In accordance with these policies, government and government-controlled agencies will be primarily responsible for the improvement and expansion of the economic and social infrastructure, viz. all modes of transport facilities, electricity and water, telecommunications and postal services, educational and health institutions, etc., while at the same time encouraging

² see footnote 1.

supplementation of public sector activities by private initiative. Government will of course continue to be responsible for providing the country's legal and administrative framework, which will be adjusted where necessary to support the development effort and to meet the objective of facilitating private initiative. This will involve a major overhaul of both legislation and administrative practices which at present are still heavily biased towards restriction and regulation.

The development of directly productive activities with respect to both commodities and services will be the responsibility of the private sector, with government only retaining control or regulation of those activities which, in the national interest, cannot safely be left to the unfettered control of market forces. Since at present government is still heavily involved in the production and marketing of a wide range of commodities and economic services, an important medium-term objective is the acceleration of the divestiture programme.

1.5 Poverty

About 36 per cent of the Ghanaian population lives in poverty, with the incidence of poverty being greatest in rural areas where about 80 per cent of the poor are to be found.³ Furthermore, the depth of poverty is substantially greater in rural than in urban areas. Whilst being an overwhelmingly rural phenomenon, the distribution of poverty in Ghana is also characterised by significant regional and ecological variations. Geographically, the greatest incidence and depth of poverty is to be found in the Savannah belt, i.e., the Northern, Upper East and Upper West Regions (which account for nearly a quarter of all the poor and about one-half of the very poor in Ghana). The Volta Basin comes next in terms of the number of poor households, followed by the Mid-Coast region. About one-half of all the poor and nearly two-thirds of the very poor have been found to reside in these areas.

Poverty results from a complex interplay of economic, social, cultural and political factors and its manifestations can be observed along all of these dimensions. Perhaps the most obvious manifestations of poverty reveal themselves in economic and social terms such as the living standards of the poor. Thus such indicators of living standards as incomes, expenditures and social outcomes of households and individuals divulge important information about the poor.

Agricultural and informal sector activities are the most important sources of income for poor households. These two sectors together account for about 88 per cent of the total income of poor households, of which agriculture is responsible for about 65 per cent. Of greater significance, however, is the fact that while comprising over one third of the nation's population the poor receive only about a quarter of agricultural income and less than a fifth of total income earned in the informal sector. Equally significant is that less than 5 per cent of total income received by the poor comes from paid employment, reflecting their particularly limited access to wage employment.

Expenditures on food comprise the largest component of total household expenditures in Ghana. Although the proportion of total expenditure spent by the poor on food (69 %) is about the same as the non-poor (69%), the poor rely on home production for nearly half their food consumption. In consequence, poor households account for only 14% of market purchases of food, compared to their representation of 36 per cent of the total population. Similarly, their share in the consumption of non-food items at 16.1 per cent of the total is disproportionately low.

In terms of social outcomes, a similar pattern to that for incomes and expenditures obtains. Levels of education and literacy and numeracy rates are significantly lower for the poor than for the non-poor as are school attendance rates across various age groups. The situation is equally dissatisfactory in terms of housing, health and other social services. It is virtually axiomatic that

³ Poverty is defined as an income of less than two-thirds of average GDP per head. See E Oti-Boateng et al. "A Poverty Profile of Ghana 1987-88", World Bank SDA Working Paper 5, 1990. All data in this section are from this source.

4. NDPF - Long Term Development Objectives

the poor suffer higher mortality and morbidity than the non-poor. Yet the poor apparently have a lower record of health consultation when ill than the non-poor and, when consultation does take place, it is rarely in a hospital or clinic.

Against this background a deliberate and concerted effort will be made to eradicate the factors that contribute to the conditions just described. Thus poverty alleviation and reduction form major objectives in the overall development framework outlined in this report.

1.6 Promoting Rural Development

As implied by the spatial distribution of poverty described in the previous section, the real challenge for development in Ghana lies in promoting rural development. This challenge has been recognized and is being constructively tackled through a variety of regional programmes and other projects. However, current efforts lack adequate cohesion and a comprehensive, integrated framework and focus. Additionally, there are a number of government programmes that could substantially contribute to rural development but which are currently "under-achieving" in this respect.

Effective rural development requires not only increased income and greater income stability in agriculture, but also a multi-faceted programme which is aimed at improving total rural incomes and employment, as well as general welfare and conditions of life in rural areas. This involves promoting all-round development of economic, social and cultural life and popular participation in shaping that development. Rural development is primarily but not wholly concerned with agriculture. Therefore, it is of the utmost importance that basic entrepreneurial, social and other services which go to make life bearable in any community should be promoted in rural areas. A key catalyst in developing this is increased access to commercial banking services in the rural areas which will facilitate the mobilization of the savings of the community. These resources can then be used for financing commercial activities as well as the provision of basic social and community services such as water supply, sanitation and waste disposal, health centres and schools.

Finally, addressing the issue of rural development also presents a unique opportunity for simultaneously addressing problems related to the role, quality of life and status of women in Ghanaian society.

1.7 Gender Issues: Enhancing the Development of Women

Women's issues have tended to be treated as marginal in development strategies. If equitable and sustainable development is to be achieved, there must be more investment in women to ensure the social and economic transformation of the country. Clearly, therefore, gender equality needs to be an explicit and major objective in any human development strategy in view of the crucial role women play in development activity, which is still inadequately recognised. Despite the evident predominance of women in agriculture and rural non-farm activities and the increasing dependence on women's earnings, the bias against women in access to land, credit and education continues, especially in rural areas. Resources are still primarily directed towards men - even in situations where women are the main operators. Thus, it is true to say that women count but are not counted as significant contributors to development. In sum, women in Ghana are largely discriminated against and remain deprived in their efforts to improve their social status, conditions and circumstances. If agriculture's role in accelerating and sustaining growth in the Ghanaian economy is crucial, then so are the women who are the principal producers of agricultural products. However, rural Ghana encapsulates in its harshest form all the disadvantages experienced by women as compared to men. For example, most of the poorest farmers are women, with access to little land and no access to credit.

However, traditional beliefs in the inefficacy of education for women have reduced their access to education, thereby disadvantaging women further by limiting their prospects for betterment. Customs and laws continue to work against gender equality, with social norms favouring male children over females in the distribution of food and health care, as well as access to schooling, especially in rural areas. Formal education of women improves their chances of obtaining wage employment, which in turn brings about improvements in child-bearing and rearing practices. This has spin-off effects such as reduction in fertility and in population growth rate and important consequences for the health of mothers and the welfare of their children. The recruitment into all sectors of the economy and employment of females must therefore be strongly encouraged and facilitated. Once initiated, this will have demonstration effects which will encourage others.

Addressing the needs of female children is a major factor in achieving a more equitable status and role for women. All gender stereotyping in education must be eliminated to ensure women's active participation in all sectors of the economy. Specific targets and time frames will be set to reduce the gender gap and achieve gender parity. Every opportunity must be given to females to acquire equal status to ensure development of their full potential in the community. A drastic change in cultural attitudes with the active support of government is needed if women's role in accelerating development is to be maximized.

More social support should be given to women to enable them fulfil their productive and reproductive roles. The health and education of women, particularly mothers, must therefore be urgently addressed with adequate funding if health programmes in child care are to succeed. The slightly improved access to education by women in urban areas, with a resultant increase in employment opportunities, has led to changes in the social roles of women. Efforts must be intensified to ensure gender equality of access to education to accelerate the process of changing society's perception of women's roles. In this respect, priority should be given to programmes to educate rural women in the effort to reduce their fertility, increase their receptivity to new techniques in agriculture and create a desire for a better life which would lead them to find ways and means of increasing their income through cottage industries and processing agricultural commodities. The improvement of the economic and social circumstances of rural women would also, by implication, mean an enhancement in the nutrition, welfare and life expectancy of their children.

1.8 Employment Generation and Promotion

The greater part of the economically active population of Ghana is at present self-employed. In addition to smallholder farmers and artisanal fishermen, considerable numbers eke out a precarious living in the informal sector as artisans and traders. In the long-term, the ratio of self-employed to wage and salary earners will fall as the economy develops and informal activities progress to more formal enterprises. Even so, self-employment will remain an important source of income for many Ghanaians and development policies are designed to enhance opportunities for self-employment and to raise the productivity - and hence incomes - of the self-employed.

The long-term objective is to ensure that the potential for increasing income-earning opportunities, particularly in rural areas, will be fully realised. More intensive use of resources, including waste products, could provide increased opportunities for employment and income generation (e.g. waste products from sawmills or sugar-cane processing factories and residues from the extraction of oil from coconuts, groundnuts and palm fruit provide opportunities for the manufacture of furniture and animal feed). Further, in both rural and urban areas, there are often numerous opportunities for jobs in services and manufacturing for women, (e.g., baking, food processing, hairdressing, dress-making, fish-smoking, textile printing and dyeing, cottage industries and handicrafts). In urban areas, linkages between small scale and informal sector units and the formal sector will be strengthened through the establishment of appropriate incentives and other policy instruments. The construction sector also offers considerable potential for employment generation in building materials, furniture, electrical wiring, plumbing, consumer durable, land

6. NDPF - Long Term Development Objectives

development and a range of other activities associated with new construction. Intensification of efforts to develop these and other opportunities for employment generation must therefore be acted upon.

Critical inputs for employment generation are financing and training. Deepening of financial intermediation and expansion in supply of long term investment capital for both formal and informal enterprises is essential for employment generation and sustained growth. Commercial banks need to modernize their procedures and expand their service networks as well as seek new areas of business. In rural areas, financing of development can be facilitated by enhancing measures and mechanisms for mobilizing resources such as rural banks (which could be mobile) and the formation of co-operatives. Attempts to reach rural areas will not only facilitate the mobilization of rural savings but will also facilitate the development of secondary and tertiary activities in rural areas based on the reallocation of those mobilized savings. In addition, business extension services and vocational training will be strengthened. This is explored in more detail in the sections dealing with long-term objectives for education and production.

1.9 Protecting the Gains

To protect the long-term gains in human development, development strategy must be geared to respond to future crises in such a way as to protect the quality of life from any extreme fluctuations which could arise as a result of external and other exogenous factors. Efficacious means for achieving this would include measures to increase the internal linkages between sectors of the national economy, reduce dependence on imported raw materials and create possibilities for export earnings. Fundamental to this is the need to promote, strengthen and develop national self-reliance and self-sufficiency, particularly in economic management and production.

It is important that economic and social policy be based on considerations of national interest and be designed to promote self-reliance, a cohesive and harmonious society and a capacity for flexibility in coping with adverse movements in external parameters. The long-term objective in this respect is to create a more integrated national market and society dependent on its own internal dynamic for development. The immediate economic policy implication of this is the need to promote local demand for and an increased production capacity and supply of indigenous products. Increased demand for local food products will generate a strong response from farmers in terms of increased and stable output, ensuring them of a reliable flow of income and minimizing dependence on food imports.

The national budget in Ghana is very sensitive to fluctuations in the external environment since, for example, a significant proportion of revenue is at present derived from taxes on exports and imports. The macro-economic objectives include the elimination of export duties and a reduction in the share of government revenue derived from indirect taxes. This will reduce the vulnerability of revenues to external influences. However, revenue flows are inevitably subject to uncertainty. The expenditure budget thus needs to include safeguards to preserve the effectiveness of a human-centred development strategy. These are discussed in the long-term objectives for macro-economic development. The aim is to ensure that investment and services which are concerned with developing basic human productive capacity and ensuring welfare should be given high priority. In the event of budget reductions, their expenditure proposals will be protected. Using PIP terminology, "super-core" projects will be selected on the basis of their contribution to human-centred development. The same principles apply to foreign aid. The commitment to human development will inform negotiations with the donor community in order to secure special assistance for the promotion and protection of human development programmes, especially during times of crisis.

1.10 Strategic Framework

The strategy for human-centred development is comprehensive and integrated and calls for structural reforms whereby human development concerns are woven into the fabric of policy. It

thus transcends the concept of introducing a bundle of interventions or projects to be implemented side-by-side with conventional policies in order to achieve greater standards of welfare for the poor and other vulnerable groups in the society. This would be to adopt the approach of PAMSCAD and other poverty alleviation interventions which are essentially palliative, add-ons and stop-gap measures and do not attack the root causes of extreme poverty and deprivation or promote capacity enhancement.

Where there are possible choices of specific policies, the strategy requires the selection of those policies best calculated to further human development. It is recognised that the implementation of such policies may on occasions involve higher financial outlays, compared with a straight economic approach; or lead, in the short term, to a deviation from the path of maximum economic growth. The implications of this strategy for the organisation of development activities are discussed under the long-term objectives for the various development sectors, particularly those for public administration.

The national development goals identified in this report are multi-sectoral in nature and inter-related. The goals define broad thematic programme areas for intervention and action. These programmes will be aimed at establishing the necessary and sufficient conditions for fulfilment of the aims of national development policy. As the goals are inter-related, interventions in any given area should have positive impact in other areas. For example, increased access to and availability of education for females will assist to reduce the rate of increase of the population. For operational purposes, each goal is supported by a series of detailed, quantified, qualified and measurable medium and long-term sectoral objectives which are outlined in the relevant sections of the report.

Under prevailing social and economic conditions, it is imperative that particular priority is accorded to disadvantaged groups, households and villages. Additionally, special emphasis must be placed on meeting the needs of children and women. Such social prioritization is not only morally desirable but will also contribute to the formation of the minimum conditions for achieving broad-based and sustainable economic and social development. Thus, a major strategic objective for the achievement of the goals will be to improve over the medium- to long-term the quality, general coverage and access to basic social services as well as to credit and other financial services, especially by the poor.

Strategically, the need is to first eliminate the conditions which create a circle of cumulative causation leading to poverty and deprivation and then to increase the capacity of society to meet all basic needs to be followed by the achievement of sustained, socially adequate and environmentally friendly growth and development. Thus, for operational purposes, three categories of objectives may be identified.

The first category should include objectives that pertain to economic and social issues which must be tackled immediately. Included among these must be objectives aimed at strengthening the survival prospects of the poor and vulnerable and putting a halt to further deterioration in the levels of their deprivation.

The second category of objectives will be directed towards improvement in individual and social capacity for increased levels of production and a more equitable sharing of the benefits of national output.

The third set of objectives are those required to underpin, consolidate, maintain and continuously enhance the social and economic development of the nation. These cover those activities which will ensure qualitative improvements in human capital formation, radical improvements and upgrading of the public administration system at central and local levels and the provision of adequate economic and social infrastructure on a nationwide basis.

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The identification of specific interventions and plan formulation will be the responsibility of sectoral ministries, the districts and other planning agencies. Thus each programme area will necessarily involve inputs from sectoral agencies and imply a strong need for coordinated and collaborative efforts among various and diverse institutions in both the public and private sectors, including communities and NGOs. Hence, the need for consultation in plan formulation activities and implementation cannot be emphasised too strongly.

General features of the strategy include:

- Promotion of comprehensive and integrated formulation of design of development programmes.
- Strengthening co-ordination and collaboration between sectoral ministries, districts, NGOs and other agencies that are involved in the planning, programming and implementation of human development programmes.
- Strengthening management capacity of central and local government and of those decentralized public agencies responsible for development and delivery of public services, with a view to improving the efficiency and effectiveness and expanding the coverage of these organizations.
- Promotion of investment in basic social and economic infrastructure, including participation by the private sector, especially in rural areas.
- Promotion of local level authority and control over provision of basic services.
- Promotion of effective delegation of responsibilities for management of appropriate services (e.g., waste disposal) to the private sector, including NGOs.
- Provision of adequate funding for social sector programmes at both national and local levels and implementation of measures to ensure that funds for approved programmes are released on time.
- Improvement of revenue collection at national and, more especially, sub-national levels.
- Strengthening capacity of central and local government to formulate policies and plans as well as to monitor the implementation of social programmes to ensure balanced and equitable provision of and access to basic services.
- Promotion of community participation and involvement in the decision-making, management and supervision of social services.

CHAPTER 2

GOALS AND OBJECTIVES

2.1 Basic Development Goals

The overriding goal of Ghana's economic and social development policies is to improve the quality of life for all Ghanaians. This will be achieved by guaranteeing basic human rights, creating a healthy economy and ensuring universal access to work, health care and education.

In pursuance of these goals, basic objectives which are of specific relevance to human-centred economic and social development have been identified. These include:

- promotion of the well-being of all Ghanaians;
- commitment to economic policies which maximise the rate of economic development, secure maximum welfare and an adequate means of livelihood for all;
- effective participation in development processes by all citizens.

The national development goals have implications for all aspects of economic and social development policies and programmes. These will be designed to ensure:

- international competitiveness and a secure place in the international economic system;
- harnessing and fully utilizing the nation's natural and human resources;
- the provision of the necessary social and economic infrastructure required for development;
- an equitable distribution of development in all regions and districts of Ghana, with special emphasis on the reduction of rural/urban disparities;
- opportunities for all citizens to exercise individual initiative and creativity;
- fair and realistic levels of remuneration for all workers, including the self-employed;
- a population policy which is consistent with the needs of development.

In addition to the above, the goals also require development policies to take into account the following considerations:

- adequate safeguards for the protection and conservation of the environment;
- the importance of education and functional literacy as an aid to development;
- an adequate standard of health and nutrition as an essential element in improving productivity;
- steady improvements in technology in all types of production;

10. NDPF - Long Term Development Objectives

- establishment of a supportive enabling environment for private sector development, including promotion of foreign investment and a reduction in the level of public sector involvement in directly productive activities;
- equitable distribution of the benefits of development and a reduction in levels of poverty.

2.2 Sectoral Development

All development activities should aim at achieving the basic development goals. These activities will be undertaken by a wide range of agencies and organisations concerned with particular aspects or sectors of development, all of which will need to be closely integrated. One of the principal concerns of this Framework is to examine the practical implications of inter-sectoral integration.

The term "sectors" in this context should not be confused with economic sectors. The Framework identifies eight development sectors, each of which can be sub-divided into sub-sectors, as set out below.

<u>SECTOR</u>	<u>SUB-SECTORS</u>
1. SOCIAL	Poverty Population Health Nutrition & Food Security Education Training Employment Housing Water Supply & Sanitation
2. MACRO-ECONOMIC	Economic Growth Sectoral Development Investment & Savings Fiscal Policy Monetary Policy International Trade & Balance of Payments.
3. PRODUCTION	Agriculture: Crops & livestock Cocoa Forestry Fisheries Industry: Mining & quarrying Manufacturing Construction Services: Transport & communications operations Distribution Tourism & hospitality services Financial & business services

4. SCIENCE & TECHNOLOGY
 - Science education
 - Scientific research
 - Improvements in production technologies
5. ECONOMIC INFRASTRUCTURE
 - Energy (including electricity)
 - Transport & Communications facilities
6. SPATIAL ORGANISATION
 - Population distribution
 - Urbanisation & economic development
 - Settlement planning & rural development
 - Urban planning
 - Distribution of infrastructure
7. ENVIRONMENT
 - Pollution
 - Industrial technology - negative effects
 - Erosion
 - Deforestation & soil degradation
8. PUBLIC ADMINISTRATION
 - National & sectoral agencies
 - District & regional administration
 - Administrative support for private sector development

Some of the important development objectives, such as poverty reduction, employment and gender issues, have also been highlighted in chapter one.

The following sections gives an outline of how the development activities undertaken in each sector will be integrated.

2.3 Development Objectives

The basic development goals are designed to secure a radical improvement in the quality of life and material standard of living of all Ghanaians so that by 2020 living conditions in Ghana will be comparable to those in middle income countries. The emphasis is on **human-centred development** which requires concentration on interventions which improve the physical, intellectual, social and cultural wellbeing of all Ghanaians and counter any negative side-effects of development.

Some key issues of crucial concern to human development which are central to the whole long-term development strategy and which cut across sectoral boundaries and demand special attention have been highlighted in chapter 1 - viz. poverty reduction, rural development, gender issues and employment - as well as being discussed under the relevant sectoral objectives.

2.3.1 Social Objectives

The Framework thus gives a central role to social development. Quantified targets are laid down for raising the general levels of education and training, health and nutrition, housing, water supply and sanitation, and for reducing the rate of population growth and eliminating extreme forms of poverty and deprivation. The role of women in development merits special attention as an improvement in the education and health of women is crucial to the achievement of the social objectives. This will depend on the availability of adequate material resources and hence on an accelerated rate of economic growth: at the same time, improved economic performance will depend upon a better educated and healthier workforce.

12. NDPF - Long Term Development Objectives

The prime objective for education is to achieve near universal literacy and to enable all children, to receive at least basic education. Experience has shown that this is an essential precondition for improved labour productivity and hence for achieving the objectives for production and economic growth. The education objectives also provide for increased enrolment rates in secondary and tertiary education, especially of females. The objective is to raise the median level of education of the population as a whole to JSS 3 by 2020. Curricula at all levels will place greater emphasis on scientific subjects which, together with improved vocational training, will contribute to achieving the objectives for science and technology and production.

Improvements in the general level of health require not only an expansion and upgrading of health care facilities, important though these are, but also higher standards of nutrition and access to safe drinking water and sanitation, adequate accommodation and a healthy environment. Achievement of the health objectives is thus equally - if not more - dependent on securing adequate food supplies, better understanding of health matters, provision of safe water supply and sewage, improved housing and the prevention of environmental pollution, as it is on the provision of medical facilities. Moreover, access to all these facilities will be affected by the spatial distribution of the population and of economic activities and by their location in relation to transport facilities.

2.3.2 Macro-Economic Objectives

The improvements in the social conditions of the people of Ghana depend on the availability of increased material resources for consumption and investment, which can only be secured by a major improvement in economic performance. Achievement of the long-term macro-economic objectives is thus an essential means to a better quality of life for all.

Indicative growth targets have been set which assume that, after an initial "warm-up" period, Ghana's economy will be able to reach a double digit rate of GDP growth for at least a decade after 2000. By 2010 average real incomes will be more than double the present level and the relative rate of growth can be expected to decline but still average a healthy 8% p.a. the targets assume that the population objectives will be achieved and that by 2020 population growth will have fallen to 2% p.a., compared with the current estimated level of around 3%.

The effect of this will be to raise average real incomes in 2020 to nearly four and a half times the 1992 level. Moreover, provided the attack on poverty and extreme deprivation is successful, the poorest Ghanaian will then be much better off in material terms than the average Ghanaian is today.

These growth targets have important implications for sectoral development. The rate of growth in agricultural production in general and food production in particular will have to be more than doubled, compared with the previous decade. This is essential *inter alia* for food security and nutrition, as well as for the expansion of agro-industries and inter-sectoral linkages. However, agriculture's share of GDP will be drastically reduced as both the industrial and services sectors are targeted to grow much more rapidly. By 2020 agriculture's share will have dropped to 16%, compared with nearly 50% in 1992, whereas industry's will have grown to 41% and services to 43%. The effect on the distribution of employment will be even more marked, since as agricultural productivity increases its share of the labour force will drop even more dramatically.

This major shift in the structure of Ghana's economy is an essential feature of the growth targets since the non-agricultural sectors have much higher growth potentials, being less vulnerable to natural resource constraints. It also has important implications for every aspect of development policy. With regard to education, for example, it must be recognised that curricula reflect the fact that a large proportion of the children at school in rural areas will have to find employment in industry and services, though not necessarily in large towns. This is reflected in the objectives for spatial organisation which include major improvements in the social and economic infrastructure available in small and medium-sized urban settlements for both their own inhabitants and those in nearby villages.

An acceleration in the rate of economic growth requires a major increase in the level of investment. This is targeted to rise to an annual average of 35% of GDP, implying an overall ICOR⁴ of nearly four. The greater part of this will be undertaken by the private sector. Government investment will concentrate on the provision of economic and social infrastructure. The private sector will also provide the bulk of the savings needed to finance investment, though government's contribution will also be substantial. Domestic savings will thus need to rise substantially to 30% of GDP, the balance being raised from foreign savings including direct foreign investment. Hence the importance attached to creating a favourable environment for private sector investment and initiative, which has been highlighted in chapter 1.

The targeted improvements in education, health, etc. will require Government to allocate a much higher proportion of recurrent expenditure than at present to social and economic services. Thus, in addition to increasing government revenue as a percentage of GDP, fiscal administration will need to be reformed so as to identify developmental - as distinct from administrative - expenditure, both recurrent and capital, and to safeguard its allocations, as indicated in chapter 1.

The radical restructuring of the sectoral composition of the economy has important implications for monetary policy. The present predominance of smallholder agriculture and other small-scale activities has allowed the economy to operate at a low level of monetisation, the current level of money supply being only 17% of money GDP. The shift towards industry and services and the increased commercialisation of agriculture will require a steady increase in money supply in relation to GDP. The objective is to ensure that development is not constrained by insufficient liquidity while maintaining reasonable stability in the domestic price level and the foreign exchange rate.

2.3.3 Production Objectives

The development objectives for the directly productive sectors of the economy indicate how the basic development goals can be achieved with respect to production in the various sectors of the economy. They thus complement the macro-economic objectives of accelerated growth and restructuring of the economy, as well as the goals of food security and improved nutrition, poverty reduction, equitable distribution of the benefits of development and protection of the environment. Achievement of the sectoral objectives is dependent on improvements in health and education and on the expansion of the economic infrastructure.

In the agricultural sector the principal aim is the establishment of a robust, diversified and commercially based sector that ensures national food security, supplies adequate raw materials to industry, contributes to export earnings and provides producers with incomes comparable to earnings outside agriculture. Initially the key is a transformation from a system characterised by low productivity and traditional technology to one using improved technologies appropriate to local conditions and capable of securing high yields. The target rate of growth for the sector rises to 4% p.a., with food production growing at a faster rate than population.

Success in achieving this objective will depend on the provision of a supportive economic and social infrastructure in both farming and fishing areas and their market centres. The policy is therefore complementary to the policies for social development - especially education and health. Increased production will also require improvement in the economic infrastructure in rural areas, especially with regard to transport and communications and marketing and storage facilities. The objectives for spatial organisation and environmental protection are also complementary to those for agriculture and the sector will also benefit from increases in the efficiency and capacity of agro-industries.

⁴ Incremental Capital/Output Ratio - i.e. the amount of investment needed to raise the value of production by a given amount.

14. NDPF - Long Term Development Objectives

The prime objective for the industrial sector is to increase the efficiency of operations and the range of products produced so that the sector can make an increasing contribution to export earnings and supply the domestic market at competitive prices. The rate of growth in industrial production is targeted to rise to 12.5% p.a.

Mining has already built up a considerable momentum and the principal policy concerns are to enable minerals to make an increasing contribution to exports by providing an attractive climate for investment and the necessary economic infrastructure. It is also important to ensure an adequate level of output of building materials from the quarrying sub-sector, in support of the construction and other industries. At the same time it will be necessary to limit the environmental problems caused by mining and quarrying operations, as outlined in section 2.3.7 below.

Manufacturing has considerable growth potential and the first priority is to eliminate all identifiable constraints on its development. These include inadequate economic infrastructure, unnecessary administrative controls, an insufficiently responsive financial system and the low level of education of many small and medium-scale producers. The development objectives for the sub-sector are thus closely interlinked with the improvement of the economic infrastructure, the social objectives for education, health and housing, improvements in public administration and the spatial distribution of all types of facilities. As with mining, some manufacturing activities have potentially adverse environmental effects which will need to be curtailed.

The services sector, which includes transport operations and communications, wholesale and retail trade and financial services, has a dual objective. In addition to the primary objective of meeting the needs of other domestic producers, an additional objective is to expand the sector to a level at which it can attract custom from outside Ghana. This applies to such activities as tourism and hospitality services and, in particular, to financial services. The long-term aim is to build up Accra into a regional financial centre which will rank among the major centres in Africa. This will clearly be dependent on the provision of sophisticated telecommunications which are reliable and efficient.

In all the productive sectors small and medium scale enterprises play an important role and the long-term objective is to provide the necessary conditions for them to improve their efficiency and productivity and to consolidate their position in the national economy by producing inputs for other producers and contributing to exports. In addition to the general improvement in the social and economic infrastructure which will benefit all producers, these facilities will also include interventions - such as extension services - specifically designed to promote small and medium-scale enterprises.

One of the basic economic objectives is to provide an enabling environment for the private sector so that it can become a major contributor to development. This implies, *inter alia*, minimum involvement by the public sector in direct production. The eventual objective is for government to reduce its involvement in direct production and confine its production activities to a few key operations, not necessarily on a monopoly basis.

2.3.4 Science and Technology

The long-term objective for science and technology is to transform society to become more scientifically based and to improve technology to secure increased productivity in all economic sectors. This will require an increase in general awareness of the uses of science and is supported by the social objective of increasing exposure to and raising the quality of scientific education. One of the prime tasks of agencies concerned with sectoral production, such as the Ministry of Agriculture and Food and the Ministry of Industry and Trade, in collaboration with the Ministry of Science and Technology, will be to impart improved technologies to producers by expanding and improving their research and extension services. The larger private sector enterprises will also be encouraged to devote more energy to research and development and to disseminate findings to their suppliers. The dissemination of information on improved technologies will be assisted by the use of advanced technologies in communications.

2.3.5 Economic Infrastructure

The importance of expanding and improving the economic infrastructure to support both production and access to social services has already been stressed. The long-term objective is to ensure that as far as possible development is not constrained by inadequate transport, communications and energy. The prime criterion for the allocation of resources to investment in the economic infrastructure will be its contribution to achieving the basic development objectives, rather than the narrow economic rate of return criterion as presently used in the public investment programme. Long-term quantified objectives for the economic infrastructure will be developed on the basis of this broader criterion, which can be expected to reduce the present bias against investment in social infrastructure.

2.3.6 Spatial Organisation

The location of investments in both economic and social infrastructure is a major factor in determining the geographical distribution of economic and social activities. It will therefore need to be informed by the long-term objectives for spatial organisation. These call for an equitable distribution of social and economic infrastructure which, *inter alia*, will ensure dispersed and planned urbanisation, thus avoiding the polarisation of development. In this regard, a reduction in the rate of growth of Accra/Tema and the expansion of Sekondi/Takoradi, Kumasi and Tamale into major urban centres of a manageable size will be encouraged, enabling them to provide the full range of social and economic infrastructure and administrative services. The other regional capitals and key towns, including district capitals, are expected to develop and provide the basic range of economic and social services and other facilities necessary for their own development and the development of their surrounding hinterland. This will contribute to the development of rural areas. The achievement of the spatial objectives will greatly facilitate improvements in education and health, the reduction of urban/rural disparities and improvements in productivity.

2.3.7 Environmental Objectives

Safeguarding the environment is an essential condition for sustainable development and improving the quality of life. The long-term objective is to maintain a sound environment and to prevent all forms of environmental degradation. This will be achieved by ensuring that the policies now in place, such as the requirement that all investment projects are subjected to environmental impact assessments and the prohibition on practices which destroy the environment, are fully implemented. Generally the adoption of improved technologies will favour the environment: for example, the replacement of shifting cultivation with permanent rotational cropping, which is an objective of agricultural policy, will help to prevent deforestation and soil degradation. Concern for the environment requires constant and detailed vigilance and the achievement of the environmental objectives will to a large extent depend on the effectiveness of the recently formed district level environmental committees -and hence on full implementation of the policy of administrative decentralisation.

2.3.8 Public Administration

The objective for public administration is to improve the efficiency of the public service and ensure that it plays a more positive role in economic and social development at all levels. Achievement of this objective will be assisted by full implementation of the decentralisation policy, including an appropriate degree of fiscal decentralisation. As experience in other developing countries - notably China - has shown, decentralisation of administrative functions can greatly assist development at sub-national levels even when there has been a long tradition of tight centralised control.

16. NDPF - Long Term Development Objectives

The transformation of public administration into a more development-orientated system will also require a major shift in work attitudes and ethics and in methods of procedure. Public servants should be seen by the private sector and the public at large as facilitators of development rather than as obstacles to progress.

Quantified long-term objectives with respect to the size, composition and functions of the public service at all levels - national, regional and district - will need to be reviewed in the light of the objectives for socio-economic development.

CHAPTER 3

SOCIAL DEVELOPMENT

3.1 Basic Objectives of Social Development

The over-arching goals for social development are as follows:

- long, healthy and productive life for the individual with access to an enlarged range of choices for employment, shelter and leisure activities;
- elimination of the extremes of deprivation, reduction of poverty and achievement and maintenance of minimum material conditions for all;
- strengthened and improved human capabilities;
- increased and equitable opportunities for acquisition of knowledge as well as access to the resources necessary for income generation; and
- equitable enjoyment of the benefits of national output.

The long-term objectives for social development are aimed at the achievement of a demonstrable improvement in the quality of life and standard of living of all Ghanaians. Thus the objectives imply the establishment of conditions that will contribute to the underpinning, consolidation, maintenance and continuous enhancement of the social and economic development of the nation. These cover those activities which, for example, will ensure qualitative improvements in education and human capital formation, greater opportunities for employment, the provision of good quality social infrastructure and services on a nationwide basis and more equitable distribution of the benefits of production.

Priority issues and sectors that form the focus of social policy include: poverty, population growth, health, nutrition, education, training, employment, housing, water and sanitation. Long term objectives for these are discussed below.

3.2 Poverty

In the conditions of acknowledged deprivation of an unacceptably large proportion of the population, and the consequent limitation on their capacity to live decent lives and cope productively with contemporary conditions, especially in rural communities and the northern sectors of the country, it is necessary for the state to make substantial social investments in order to improve radically and rapidly the living conditions of that proportion of the population that lives "below the line". This should be done both as an end in itself and also as part of the means for creating the conditions for a sustained broad-front *national* development effort.

The primary purpose of action in these areas is to strengthen the prospects for a decent life as well as to put a halt to further deterioration in living standards experienced by vulnerable and disadvantaged population groups in both rural and urban areas. Interventions will represent "bottom line" actions designed to provide minimum conditions for achievement of significant, medium- and long-term, broad-based, social and economic improvements. Measures that will contribute to poverty reduction and alleviation are addressed in other sections of this chapter as well as in the chapters on economic development, production and the environment.

Objectives

- Incidence of poverty in Ghana, especially in rural areas reduced.
- Income disparities among different groups of people and between different parts of the country reduced.
- Adequate access for the poor to basic social and economic services and infrastructure of satisfactory quality as well as to productive assets and employment opportunities ensured.
- The capacity of economically disadvantaged regions, communities and groups to articulate their needs, exercise their civil rights and take advantage of opportunities for productive employment enhanced.

Targets⁵

- Eradicate hard-core poverty.

Strategies

- Sustain momentum for achieving widespread grass-roots decision making and participation in national development.
- Increase resource allocation and strengthen programmes for disadvantaged and vulnerable groups and areas with top priority being given to the northern parts of Ghana.
- Design and implement specific programmes to assist vulnerable groups, especially women.
- Design and implement programmes to improve access to social and welfare services by disadvantaged and vulnerable groups.
- Strengthen and implement policies for fair and secure land tenure.
- Strengthen legal and regulatory framework and system of legal administration.
- Design and implement measures to reduce socially prejudicial behaviour
- Promote and protect respect for basic human and civil rights.

3.3 Population

Population policy is essential for the achievement of national development objectives and reducing poverty. The principal reason for this is due to the high rate of the growth of the population which, if current trends continue, will place increasing pressure on natural resources, the environment and social and economic infrastructure and thereby undermine future gains in

⁵ Owing to data limitations it is currently difficult to define quantified targets on income distribution and other indicators of poverty. Hard core poverty is defined as being below one third of the mean of real per capita household expenditure (PCHHE) per annum. See section 1.5 in Chapter 1.

social and economic development.⁶

Concerns about population must extend beyond the problem of its size and growth rate. This is because issues such as the age structure and spatial distribution of the population also present difficult challenges. For example, Ghana's current youthful age structure imposes a tremendous burden on society in terms of the amount of resources which have to be allocated for the care of dependents. In the longer run, as Ghanaians begin to enjoy increased longevity, there will be need for the provision of social services for increasing numbers of both the young and aged. In addition to this a burgeoning labour force poses considerable challenges for employment creation.

In sum, since the population of Ghana is both the principal instrument and beneficiary of national development efforts, population policy must necessarily be concerned with a wide spectrum of developmental issues which include fertility management, employment creation, access to economic and social services and infrastructure by all population sub-groups (including the youth, aged, disabled and destitute) and protection of the environment.

To date there has only been limited success in the implementation of the national population policy that was adopted in 1969.⁷ There is therefore a need to intensify efforts for the effective management of the population. In this regard, the recent establishment of the National Population Council signals a re-intensification of government commitment to achieving effective solutions to challenges posed by the characteristics and rate of growth of the population of Ghana. The commitment of the government notwithstanding, the multi-sectoral nature of population issues and problems implies a strong need for an institutional framework that not only promotes effective coordination and collaboration but also the realisation of a sense of collective responsibility for the implementation of a comprehensive and integrated programme.

Objectives

The overall goal of Ghana's population policy is to achieve a population size that is compatible with the provision of an adequate standard of living for all and sustainable development. Major objectives for the attainment of the goal will include the following:

- Substantial reduction in the rate of population growth.
- Creation of a population that is well-informed about and capable of effectively exercising choices on fertility management.
- Reduction in the average sizes of families.
- Average age of women at birth of first child increased.

Targets

- To reduce the present annual population growth rate of about 3% to about 2.0% by 2020.
- To reduce the total fertility rate (TFR) from 6.4 to 3.6 by 2020.

⁶ Various estimates put the current rate of population growth at between 2.6% and 3.1%, indicating that Ghana's population will have doubled to around 31 million in the year 2020.

⁷ The population policy is currently being updated and revised.

20. NDPF - Long Term Development Objectives

- To reduce by 80% the proportion of women below 20 years of age giving birth by 2020.
- To achieve minimum birth spacing of at least two years interval among 80% of married couples by 2020.

Strategies

- Improve information, communication and education on population issues and family planning.
- Integrate health and population counselling.
- Implement targeted, male-oriented programmes designed to change pro-natalist attitudes among men.
- Influence cultural values in relation to population growth through education.
- Increase the educational enrolment ratio of females aged 15 to 19 years.
- Provide more distribution outlets for non-prescription contraceptives, including traditional methods.
- Improve access to clinic-based contraceptive services.
- Include family life education in school curricula.

3.4 Health

Simply stated the overall objective of national health policy is to improve the health status of all Ghanaians, and with good cause. Most indicators show that the current situation with respect to health and health care in the country is substantially less than satisfactory. For example, life expectancy, currently around 55 years at birth, is low relative to the average of 62 years for all low income countries. In addition, the incidence of infant and child mortality is unacceptably high with children under the age of five accounting for about one-half of all deaths in Ghana each year. Equally appalling is the fact that nearly 75% of infant and child deaths are due to preventable and parasitic diseases. Maternal mortality rates are also unacceptably high and largely due to preventable causes.

Thus improvement of health constitutes an important national development goal in its own right notwithstanding its implications for productivity and other aspects of national development. Accordingly, very high priority is conferred on the health sector.

In addition to the issue of poor health outcomes there are systemic problems that affect the delivery of health care. The health authorities are, of course, aware of and fully committed to improvement of health standards as well as resolution of the problems and issues affecting delivery and quality of health care. Accordingly, there are many ongoing programmes and new initiatives designed to improve health and health delivery systems. These nonetheless will require further strengthening, consolidation, and to some extent, reorientation. For example, there is need for greater emphasis on the introduction of measures that will help establish a broad enabling environment for health. At present, there still exists an undue bias toward the management of health care systems *per se*. Such a bias tends to underestimate the importance of factors that are external to the health system but which have an important bearing on health outcomes such as cultural attitudes and the physical environment in which the population lives. The implied policy adjustment will contribute toward accelerating improvements in the health conditions of the general population and especially among the poor.

Objectives

Health objectives are primarily of two types: those that directly reflect improvements in the health outcomes of the population; and those related to improvements in the health care system. Major objectives are as follows:

- Increased average life expectancy of Ghanaians.
- Infant mortality rate significantly reduced.
- Child mortality rate significantly reduced.
- Maternal mortality rate substantially reduced.
- Risk factors that expose individuals to the major communicable diseases effectively controlled.
- Observance of healthier lifestyles by the population achieved.
- Access to health services established for all Ghanaians.
- Health system effectively reoriented toward delivery of public health services.
- Increased cost-effectiveness and efficiency in resource allocation and use.

Targets

- Increase life expectancy at birth from 55 years (1987) to 65 years.
- Achieve immunisation against the six major vaccine-preventable diseases for at least 98% of infants (0-11 months).
- Reduce the infant mortality rate from its current level of about 77 infant deaths per 1,000 live births to 24 per 1,000 live births.
- Reduce the child mortality rate (U5MR) from its current level of about 155 deaths per 1,000 live births to 50 per 1,000 live births.
- Effective treatment of 98% of all episodes of diarrhoeal, febrile and acute respiratory infections.
- Reduce maternal mortality rate from its current level of 270 maternal deaths per 100,000 live births to 75 per 100,000.
- Antenatal care provided to all pregnant women, especially screening for risk factors and provision of necessary antenatal drugs.
- Increase the proportion of the population with access to health services to 100% from the current level of about 60%

Strategies

- Extend coverage and access to basic health care services.
- Ensure an adequate complement of health personnel for all districts.

22. NDPF - Long Term Development Objectives

- Promote health and prevention of diseases through Primary Health Care.
- Increase the coverage of supervised deliveries.
- Increase proportion of primary health services in public expenditures on health.
- Strengthen and improve co-ordination and collaboration between health agencies and organizations involved in related sectors, especially education, agriculture, water and sanitation and housing.
- Strengthen district level health management.
- Decentralize management of health services to community level.
- Intensify campaign against major causes of maternal and child deaths, including immunization against the most prevalent communicable diseases of childhood.
- Strengthen surveillance and control of communicable and non-communicable diseases, especially malaria.
- Develop, strengthen and implement targeted health programmes (e.g. for AIDS patients).
- Sustain implementation of programmes for personal and environmental inspections in schools.
- Promote and develop the use of herbal medicines, including incorporation into the formal health care delivery system.
- Establish new sources of financing health care.
- Promote private sector and NGO involvement in health delivery, particularly in rural areas.

3.5 Nutrition

Improvement of the nutritional status of the population and eradicating child malnutrition has been accorded very high priority in the national development agenda. This is because nutritional well-being is a prerequisite for the achievement of the full social, mental and physical potential of the population. Further, by directly enhancing productivity and, indirectly, growth in incomes, nutritional well-being is also essential for successful economic development.

Malnutrition, or the absence of good nutritional status, exacts a high human toll, especially among children and the poor. Its causes are numerous, complex and symptomatic of many different dysfunctional processes in society. While inadequate food intake and disease are the immediate causes of malnutrition these, in turn, are caused by underlying factors such as inadequate household food security, deficient maternal and child care as well as inadequate access to basic health services coupled with an unhealthy environment, including insanitary surroundings and unsafe drinking water. Fundamental determinants of these underlying factors are the availability and control of human, economic and organisational resources. The availability and control of resources at various levels of society, including that of the household, are, in turn, the results of social, economic, political and cultural factors.

Improving the nutritional status of the population will be a very challenging task, not least because activities to improve nutrition must be multifaceted and, as implied by the strategies outlined below, will require considerable cross-sectoral collaboration and co-ordination by ministries

and departments responsible for such disparate sectors as health, education, food and agriculture, finance, environment, water and information at both national and local levels. Cooperation will also be required with universities, the media, NGOs as well as the private sector, particularly food producers, processors and marketers and health providers. Finally, community involvement will be imperative in all aspects of planning and execution of nutrition improvement activities.

Objectives

- Achieve and maintain nutritional well-being among all socio-economic groups and in all regions of Ghana.
- Strengthen household food security, especially among the poorer segments of society.
- Reduce seasonal variation in food production in the "hungry season" prone northern sectors of the country.
- Eradicate child malnutrition.
- Increase agricultural productivity.
- Ensure access to adequate supplies of foods for a nutritionally adequate diet at affordable prices for all socio-economic groups.
- Establish a socio-cultural milieu that promotes healthy behaviour, including consumption of appropriate diets, at national, community and household levels.

Targets

- Increase daily per capita caloric intake from the 1986 level of 1760 to 2300.
- Decrease rates of wasting from the 1988 rate of about 15% to 4%.
- Decrease rates of stunting from the 1988 rate of 39% to 7%.
- Decrease the incidence and rates of low birth weight babies from the 1988 level of about 17% to 10%.
- Eradicate severe child malnutrition.
- Achieve exclusive breast-feeding of infants aged 0-4 months by 95% of mothers.
- Eradicate micronutrient malnutrition (iodine deficiency disorder, vitamin A deficiency and iron deficiency anaemia).
- Establish community-based nutrition surveillance and promotion programmes in all human settlements.
- Reduce median percentage share of food in household expenditures to 30%.

Strategies

Since nutritional outcomes are critically dependent on activities in the food and agriculture sectors, there is a corresponding emphasis on these sectors in the strategies identified below. Primary responsibility for the articulation and implementation of specific interventions will reside with the appropriate sectoral agencies.

24. NDPF - Long Term Development Objectives

- Provide appropriate incentives and extension services to stimulate increased production of appropriate food crops.
- Increase employment opportunities, especially for the poor and unskilled and in rural areas.
- Introduce appropriate training, technologies and other measures to increase agricultural productivity per worker and per hectare.
- Accelerate food production through introduction of new agricultural methods and technologies in a manner that minimises adverse environmental effects.
- Strengthen and intensify programmes for the development, increased production and promotion of consumption of cheap local nutritional food varieties, including weaning foods.
- Continue to undertake research, extension and training to identify potential cash crops for smallholder production.
- Promote the growth of an efficient food distribution system by capitalising on the potential of the private sector in the marketing of inputs and food products.
- Promote the use of large- and small-scale irrigation systems, where appropriate, to increase productivity and generate employment.
- Expand and strengthen rural infrastructure with special attention to the more remote disadvantaged areas.
- Encourage the integration of livestock and poultry into smallholder farming systems to provide greater diversity of both food and income sources.
- Strengthen early warning activities and develop mechanisms for timely interventions for coping with impending food shortages.
- Implement targeted nutrition programmes for poor and rural households, especially children.
- Institute, as appropriate, targeted subsidies to increase production and consumption among poorer socio-economic groups.
- Continuously monitor and review macroeconomic policies that adversely affect agriculture and the overall economy through their effects on real exchange rates, incomes and wage rates and food prices.
- Intensify public education campaigns to promote prolonged breast-feeding.
- Intensify public education campaigns on importance of balanced diets, especially for children.
- Strengthen and increase food and nutrition planning units to co-ordinate all related policies and programmes.

3.6 Education

The overall educational goal is to ensure a population in which all citizens are at least functionally literate and productive. In addition, as Ghana will be seeking to continuously improve

its position in the increasingly competitive global economy of the remainder of this century and in the next, there will be need for a more analytical and creative population. Thus Ghanaians will have to be quick to see and seize new economic and business opportunities, spot new trends and adapt swiftly. The education system will have major responsibility for providing the means for our population to acquire the necessary skills to successfully cope in this environment.

Objectives

- Educate each individual to his or her maximum potential;
- Achieve universal basic education;
- Strengthen the system of basic education;
- Increase opportunities for pre-schooling;
- Increase female enrolments and completion at all levels of the educational system;
- Re-orientate the education system so that it promotes creativity and the acquisition of more flexible basic skills;
- Upgrade the quality of teachers at all levels of the system;
- Qualitatively improve and increase emphasis on education and training in science and technology;
- Expand and increase access to secondary and tertiary education; and
- Eradicate adult illiteracy.

Targets

- Increase the median educational standard of the population to JSS 3 by 2020;
- Increase the net enrolment rate in primary schools to 98%;
- Reduce the rate of "wastage" at basic education level to 5%;
- Increase the enrolment rate in pre-schools to 70% of the relevant age-group;
- Increase the proportion of females with secondary or higher education to 80% by 2020;
- Reduce the dropout rate for girls to 5%;
- Ensure that teachers at all levels of the system possess basic professional qualifications;
- Increase the adult literacy rate to 90%;
- Substitute teaching methods that promote inquiry and problem-solving for those based on rote learning;
- Increase the annual output of students trained in science-based disciplines or with technical and vocational skills to 55% of the total output of the educational system.

Strategies

- Improvement of social and physical accessibility to basic education, especially for communities and groups under-represented in the primary education system.
- Continued curricular reform and efforts to improve quality and relevance of basic education.
- Continued expansion and improvement of vocational and technical education.
- Strengthening of district level management and supervision of education.
- Increase annual intakes of the universities and polytechnics by about 3% p.a.
- Strengthen linkages between schools and communities.
- Strengthen linkages between schools and industry.
- Intensify the non-formal adult functional literacy campaign.

3.7 Training

A corollary of modern society's propensity for rapid changes in technology and demand patterns, both locally and internationally, is that skills become redundant much more quickly. To avoid being further marginalised in global economic relations as well as to satisfy domestic economic and social demands, Ghanaians at all occupational levels will therefore have to be prepared to constantly undergo re-training to equip themselves with the latest skills. Accordingly, national training policy will primarily be aimed at supporting long-term economic strategies and will seek to establish retraining and skills upgrading as an integral part of working life. Since other countries will also be expanding their pool of skilled manpower, labour costs will continue to be an important factor in Ghana's international competitiveness. It will therefore be necessary to ensure that wage increases are not propelled by supply shortages.

Objectives

- Improve the technical proficiency of the Ghanaian workforce.
- Increase opportunities for technician and vocational level training.
- Enlarge training infrastructure for skills upgrading.
- Improve management skills and business efficiency.
- Expand training in agriculture, engineering, finance, information technology and business administration.
- Match the supply of skilled labour with demand.

Targets

- Productivity per worker increased at an average rate of 5% p.a.
- Increase annual intakes of technical and vocational training institutes by about 5% p.a.

Strategies

- Promote recognition of the need for continuous training and re-training within the workforce.
- Establish wide provision of leadership and entrepreneurship training.
- Strengthen linkages between the training sector and industry.
- Reform and strengthen the apprenticeship system.
- Promote the use of sandwich courses in training.
- Encourage the private sector, particularly key industries, to establish comprehensive training programmes for their own workforces, especially in new technologies.
- Encourage the private sector to contribute adequate funds for training.
- Constantly monitor and disseminate information on the demand for specific skills particularly in new or emerging areas.

3.8 Employment

One of the most serious social problems in Ghana which contributes to the incidence of poverty is the acute shortage of opportunities for stable, gainful employment as manifested by open unemployment and underemployment. Not only is this a problem in the present but over the long-term the increasingly youthful structure of Ghana's population as well as the rate of population growth give rise to serious cause for concern with regard to the capacity of the labour market to provide productive employment to the country's labour force. There is therefore a strong and urgent need to improve upon employment promotion and income generating policies and programmes.

Given that the overwhelming bulk of the unemployed and under-employed are to be found eking out a living in the rural and urban informal sectors, particular attention must be paid to increasing efficiency and productivity in these sectors. This will be achieved through policies which support micro and small-scale enterprises such as increasing their access to credit and provision of appropriate infrastructure. From the perspective of employment promotion, macroeconomic policies, as discussed in the chapter on economic development, will of course be of particular significance.

While it is recognised that labour reallocation, particularly from agriculture, and redeployment will be necessary, it is imperative that safeguards must be put in place to anticipate and pre-empt such inadvertent negative effects on employment as those experienced under the Structural Adjustment Programme in which net losses in levels of employment and income were observed as uncompetitive domestic industries were forced to shed excess labour as a result of the implementation of trade and exchange rate liberalisation. Similarly, the legal and regulatory framework will have to be reviewed in the interests of promoting employment creation, especially in the informal sectors. Investments in labour, especially training and retraining programmes as mentioned in the section on training above will also be of crucial importance to employment promotion as will be the promotion and use of appropriate labour-based technology. Finally, maximisation of employment will require a supportive public administration system that has been reformed and reoriented as described in the chapter on public administration.

Employment policy will also encompass issues associated with industrial relations such as the terms and conditions of employment, wages and salaries policy, industrial safety and health and workmen's compensation.

28. NDPF - Long Term Development Objectives

Objectives

- Productive job creation opportunities maximised.
- An employment policy to generate wages and salaries sustained.
- Equitable terms and conditions of employment for workers in all sectors established.
- Safe and healthy working conditions for all workers established.
- Adequate workmen's compensation scheme established.

Targets

- Proportion of formal sector employment increased to 60% of the total labour force.
- Proportion of the labour force taking annual leave of at least two weeks duration increased to 55%.
- Enrolment in health insurance schemes by 100% of all categories of workers.
- Regular annual inspections of 100% of all industrial establishments.

Strategies

- Issue wage policy guidelines consistent with long-term macro-economic objectives.
- Ensure that wage increases are commensurate with productivity increases.
- Promote and increase access to relevant technology, credit and economic services, especially in rural areas and the urban informal sector.
- Provide adequate opportunities and facilities for technical and vocational training and retraining.
- Design and implement targeted employment programmes for disadvantaged groups, where necessary.
- Promote and support the informal sector and co-operatives.
- Review urban bye-laws and other policies that have a negative impact on informal sector activities.
- Guarantee the rights of rural women to equal access to credit and business loans.
- Protect, through the enforcement of legislation and other policy instruments, the rights and obligations of employees and employers
- Enforce, through the conduct of regular inspections, safe and healthy working environment of workers and ensure that employers observe their statutory rights.

4 3.9 Housing

In addition to being a basic human need, housing is selected for priority attention owing to its profound effects on health, both physical and mental. Overcrowding as characterised by very high average occupancy rates per room and excessive pressure on shared facilities such as

kitchens, bathrooms and toilets, especially in low-income urban areas, has resulted in serious sanitation and health hazards particularly in respect of communicable diseases. Such conditions also create stress which can be further compounded by lack of such amenities as playgrounds and other recreational facilities. Current evidence suggests that the housing situation continues to deteriorate as the estimated average number of persons per house is continuing to rise. It is estimated that an average annual delivery rate of 133,000 housing units compared to a current rate of around 28,000 must be achieved over the next 20 years to satisfy the national demand for housing.⁸

Whereas the major problem in urban housing is the limited stock, housing problems in the rural environment relate primarily to quality. Technical support is required through agencies with appropriate skills, including NGOs, to assist rural households to upgrade and promote traditional designs and traditional methods of construction to improve health and amenity within the house, increase the life of the building and reduce maintenance.

In addition to the obvious involvement of the construction sector, satisfaction of the housing needs of the population also has implications for industry, the science and technology sector, public administration as well as the financial sector. For example, it will be necessary to ensure more extensive use of local building materials, implying a significant increase in their supply. Consequently, innovative research will have to be intensified to identify new local materials suitable for building construction. Additionally, model building bye-laws will be required that will make positive provision for appropriate forms of traditional materials and construction in both urban and rural environments to bring house building within the reach of more people.

Further, with an organization such as SSNIT mobilizing large amounts of workers savings, finance for housing should be made more widely available and accessible. Current initiatives such as the Housing Finance Corporation notwithstanding, efforts should be made to ensure that an even greater proportion of mobilized savings is committed to provision of mortgage finance for the working class and rural dwellers. An arrangement like this would bring a considerable number of prospective home-owners into the market. The effect of this would be to reduce present excessive overcrowding of urban housing. The availability of mortgage funding will also provide the means for repairs and reconstruction of a substantial amount of the severely dilapidated housing currently found in urban and rural areas alike and, by implication, increase employment opportunities.

Objectives

- Adequate supply of housing promoted.
- Ensure that all housing have adequate facilities.
- Housing conditions in rural areas and low-income urban areas improved.
- Adequate access to housing finance established for all income groups.
- Ensure pleasant and healthy surroundings as well as adequate access to sporting and recreational facilities for all housing areas.

Targets

- Reduce average house occupancy rate from 10.1 people (in 1984) to 6.
- 90% of all housing units provided with basic facilities such as water, electricity, toilets, bathrooms and kitchens of adequate standard.

⁸ National Housing Policy and Action Plan, 1987-1990 and National Shelter Strategy, 1993 cited in Situation Analysis of Children and Women in Ghana, 1993, forthcoming

30. NDPF - Long Term Development Objectives

- Upgrade or re-build all urban slum dwellings.
- Effective access to housing finance schemes achieved for all employed or self-employed people.

Strategies

- Further expand and increase access to housing finance.
- Improve incentives for private housing developers.
- Promote the use of standard designs in house construction.
- Encourage greater mobility in the housing market.
- Promote and intensify research into appropriate designs and construction of housing.
- Re-orient professional training towards appropriate designs for affordable housing.
- Intensify research, disseminate existing information and promote the use of local building materials by establishing appropriate incentives to increase supplies.
- Streamline and improve land acquisition procedures.

3.10 Water

Water is essential to human life and the search for good quality water supplies has been a fundamental part of human existence since time immemorial. This problem is far from being overcome in many Ghanaian communities and most especially in the rural areas. While about 93% of urban dwellers are estimated to have access to safe water, only 39% of the rural population have similar access. Consequently, most rural communities rely on ponds and streams as their source of water, resulting in undue exposure to guinea-worm, bilharzia and other water-borne diseases in rural areas. Although considerably better than rural water supply, urban water supply is generally less than satisfactory, especially in slum and other high population density areas where water supply infrastructure has been overstretched.

There is considerable ongoing effort and investment in the restoration, rehabilitation and expansion of water systems for both urban and rural areas, utilizing both ground and surface supplies. While priority will be accorded to the improvement of water supplies to rural areas, an important consideration must be that of cost and reliability. Since the economics of rural water supply do not favour centralized supply systems, alternative means will have to continue to be applied and sought. In this respect, low-cost, low-maintenance technologies will be promoted. Also, until such time that rural communities develop the commitment and capacity to reliably operate and maintain water treatment facilities it will be preferable to locate and utilize sources of good quality water and protect them from pollution.

Objectives

- Adequate access to reliable supplies of safe water for all communities and households achieved.
- Occurrence of water-borne diseases eradicated.

Targets

- Increase the coverage of safe water supply to 100% of rural communities.
- Guinea worm and bilharzia completely eliminated.

Strategies

- Increase community involvement in the supply of potable water.
- Increase community involvement in the maintenance of water sources and systems.
- Increase the number of appropriate water sources (e.g., more bore-holes).
- Provide equitable distribution of potable water.
- Strengthen the capacity of the Ghana Water and Sewerage Corporation to improve water supply, both quantitatively and qualitatively.
- Promote private sector participation in providing equipment and services for water supply.

3.11 Sanitation

Steps must be taken to effect safe disposal of solid waste in both urban and rural areas. It is also important that through environmental awareness education, members of the public are made conscious of the potential hazard to health caused by the habit of open defecation and of the resultant environmental degradation. There is clearly a need for more and easily accessible public places of convenience to eradicate this practice. Health hazards are also created by urban drains which are often choked full of refuse and stagnant water. This ought to be a priority area of urban maintenance. Related to this is the necessity to accord greater priority to peri-urban slum areas, especially since a high proportion of rural migrants to the towns and cities settle in these areas, thereby creating a unique set of health and social problems.

It is also essential to strengthen links between water and sanitation projects and health and related programmes, especially with regard to the control of diarrhoeal diseases and the eradication of other water borne diseases such as guinea worm.

Increased investment and promotion of the widespread use of low-cost technologies will be advocated. Also, it is important to increase the monitoring and evaluation of sanitation projects so that information regarding the cost-effectiveness of techniques, technological innovations and improved social approaches can be disseminated.

Objectives

- Safe disposal of sanitary waste and sullage for all communities and households achieved.
- Safe disposal of solid waste for all communities and households achieved.
- Safe disposal of industrial effluent for all communities achieved.
- Cost-effective, efficient and environmentally-friendly solid waste and sewage treatment systems established in all communities.

32. NDPF - Long Term Development Objectives

Targets

- Safe disposal of sanitary waste and sullage for 100% of households in all settlements in Ghana.
- Safe disposal of solid waste for 100% of households in grades 1, 2 and 3 settlements and 70% of grades 4 and 5 settlements.
- Efficient solid waste and sewage treatment systems established in 100% of grades 1, 2 and 3 settlements and 60% of grades 4 and 5 settlements.

Strategies

- Increase provision of appropriate sanitary infrastructure, especially among rural communities and also in peri-urban slums.
- Improve waste management technologies.
- Improve and expand drainage and sewerage infrastructure.
- Increase public education programmes on sanitation in schools and in the mass media.
- Strengthen and enforce sanitation bye-laws by district, municipal and metropolitan assemblies.

3.12 Managing Social Change and Development

The dramatic reversals in economic and social development in Ghana that occurred during the late 1970s and early 1980s are now a matter of record. The lessons learned with regard to the economic policies that were pursued during that era were particularly instructive with regard to the design of the Economic Recovery Programme and the related Structural Adjustment Programmes. Similarly, the national development experience since the commencement of the ERP, especially the generally negative social impact of the SAPs, have also been striking and instructive. It is therefore clear that there will be need for conscious measures to anticipate and counteract any potentially negative effects of the radical transformation of the social and economic structure of Ghanaian society that is envisaged to take place over the next quarter of a century. Accordingly, this Framework is designed to reflect an inherent sensitivity to human development concerns in all facets of development policy.

While further data and analysis are needed to confirm trends in social development, preliminary information and experience from elsewhere suggests that serious disruptions and imbalances can occur or deepen within the society as a result of rapid economic growth. These imbalances and disruptions may manifest themselves in sociological, economic, cultural or political terms. Examples of these include: increased delinquency, promiscuity and drug abuse among youth; increased incidence of violent crime and child abuse; homelessness and vagrancy; the exacerbation of ethnic tensions; alienation of vulnerable groups; and a general weakening in the fabric of society. Failure to provide safeguards to prevent or at least inhibit the growth of such problems will of course detract from the progress that will be achieved in economic development.

Objectives

- Social cohesion and harmony strengthened and maintained.
- Economic, social and political disparities reduced.

Strategies

- Ensure respect and safeguards for human rights.
- Increase public awareness and interest in the condition of children and women.
- Promote and maintain the rule of law.
- Maintain and promote traditional values that encourage and reinforce social cohesion and harmony.
- Design and implement measures to reduce social prejudice.
- Design and implement specific programmes to assist vulnerable groups.
- Promote the development of a common popular culture and of public opinion.
- Promote and expand participation in sports and other recreational activities.
- Increase access to and availability of all types of media.
- Maintain macroeconomic stability.
- Improve income distribution.
- Strengthen and improve the public administration system.

CHAPTER 4

ECONOMIC DEVELOPMENT

4.1 Introduction

From a relatively prosperous beginning at Independence in 1957 and fairly steady progress in the 1960s and early 1970s, the economy of Ghana suffered severe set-backs, resulting in a steady decline in economic performance from the mid-1970s to the early 1980s. This was due to various factors, including: the pursuit of economic and social policies which adversely affected production in all sectors, especially industry; fiscal and monetary mismanagement; undue state interference in the functions of a developing market system; and, most importantly, political instability coupled with a political culture inimical to private enterprise.

The policy reforms initiated in 1983 under the economic recovery programme (ERP) dramatically reversed the decline and restored confidence in the economy. This has provided a firm base for consolidating the recent gains in economic performance and to increase the momentum which the economy has gathered over the past decade. The aim is to promote Ghana's competitiveness in the rapidly changing world economy and to elevate Ghana from a low-income to a middle-income country.⁹

Basic Goal:

The establishment of an open and liberal market-economy founded on competition and private enterprise, initiative and creativity that optimises the rate of economic development and ensures the maximum welfare and material well-being of all Ghanaians.

Objectives

- Establish a viable, functional and dynamic free-market economy.
- Transform Ghana's economy from one based mainly on smallholder agriculture to a purposefully diversified and productive economy which is capable of adjusting effectively to changes in the world economy.
- Establish and maintain an internationally competitive position for Ghana.
- Transform Ghana from a low-income to a middle-income country within one generation.
- Transform Ghana's economy from being dominated by the public sector to one which benefits from the enterprise and dynamic potential of the private sector, supported by an efficient system of public administration.
- Identify, harness and fully utilize Ghana's human, cultural and natural resources and effectively exploit her favourable geographical position for the sustainable development of the economy.

⁹ Middle-income economies are defined by the World Bank as those with average incomes (GNP per head) from US \$ 636 to \$ 7,910, at 1991 prices and exchange rates (see World Development Report 1993, World Development Indicators, Introduction and Table 1).

- Ensure that the benefits of development are distributed fairly and equitably among all Ghanaians.
- Achieve a substantial reduction in poverty.

4.2 Economic Growth

Objectives

- Accelerate the rate of economic growth to raise Ghana to the middle income group of countries within one generation.
- Raise average incomes per head by more than fourfold from the present level.
- Achieve more equitable income distribution and eliminate hard core poverty.

Targets¹⁰

- GDP growth rate to average 8.5% p.a. over the whole 25 year period (1995-2020).¹¹
- Population growth to reduce from the present level of around 3% p.a. to 2% by 2020, with an average rate of growth of 2.45% over the whole period.¹²
- Real average incomes (GDP per head) to rise more than fourfold from C 180,000 a year (1992) to over C 770,000 a year (at 1992 prices) by 2020. In dollar terms, this is an increase from approximately \$400 to \$1,775 per head.¹³
- Income distribution to be improved by ensuring that the minimum income is not less than two-thirds of average income per head, equivalent to C 500,000 p.a. at 1992 prices.¹⁴

The inclusion of population and poverty in the economic growth targets recognizes that economic growth is an essential component in the means of reducing poverty and improving the quality of life for all Ghanaians, rather than an end itself. The social development objectives set out in chapter 3 are thus crucial to improved economic performance.

¹⁰ The quantified targets are presented in tabular form in the Statistical Annex to this chapter.

¹¹ It is envisaged that the growth rate will rise to 10% p.a. by 2000 and maintain this rate on average for the next 10 years, thereafter slowing down to 8% p.a. This is in recognition of the dangers inherent in attempting to maintain double digit growth rates over an extended period.

¹² Ghana's population will then total approximately 31 million or about double the present figure.

¹³ By way of comparison, this is roughly equal to average income per head in Poland and Turkey in 1991.

¹⁴ At present one third of the population has average incomes of less than two-thirds of the mean and one tenth less than one-third of the mean - vide A Poverty Profile of Ghana 1987-88. The pattern is unlikely to have changed significantly in the last five years.

Strategies

- Reduce the rate of population growth.
- Consciously restructure the production base with a view to changing the sectoral composition of the economy.
- Increase the efficiency of production and productivity in all sectors of the economy.
- Raise levels of investment and savings as a share of total GDP.
- Pursue fiscal and monetary policies which facilitate development.
- Secure a firm base in international trade.
- Ensure fair remuneration for work performed by both employees and the self-employed.
- Maintain a fair and competitive private enterprise system which prevents the exercise of monopoly power.

These strategies are discussed in more detail in the following sections.

4.3 Sectoral Development

The agricultural sector has a major role to play in the development of Ghana's economy. At present the sector contributes nearly 50% of GDP. A significant proportion of manufacturing and services industries is devoted to the processing of agricultural commodities and agriculture is the primary source of food supplies for the population. Its long-term development is thus essential to the maintenance of food security and to providing a firm base for the development of the other sectors. Moreover, the incidence of hard-core poverty is most pronounced in rural areas and can be relieved by increasing agricultural productivity.

However, in the long-term the sectoral composition of production will have to shift significantly towards industrial production - especially manufacturing - and services, in order to secure a firm position for Ghana in world trade.

The development of services will be fostered by the general improvements in the scope for enterprise and initiative, the level of education and the economic infrastructure, all of which are discussed in the appropriate sections of the Framework.

Objectives

The macro-economic objectives of sectoral development are:

- Transform the sectoral composition of production in the interests of product diversification;
- Rapid development of activities with high growth and value-added potential;
- Adoption of improved technologies and achievement of increased productivity.

Targets

The long-term targets for the sectoral distribution of economic activity are summarised in Table 4.1 (see next page).

Targets for Agriculture

- Increase the sectoral rate of growth from an annual average of 1.77% to 3.9%.
- Increase agricultural productivity to enable the sector to meet the economy's needs for food and industrial materials with a declining share of GDP from the present level of 48% to 16% by 2020.
- Increase the output of industrial commodities for processing by domestic industry.

Compared with the other two sectors, agriculture's target rate of growth is modest at an annual average of below 4%, but this needs to be set in the context of past performance and is more than double the actual growth achieved since 1984.

Strategies for Agriculture

- Increase investment in agriculture to at least 4% of GDP.¹⁵ As total investment rises (see following section) agriculture's share will fall to about one eighth, compared with an estimated present share of one quarter.
- Increase investment in the supporting infrastructure (discussed in more detail in Chapter 7).
- Increase literacy and basic education of agricultural workers, as provided for under rural and social development.

TABLE 4.1 TARGET SECTORAL DISTRIBUTION IN 2020

SECTOR	GROWTH RATE*	SHARE OF GDP	
		1992	2020
Agriculture	3.9	49	16
Industry	11.6	16	41
Services	8.9	35	43
GDP	8.5		

* Annual average % p.a. for the period 1995-2020.

Targets for Industry

The broad industrial sector is targeted as the fastest growing of the three sectors. Specific targets are:

- To increase the average long-term growth rate to 12.5% p.a., compared with 7.8% p.a. between 1984 to 1992.

¹⁵ In the absence of national accounts estimates of investment by economic sectors, this has been derived from an assumed ICOR of 2, a target growth rate of 4% p.a. and agriculture's current share in GDP of 45%, i.e. $2 \times 4 \times 0.45 = 3.6$, which is rounded off to 4.

38. NDPF - Long Term Development Objectives

- Raise the broad industrial sector's share of GDP from 16% to 41% by 2020.
- Raise manufacturing's share of GDP from 8.7% to about 25%.

Strategies for Industrial Development

- Maintain a favourable investment climate for investment in manufacturing and mining. Industry's share of total investment will need to rise to around 20% of GDP, compared with an estimated 5% at present.¹⁶
- Provide the necessary economic infrastructure for industry, as detailed in the section on the economic infrastructure, to ensure that power and water supplies and transport and telecommunications services do not impose constraints on industrial development.
- Promote development of the construction sub-sector to meet the requirements of all other activities.
- Facilitate the adoption of improved technologies - see Chapters 5 and 6.

Targets for the Services Sector

- Achieve an average annual rate of growth of over 9% - i.e. slightly above the overall GDP growth rate.
- Increase the sector's share of GDP from 35% to 43%.
- Provide the economic and social services required for efficient production by all sectors (see Chapters 3 and 5).

Strategies for the Services Sector

- Establish Accra as a major regional financial centre.
- Increase the volume and range of invisible exports, including tourism, entrepot trade and transit.

4.4 Investment and Savings

Objectives

- Investment increased to the level necessary to achieve the economic growth objectives.
- Domestic savings increased to a level which can finance the greater part of investment.
- Proportion of savings and investment undertaken by the private sector maximised.
- Dependence on official foreign borrowing reduced.
- Ghana made an attractive place for investment to both domestic and foreign investors, including expatriate Ghanaians.

¹⁶ See footnote 15 on problems of estimating sectoral investment.

- Measures introduced to encourage personal savings by Ghanaians in middle to low income groups.

Targets for Savings and Investment

- Increase the level of investment as a proportion of GDP from around 16% at present to 35% by 2020.
- Increase the share of private investment from less than half to about two-thirds of total investment.
- Increase the share of public investment from 8% of GDP to over 12%, in order to provide the necessary economic and social infrastructure.
- Increase the level of domestic savings from around 12% of GDP in recent years to 30%.
- Increase public savings from around 3.5% of GDP in recent years to 9%.
- Increase private domestic savings to over 20% of GDP.
- Reduce dependence on foreign savings from around 50% of total investment to 15%.

Strategies for Investment and Savings

- Pursue fiscal policies which ensure that government revenues are sufficient to cover recurrent expenditure and leave a surplus for essential public sector investment in the infrastructure - see section 4.5).
- Protect budgetary allocations for public investment from arbitrary cuts.
- Remove unnecessary legal, administrative and other obstacles to private investment, both domestic and foreign.
- Improve the structure of the financial system so that it is responsive to investors' needs for long-term finance.
- Encourage the expansion and improvement of non-formal methods of saving, such as "susu", and the conversion of non-financial savings to financial instruments which can be re-invested.
- Introduce fiscal and other incentives for small savers in middle to low income groups.
- Maintain a liberal financial and foreign exchange system, including bilateral and multilateral investment guarantee and double taxation agreements, which safeguard foreign investors against expropriation and ensure repatriation of earnings and assets.

4.5 Fiscal Policy

While it is essential to maintain a healthy balance between government revenue and expenditure, fiscal policy must be basically development orientated. In particular, tax policy should be formulated with a view to promoting economic activity and development, rather than solely for revenue generation.

40. NDPF - Long Term Development Objectives

Ghana's current fiscal policy is illustrated by the record for 1992. In that year 70% of domestic revenues (excluding foreign grants) were derived from indirect taxes, of which over 10% were in the form of export duties. Direct taxes provided 20% of domestic revenue, the remaining 10% being non-tax revenue. Unless very carefully designed, indirect taxes tend to be regressive as their relative incidence is greatest on the lower income groups. Export taxes discourage production for export and thus run counter to the objective of expanding export earnings. The present tax structure is therefore deficient in respect of both equity and economic efficiency and the strategies are designed to remove these deficiencies.

Objectives

- Fiscal policy designed to promote development, investment and economic growth pursued.
- Taxes which inhibit production and exports permanently abolished.
- Government revenue and expenditure kept roughly in balance, taking one year with another, and massive budget deficits avoided.
- Public accounts system re-structured to identify amounts spent on administration and development.
- Government revenue sufficient to provide the economic and social services necessary for sustained development and to meet the needs of the population secured.
- Policy of decentralisation supported by a decentralised fiscal system -see Chapter 10.
- Revenue collected with due regard to equity and economic efficiency.
- Dependence on foreign grants and counterpart funds to finance recurrent expenditure eliminated.
- Dependence on official foreign borrowing to finance capital expenditure reduced.

Targets

- Government revenue raised to an average of at least 18% of GDP over the period.
- Expenditure on development, including capital development projects, should not fall below 50% of total expenditure.

Strategies

- Increase the proportion of revenue raised from direct taxes on income and property and decrease the proportion raised from indirect taxes.
- Introduce and gradually extend value added tax.
- Improve the efficiency of tax assessment and collection and minimise costs to taxpayers, e.g. unnecessary delays in clearing imports because of cumbersome customs procedures.
- Reform Ghana's fiscal system to enable local governments to raise a greater proportion of their revenue requirements for recurrent expenditure and have access

to funds for capital investment - see Chapter 10.

4.6 Monetary Policy

The objectives of monetary policy are to restrain inflation and facilitate development by ensuring that it is not restricted by insufficient money supply. These objectives are mutually supportive. One of the principal causes of inflation in Ghana is the increase in food prices when supplies are restricted by poor harvests. An increased degree of monetisation in rural areas will facilitate production for the market and thereby dampen down inflationary pressures. Improved agricultural productivity, and the maintenance of steady supplies to the market, will also help to reduce inflation by evening out seasonal variations.

The main increase in money supply will be in the form of near money (bank deposits) rather than currency in circulation. This will follow naturally from the improvement and expansion of financial services, discussed in Chapter 5.

Although interest rate policy is one of the weapons in the anti-inflationary armoury, its prime use as an instrument of development is in mobilising financial savings and supporting investment. Increased competition between banks will help to squeeze the margin between lending and deposit rates, which will encourage both investment and savings.

The achievement of near stability in domestic prices will give both savers and investors confidence in the real value of future earnings and will also assist in stabilising foreign exchange rates.

Objectives

- Monetary policies designed to facilitate development.
- Increased monetisation of the economy.
- The rate of inflation kept under control.
- Interest rates kept at levels which encourage savings and promote investment.
- Achieve and maintain full convertibility of the cedi.

Targets

- Money supply as percentage of GDP gradually increased from the present low level of 17%.
- Average rate of inflation reduced to around 6% p.a.
- Average real lending rates maintained at around 5% p.a.
- Depreciation rate of the cedi reduced to 4% p.a.

Strategies

- Design and pursue fiscal and monetary policies which do not fuel inflation (see section 4.5 above).
- Use improvements in the financial system to increase the level of monetisation (see section 4.3 above on the Services Sector).

4.2. NDPF - Long Term Development Objectives

- Establish and maintain an appropriate legal framework for financial institutions which safeguards the interests of the public and guarantees their freedom from government interference in their operations.
- Promote genuine competition between banks and other financial institutions.

4.7 International Trade and Balance of Payments

A major factor in Ghana's development will be the country's success in creating confidence among the international community in her ability to meet obligations and to provide secure and profitable conditions for investment. In addition to creating an attractive investment climate, discussed in section 4.4, this will be greatly assisted by increased export earnings to provide the necessary foreign exchange resources and by maintaining an open foreign trade regime.

Expansion of exports is a necessary component of economic growth. Not only will increased export earnings be needed to finance increased imports of capital goods for investment, but production for export will also allow output to expand more rapidly by overcoming the constraints imposed by a relatively small domestic market. Production for export also forces producers to increase efficiency and reduce costs to internationally competitive levels.

Objectives

- International confidence in Ghana maintained and strengthened.
- The share of exports in GDP increased.
- Dependence on exports of primary products reduced and export products and markets diversified.
- Value of exports of services increased.
- Share of capital and intermediate goods as a percentage of total imports increased.¹⁷
- Overall surplus in balance of payments achieved and maintained.

Targets

- Increase annual rate of growth in the real value of commodity exports by 10% p.a. and raise share of exports in GDP to 24%.
- Increase non-traditional exports and exports of services, especially tourism, transit trade and financial services.
- Increase annual rate of growth in the value of imports by around 9% p.a. and raise imports share of GDP to 28%
- Reduce deficit on current account to 14% of value of imports and achieve a positive overall balance of payments.

Strategies

- Give priority to economic interests in Ghana's international relations.

¹⁷ Foreign trade statistics need to be improved to provide analysis of imports by end use.

- Maintain an open policy in international trade.
- Eliminate unnecessary restrictions on exports and imports and cumbersome customs procedures.¹⁸
- Provide adequate and effective incentives for production of exports, such as export zones.
- Eliminate negative protection of domestic producers - e.g higher duties on imported inputs than on goods for final sale.
- Provide safeguards to domestic producers against dumping and other predatory practices by foreign exporters to Ghana.

The long-term effects on Ghana of the recently concluded Uruguay round under the General Agreement on Tariffs and Trade (GATT) are not yet clear. For example, the abolition of the multi-fibre agreement, which placed quotas on exports of textiles into the United States and the European Union, provides an opportunity to produce cotton goods for export, but these will have to compete with long-established industries in the Indian sub-continent and the Far East. On the negative side, the extension of GATT rules to certain types of services and intellectual property are likely to involve increased costs to some Ghanaian industries.

While Ghana will continue to participate in the various international economic organisations, it is unlikely to be able to exert any significant influence on their deliberations and its best recourse is to concentrate on improving the efficiency of domestic producers and international competitiveness.

4.8 Income Distribution

Improvement in income distribution is an important development goal and has a major role to play in the reduction of poverty. This is more likely to be achieved by a positive rather than a negative approach - i.e. ensuring a fair reward to all producers, whether employees or self-employed, rather than imposing punitive rates of taxation on high incomes and redistributing the proceeds.

Real incomes are determined by the relative levels of money incomes and prices. Thus, in addition to ensuring fair rewards to both employees and the self-employed, it is also necessary to guard against exploitation of consumers.

Objectives

- Levels of wages and salaries adjusted in relation to productivity.
- Self-employed producers receive competitive prices for their products.
- Fully competitive conditions introduced and maintained in all sectors of the economy and incidence of monopolistic conditions minimised.

These objectives do not lend themselves to quantitative targets but can be achieved by the following strategies. The principle underlying the strategies is to avoid as far as possible direct control of wages and prices, with government acting as a referee to ensure fair play.

¹⁸ This is part of the general objective of improving public administration in support of development, discussed in Chapter 10.

Strategies

- Maintain and improve a fair and effective system of wage negotiation.
- Establish a system which prevents the acquisition of monopoly powers. In cases where monopolistic production is unavoidable, regulations to safeguard consumers interests should be enforced.

4.9 Implications of Macro-economic Objectives

4.9.1 Sectoral Development Policies

The overall performance of the economy is an amalgam of the performance of its sectoral and sub-sectoral components. Each component has an important role to play in contributing to the macro-economic objectives whose achievement depends on the consistency of sectoral policies with these objectives. This also requires that sectoral and sub-sectoral development policies are mutually supportive and that inter-sectoral linkages are identified and strengthened.

Even though for organisational purposes it is necessary to charge sectoral ministries with well defined responsibilities, sectoral development policies need to have a much broader scope and cannot be compartmentalised if they are to be successfully implemented. By way of example, agricultural development is not only concerned with agronomic techniques but is also dependent on the provision of transport, storage, marketing and processing facilities as well as on the state of education, health and nutrition among farming communities. Agricultural development programmes must therefore be concerned with the state of the economic and social infrastructure, science and technology and industry to meet their requirements. Similar considerations apply, *mutatis mutandis*, to every sector and sub-sector.

4.9.2 Environmental Policies

Economic development which leads to increasing environmental degradation cannot be sustainable in the long-term. Such development, moreover, would run counter to the fundamental development objective of improving the quality of life for all Ghanaians. At the same time, it must be recognised that environmental protection incurs costs and macro-economic policy needs to provide guidelines on the trade-offs between loss of amenity and economic growth and on the extent to which expenditure on environmental protection can produce net benefits to the economy. This is discussed more fully in Chapter 9.

4.9.3 Spatial Organisation

Like all human activities, economic development operates in a space-time continuum. Unfortunately, whereas the time element has always figured prominently in development programmes, the spatial element has tended to be ignored, despite the anti-developmental effects of the inefficient use of space. An example of this is congestion resulting from rapid urbanisation, which is a feature of a number of developing countries.

Market forces tend to be centripetal and development policies will need to counter the tendency towards excessive concentration of economic activity. The aim is to ensure efficient spatial distribution of economic activities, bearing in mind that some parts of the country have greater developmental potential than others.

4.9.4 Public Administration

The efficient implementation of development policies depends on an effective and responsive public administration. Macro-economic policies can assist by ensuring that the administration at both national and local levels has sufficient resources to operate effectively and that these resources are judiciously utilised. This implies, *inter alia*, a balance between the budgetary allocations for personal emoluments and for materials and equipment so that personnel can discharge their duties effectively. Public service pay structures should be sufficiently attractive to ensure the recruitment and retention of professionally qualified and capable personnel. A fair level of remuneration will also help to reduce the temptation to engage in corrupt practices.

CHAPTER 5

PRODUCTION

Production covers all the productive sectors of the economy, viz, agriculture, industry and services and their respective sub-sectors. The overall development goal for production is to support the macro-economic objective of accelerated growth by achieving increased productivity in all types of production and an expansion in the range of goods and services produced at internationally competitive prices.

5.1 Agriculture

The principal goal of national agricultural policy is the establishment of a robust and diversified agricultural sector that ensures national food security and an adequate supply of raw materials at competitive prices for industrial production. The sector should also contribute positively to the country's balance of payments position through export diversification. Agricultural activity will be sustained by providing efficient agricultural producers with farm incomes comparable to earnings outside agriculture.

The achievement of this goal will require the transformation of the agricultural economy: in particular, this will involve minimizing dependence on shifting cultivation and rainfall. Productivity of farmers will be increased considerably through education and training, good nutrition and health care; and agricultural production (especially by small-scale producers) shall be characterised by widespread use of improved farm technologies appropriate to farming systems and ecological zones.

Over the long-term, investment and production in industry (especially manufacturing) and services are foreseen to grow at a much faster rate than in agriculture. It is therefore expected that agriculture's share of total investment will decline from the present estimated 25% (1992) to just over 12% (2020), whilst agriculture's share of GDP will fall from the current level of 48% (1992) to about 16% (2020).

Objectives

- To promote adequate and secure supply of food at competitive prices.
- To promote the production of agricultural products with high nutritional values.
- To promote the supply of adequate raw materials at competitive prices for the manufacturing sector.
- To establish effective linkages between agriculture, industry and services.
- To promote agricultural research (including market research) which is of direct relevance to the needs of producers and consumers.
- To promote increased agricultural productivity and incomes.
- To promote the expansion of the range of agricultural products.
- To ensure effective and efficient export diversification by making the agricultural sector more price-competitive and export-oriented.
- To ensure the efficient exploitation of regional comparative advantage and resource endowment as a means of achieving equitable regional development of the country.

Targets

- Increase the rate of growth of agricultural sector to about 4% per annum, from the current level of 1.7% (average 1984-1992).
- Increase the absolute contribution of the agricultural sector to foreign exchange earnings and government revenue.
- Increase investment in agriculture to about 4% of GDP.

Strategies

- Promote the adoption of permanent rotational cropping according to the ecological zone.
- Promote mixed farming.
- Promote the introduction and adoption of intensive farming methods involving the cultivation of tree and annual crops.
- Encourage the use of simple forms of irrigation by farmers.
- Improve the management of fish stocks.
- Improve and expand the facilities in existing fishing harbours.
- Promote the development of fishing harbours and fish-landing grounds at selected coastal and riverine towns.
- Promote the effective husbandry of high-yield cattle (dairy and meat), ruminants and poultry.
- Encourage the cultivation of commercial tree plantations, and promote re-forestation and the development of other forest resources.
- Strengthen linkages between farming communities and major market centres through the provision of basic infrastructure.
- Promote investment (local and foreign) into the agricultural sector.
- Minimise post-harvest losses by providing storage facilities at bulk markets and by efficient processing, transportation and distribution of farm goods.
- Improve access of agricultural producers to financial resources, especially in the financing of farm inputs and farm storage structures.
- Encourage market research in order to improve access to established foreign markets and to break into new markets for both traditional and non-traditional exports.
- Promote formal and non-formal education and training of farmers in the correct application of improved agricultural inputs and produce-preservation methods.
- Improve extension services to agricultural producers with respect to access to information on adoption of technologically-improved farm inputs, on-farm storage methods and structures, and market data.

48. NDPF - Long Term Development Objectives

- Re-define research priorities to ensure that funds are allocated to research programmes which are directly relevant to solving problems of agriculture.
- Establish clear forward and backward linkages between agricultural education (formal and informal), research and development, farming, agro-industry and marketing.
- Establish quality and health standards for food and agricultural products.
- Introduce new agricultural products (e.g. sisal) for the domestic market and export.

5.2 Industry

The goal of Ghana's industrial policy is the attainment of an efficient, diversified, technologically-progressive and market-driven industrial sector that is capable of sustainable growth. This will require the creation of an industrial structure that ensures a continuous expansion of competitively-priced industrial products mainly for the world market. The potential for growth in industry generally and the manufacturing sector in particular is considerable, given the right policy focus. Consequently, the growth target of the industrial sector has been set at about 12.5% per annum; this growth target will raise industry's share of GDP to about 40%, from the current level of 16%.

Industrial competitiveness depends upon labour productivity and industrial technology. Worldwide, the rate of change in industrial technology has been increasing at an exponential rate, especially in the last decade. Hence, if Ghana's industry is to become competitive, industrial policy must address the problems of science and technology as well as the education and training of an industrial labour force which is capable of creating new technologies or mastering and adapting existing technologies for use in our local environment.

Industrial development and corporate location are highly dependent on the economic infrastructure - not only the physical infrastructure (such as roads, railways, airways, power stations and telecommunications) but also the services infrastructure in the form of financial, legal and specialized technical services.

In the past few years, government has pursued a policy of reducing its involvement in industry (manufacturing and mining) by privatising many state-owned enterprises. The government will continue with its privatization policy and will encourage the private sector (local and foreign investors) to assume the responsibility of running industrial enterprises.

Objectives

- To encourage private sector development by promoting an enabling environment, including a conducive legal and social framework, for private sector investments in industry.
- To encourage technological innovation and effective adaptation of known and mature technologies, and to promote the improvement of local technologies.
- To establish an effective system of statistical data collection and analysis and the timely dissemination of all types of industrial information and statistics.

Targets

- Increase the industrial sector's share of GDP to about 40% (2020), from the current level of 16% (1992).

- Increase industrial sector's share of total investment to about 20% of GDP, from the current estimated level of 5% (1992).
- Increase the rate of growth of the industrial sector to 12.5% per annum, from the current level of 7.8% (average: 1984-1992)

Strategies

- Promote the acquisition of technical skills by all categories of the industrial labour force through education and training.
- Research priorities (including market research) and funding should relate directly to the needs of the industry.
- Reduce public sector involvement in industrial activities.
- Promote investment (local and foreign) in industry by removing actual and perceived investment constraints, including restrictions on choice of technology and on fees for technology acquisition.
- Provide adequate infrastructure (especially tele-communications) and good schools and recreational facilities in order to attract and keep regional corporate offices in Ghana.
- Encourage the establishment of a sophisticated capital market capable of meeting the financial and insurance needs of businesses in Ghana and Africa.
- Improve access of industrial enterprises to financial resources.

5.2.1 Manufacturing

The goal of manufacturing policy in Ghana is the establishment of an efficient market-oriented manufacturing sector which processes raw materials and semi-processed outputs into products which are internationally competitive. Manufacturing policy will therefore seek to promote the industrial processing of agricultural and mineral products to improve their usefulness, value-added and exportability.

Objectives

- To make Ghanaian manufactured products internationally competitive.
- To establish effective linkages between manufacturing, agriculture, education and services.
- To ensure effective export diversification by expanding the range of manufactured products.
- To encourage the conversion of agricultural commodities (especially perishable food items) into easily storable products (existing and new products) as manufacturing sector's contribution to stable food prices, enhanced farm prices and farm revenues, and to national food security.

Target

- Raise the manufacturing sub-sector's share of GDP to about 25%.

Strategies

- Build up the entrepreneurial skills of managers and owners of manufacturing enterprises through enterprise development and management training programmes.
- Establish quality standards, and health standards where appropriate, for all manufacturing products.
- Promote quality control and inspection in industrial production (in manufacturing and mining sectors).
- Encourage the processing of raw materials hitherto exported.
- Make use of approved patents (available in foreign libraries, etc) for the production of manufactured goods in Ghana.
- Encourage local industries to manufacture exotic products for the world market.
- Encourage market research in order to improve access to existing and new (domestic and foreign) markets;
- Provide appropriate infrastructural facilities for identified free ports and export processing zones.
- Streamline customs import and export procedures at entry and exit points.
- Abolish export duties on all goods exported.

5.2.2 Mining and Quarrying

Mining is currently Ghana's largest foreign exchange earner. Production of major minerals such as gold, diamonds, bauxite and manganese has increased significantly since 1985 with gold accounting for over 80% of the total value of mining production. However, mining has been an "enclave" sector, having very little linkage with other sectors of the economy.

In the long term, the goal of mining policy is the establishment of an efficient and diversified mining sector that ensures the efficient exploitation of minerals at competitive prices. The effective integration of the mining and manufacturing sectors will also be encouraged for the purpose of promoting industrialisation in the country.

As gold and diamond outputs are expected to increase five-fold or more within the next decade, it will be necessary to establish appropriate facilities for assaying, refining and converting these "raw" minerals into jewellery and industrial products. Other mineral commodities such as limestone, kaolin, salt and iron ore are also expected to be developed as a contribution to Ghana's industrialisation process and foreign exchange earnings through export diversification.

Stone and sand and other quarry products are essential inputs for the construction industry, but their extraction has often had serious environmental consequences, which will need to be addressed - see Chapter 9.

Objectives

- To ensure higher productivity and efficiency in the mining industry by encouraging technological innovation and adaptation of improved technologies to mining activities.

- To encourage private sector investment in the mining industry, especially in the less developed and unexplored areas, by improving the investment environment.
- To establish effective linkages between mining and manufacturing through the promotion of processing and other value-added activities to Ghana's minerals.
- Ensure that mining and quarrying operations do not cause severe environmental degradation.

Targets

- Increase the rate of growth of the mining and quarrying sub-sector from 8.3% p.a. in recent years (1988-1992) to over 10% p.a.
- Increase the proportion of mineral products which are domestically processed - negligible at present - to a significant level.

Strategies

- Strengthen state institutions to provide effective investment promotion, mine control and back-up services.
- Improve mining methods and technologies to ensure international competitiveness of mineral products.
- Strengthen the ability of institutions to supervise mining and quarrying operations in order to reduce environmental damage.
- Encourage private investment in mining and mineral exploration.
- Promote the integration of bauxite mining and the manufacture of final aluminium products.
- Promote the establishment of an integrated iron and steel industry as a basis for moving into heavy industries.
- Promote the establishment of a gold refining plant and encourage the building of processing facilities for other mineral products.
- Promote technical training for small-scale mining operators ("galamsey" or "gather-them-for-sale") in order to improve their productivity.
- Provide support for small-scale miners to identify areas for prospecting, to improve mine designs and mining techniques and to increase recoveries.
- Improve the procedure for disseminating geological information and provide access to information on investment opportunities in the mining sector to a broader range of investors.
- Establish environmental, health and safety standards for mining and quarrying.
- Promote the use of alternative quarry products (such as crushed sandstone in place of sand) in the building and construction industry in order to minimise environmental damage.
- Allow domestic prices of minerals to be determined by market forces and liberalise sales arrangements to encourage the development of small-scale mining in Ghana.

5.3 Construction

The goal of the construction sector is the establishment of an efficient and internationally competitive domestic construction industry. The Ghanaian construction industry will be encouraged to use local raw materials and equipment. It will also be assisted to become more cost-effective in order to satisfy the increasing demand for housing and physical infrastructure, which is also becoming more sophisticated, by a growing population and a complex and more urbanized society.

Housing need is projected at 133,000 housing units per year from 1995, compared to the current housing delivery of 28,000 (1992) - see Chapter 3 on Social Development. The provision of infrastructural facilities (such as roads, telecommunications and seaport facilities) will also need to increase considerably in order to support the expanded level of economic and social activities of the next two decades - see Chapter 7. In order to meet the increased demand for infrastructural facilities and the projected housing need, output of the construction industry will be expected to grow more rapidly than in the past.

Objectives

- To promote increased efficiency in the construction industry in order to achieve international competitiveness.
- To maximise the use of local raw materials by the construction industry.
- To establish effective linkages between the construction industry and manufacturing, mining and quarrying.

Targets

- Increase the rate of growth of the construction sector from 7.6 % p.a. in recent years (1988-1992) to about 12.5% p.a.
- Increase the construction sector's share of GDP to about 4% (2000), from the current level of 3.5% (1992).

Strategies

- Promote technical training for all categories of labour force in the construction industry.
- Promote managerial training for the management staff in the construction industry.
- Re-orient the education and training of professionals (architects, quantity surveyors, town planners, etc) towards the use of appropriate designs and construction materials.
- Promote research activities that ensure improvement in known construction materials and the invention of new materials.
- Promote the establishment of industrial enterprises that use local raw materials (such as kaolin, wood, aluminium, limestone, clay, etc) for the production of construction materials and inputs.
- Encourage investment (local and foreign) in the construction industry.
- Improve the construction industry's access to financial resources.

- Promote the establishment of home mortgage finance institutions for new houses and home improvements.
- Constantly review building codes and construction regulations.
- Encourage standardisation of construction designs and inputs.
- Establish quality standards for construction materials and construction products.

5.4 Services Sector

The services sector comprises the distribution sub-sector (wholesale and retail trade), tourism and hospitality services, financial and business services and transport and communications, which are discussed below. The overall targets for the services sector are:

- To attain an average growth of about 9% p.a. which is slightly higher than the projected GDP growth rate, compared to the current 7.5% (average: 1984-1992).
- To increase the sector's share of GDP to 43% in 2020, from the present level of 35% (1992).

5.4.1 Distribution

The goal of the distribution sub-sector is the efficient movement of goods and services at minimum cost in support of the growth in agriculture, industry, commerce and tourism. The distribution sub-sector includes wholesale and retail trading, preservation and storage of perishable and non-durable goods, transportation of goods, and all other service activities that make it possible for goods and services to move freely from the producer to the final consumer.

Objectives

- To establish an efficient system of transporting and distributing goods and services.
- To reduce post-harvest losses of agricultural produce by the provision of storage facilities.
- To establish a system of warehousing and freight forwarding facilities for export of goods.
- To promote the establishment of improved market facilities (such as shopping malls) throughout the country.

Targets

- Reduce the share of the cost of transportation in the retail price of goods and services from the current (1992) high level of 50% for agricultural products.
- Provide effective freight forwarding and warehousing facilities at all exporting ports by year 2000.
- Establish warehousing and cold storage facilities at all the major bulk market centres by year 2020.

54. NDPF - Long Term Development Objectives

Strategies

- Promote the use of the most efficient mode of transport, wherever more than one mode is available.
- Promote the provision of warehousing facilities for effective marketing of food and export goods.
- Encourage the establishment of clean and consumer-friendly markets or shopping malls.

5.4.2 Tourism

The principal objective of the tourism industry is to make Ghana a major international tourist destination. Ghana's natural, cultural and historical attractions as well as the proverbial "Ghanaian hospitality" stand the country in a good stead to attract foreign tourists. Domestic tourism will also be actively encouraged.

Ghana's tourist attractions include the all-year-round sunny weather, relatively unspoiled sandy beaches, several castles which link Ghana to a number of past European powers; the World Heritage "Slave Castles" which connect Ghana to various black communities in USA, the Caribbean and South America; the Volta Lake, one of the world's largest man-made lakes, with many islands strewn along its 200-kilometre length; nature (or game) parks and monuments; the colourful cultural festivals; and the new Conference facilities. Ghana has only recently begun to exploit these attractions to her advantage. The tourism industry lends itself to small-scale and labour-intensive operation; individual entrepreneurship can be given free reign in the tourism industry. Development of and access to tourist attractions as well as the training of tourist personnel (travel agents, tour operators, hoteliers, bar operators, etc) will be given priority to improve employment opportunities and to increase foreign exchange earnings.

Objectives

- To increase the number of annual tourist arrivals in Ghana.
- To increase foreign exchange earnings from tourism.
- To transform the country's tourist attractions.
- To exploit Ghana's possession of World Heritage facilities to the country's advantage.

Targets

- Increase tourist arrivals in Ghana by 7.4% p.a. to 2,000,000 persons per year in 2020, from the current level of 300,000 persons in 1994.
- Train the majority of present operators in the tourism industry by year 2000. Thereafter, all new entrants into the tourism industry must have received training.

Strategies

- Promote Ghana as a prime tourist destination on the world tourist market.
- Remove impediments to private sector participation in the development of tourism facilities and tourism products.

- Promote private-sector investment in the provision of tourism facilities (such as hotels and restaurants) and in the operation of travel agencies and tour operation.
- Promote the development of existing (and new) tourism products, such as game parks and beach resorts.
- Ensure that all categories of tourism personnel are properly trained.
- Identify important (or priority) tourism products and provide telecommunication facilities and access by road.
- Encourage private operators to provide adequate infrastructure (roads, air links, water and electricity supplies, telephones and postal service) to tourist areas.
- Radically overhaul and streamline immigration procedures for tourists.
- Promote the use of Lake Volta and other water bodies as major tourist and recreational facilities.

5.4.3 Financial Services

The goal of the financial services sub-sector is to establish an efficient, dynamic and sophisticated financial system capable of meeting the financial and insurance needs of business enterprises in Ghana and her trading partners. The achievement of this goal is expected to establish Accra as a major financial centre in West Africa and a rival to the other two major financial centres in Africa - Nairobi in East Africa and Johannesburg in Southern Africa.

Objectives

- To establish an efficient financial system which is private sector-led.
- To develop the non-bank sub-sector (such as insurance, credit unions, building societies, etc).
- To use the financial system as an effective instrument for mobilising capital for development.

Target

- Establish Accra as a major regional financial centre.

Strategies

- Establish and maintain a liberalised foreign exchange regime.
- Modernise the banking system.
- Privatisise the provision of financial services.
- Encourage the opening of new banks (especially branches of internationally-known banks) and "off-shore" banks.
- Encourage the formation of credit unions (including "susu") as a means of mobilising savings from small-scale and informal business enterprises.

56. NDPF - Long Term Development Objectives

- Promote the use of financial market instruments in business transactions and de-emphasise cash transactions.
- Make the financial institutions truly independent of the state.

5.5 SME and Informal Sector

5.5.1 Small- and Medium-Scale Enterprises (SME)

The major goal of SME policy is to contribute effectively to the realisation of the goals for the various sectors of the economy (agriculture, industry and services). In this regard, SME development policy will seek to make SMEs efficient and competitive in the supply of inputs and semi-processed goods to industry generally and in the production and distribution of goods and services.

Objectives

- To maximise value-added on raw materials on a sustained basis through increased processing.
- To promote the development of a broad engineering base, especially in the maintenance, repair and fabrication of machinery and equipment.
- To improve the efficiency of SMEs in the provision of goods and services to industry and consumers.
- To actively promote the development of SMEs for employment generation (especially self-employment).
- To promote the development of SMEs as a means of integrating women into industry and of increasing the processing of local raw materials.

Targets

- Establish Intermediate Technology Transfer Units (ITTUs) and business advisory centres in all regional capitals by 2000 and in selected district service centres by 2020.
- Streamline business registration procedures and simplify tax documentation.

Strategies

- Encourage the development and use of indigenous and new technologies in the SME sector.
- Establish internationally-accepted quality control standards for goods and services.
- Provide for the standardisation of SME-sector products.
- Aggressively promote the export of value-added products and expand the domestic market for SME products.
- Provide efficient and effective industrial extension services through the establishment of district business and technical advisory centres.

- Establish a credit delivery system to finance fixed investment and working capital needs of existing and new SME.
- Encourage the development of an effective marketing system for SME goods and services.
- Promote and enhance the role of women in SME activities.
- Promote the development of entrepreneurial, technical and management skills of SME operators through education (formal and informal) and training.
- Establish industrial estates with the requisite infrastructural and technological support and financial facilities to meet diversified and expanded SME activities.

5.5.2 Informal Sector

The informal sector has expanded significantly since the early 1980s as a result of factors which made it necessary for an increasing number of people to undertake undeclared jobs (such as shops at home, large backyard poultry enterprises and "moonlighting" on second jobs) in order to supplement family incomes. These factors include long periods of drought, widespread bushfires, high rates of inflation, the redeployment of public sector employees and government's withdrawal from direct production.

Though the informal sector's contribution to GDP is not captured by official statistics, its contribution to employment (especially self-employment) and to the supply of goods and services is substantial. Informal sector operators are engaged in a wide range of activities which include trading, personal services, agriculture, manufacturing and repair works.

The informal sector has received little attention in the policy formulating and implementation process. Government policies on trade, exchange rate, labour, price, monetary and fiscal matters are primarily designed to assist formal sector producers. These policies, however, have far-reaching implications for the development of the informal sector.

The major goal of informal sector policy is the transformation of informal sector businesses into efficient production and distribution units capable of competing and operating profitably in the formal economy.

Objectives

- To improve the quality of goods and services produced by the informal sector.
- To integrate informal sector activities into the formal economy.

Strategies

- Establish a data bank of statistical information on informal sector activities.
- Encourage and support informal sector businesses to form associations (with an apex institution) to make them more identifiable and to assist them improve on productivity.

58. NDPF - Long Term Development Objectives

- Provide financial and non-financial assistance to the apex institutions.
- Review business-related legislation and regulations and institute procedures to facilitate the integration of informal activities into formal businesses and thereby contribute their quota to national development.
- Improve access to appropriate technologies and processes by the operators in the informal sector through institutions such as GRATIS (and its ITTUs) and DAPIT.

CHAPTER 6

SCIENCE AND TECHNOLOGY

The major goal of national science and technology policy is the establishment of an efficient research system which contributes to national development objectives. Creation of a science and technology (S&T) culture at all levels of the society and the mastery of known and mature technologies and their application in industry will accelerate economic growth and social transformation and also improve the quality of life of the population. Ghana's S&T policy objective must therefore focus on strengthening and expanding national S & T capacity to support and contribute substantially to the acceleration of the pace of the national socio-economic development.

This implies the development of human capacity to understand, research into and find solutions for the myriad of scientific and technological problems confronting the nation in her quest for a better quality of life for her citizens. The training of capable scientific personnel as well as the training of high-level and middle-level technical personnel will be given greater emphasis.

There is the need to re-structure the S & T institutions (especially the public research institutes) in order to make their research activities more responsive to the needs of economic development and societal priorities. Therefore, increased funding to research programmes will be concentrated on the improvement of indigenous technologies and the application of known technologies in all fields of economic and social endeavours.

Science culture will also be improved through formal and informal education in order to create the awareness of the role of S & T in dealing with the major societal needs and hence in facilitating the application of known technologies.

The study of S&T must be made as real and as practicable as possible; children must be encouraged to experiment, ask relevant questions, observe and do things for themselves. Teaching of science will reflect the relevance of S&T to the cultural, industrial and political life of Ghanaian society. As part of the non-formal educational programmes, farmers and private business community must be sensitized to the need for integrating S&T into their productive economic activities. This integration process can be helped by using scientific explanations of socio-cultural events and actions in order to establish a common ground for the changes necessary to bring about innovation and/or improvements in indigenous technology.

The development of S&T programmes (including the development of new, emerging and indigenous technologies) requires financial resources far in excess of the Government's ability to fund them. It will therefore be necessary to involve a broad cross-section of society (politicians, scientists, educationists, industrialists, etc.) in the technology policy-formulation process. The recent establishment of the National Science and Technology Fund (NASTEF) will also help to gain the support of ordinary citizens, as well as industrialists and opinion-leaders. In this way it should be possible to raise monetary contributions for S&T which will complement the Government's budgetary allocations. It is expected that total contributions (private and government) to NASTEF will rise to just above 1% of GDP by 2000, in accordance with the 1980 OAU's Lagos Plan of Action, and to about 2% by 2020. The current level of S & T funding was only 0.3% of GDP in 1992.

Objectives

- To establish an efficient research system that is problem-solving and also anticipates the future technological needs of industry, agriculture, health and education.
- To create general awareness of the role of S & T in dealing with the daily social and productive economic activities of individuals and with the cultural needs of the society. and
- To adopt technologies, both local and foreign, which continuously improve the production efficiency of agriculture, industry and services so as to keep Ghanaian products internationally competitive.

Targets

- Increase investment in S&T development to 1.0% of GDP by year 2000 and then to about 2.0% by 2020.
- Progressively increase the S&T content of education at the primary and secondary levels.

Strategies

- Promote research in the improvement of local technologies and in the adaptation of known and mature technologies for use in the productive and social sectors of the economy.
- Re-structure the activities of public S&T institutions in order to make their research programmes responsive to societal priorities;
- Ensure that public funding for research is directed into projects aimed at producing outputs which meet the current and future needs of producers and consumers.
- Promote an enabling environment (including the legal framework) for the development, acquisition and application of technologies which bestow comparative advantage.
- Educate and train scientific and technical personnel.
- Re-orient S&T training institutions towards courses that are directly relevant to the socio-economic development of Ghana.
- Ensure the recruitment and retention of scientific and technical research personnel through adequate remuneration.
- Science culture (including methods of scientific inquiry) must be inculcated into the citizenry, especially the children, through formal and informal education and training; cultural practices and everyday natural occurrences must be given scientific explanation.
- Encourage private sector development by allowing freedom of choice of technology and freedom (within bounds) to negotiate for payment of fees for acquisition of technology.

- Ensure adequate financial resources (from public and private sources) for the development of new technologies and adaptation and application of known technologies.

- Encourage the private business sector and ordinary citizens to contribute to the National Science and Technology Fund (NASTEF), with the Government taking the initiative to allocate reasonable amount annually of government revenue as its contribution to NASTEF for S & T development.

CHAPTER 7

ECONOMIC INFRASTRUCTURE

The main development goal of the economic infrastructure sector is the establishment of an efficient and integrated system which is responsive to the current needs and anticipates the future needs of the productive sectors of the economy. The achievement of this goal will aid the integration of the country and will facilitate inter- and intra-regional accessibility. Economic infrastructure is therefore expected to act as a catalyst towards the realization of increased productivity and the achievement of production targets. The long-term objectives of this sector will provide for the co-ordination of activities among the various infrastructure-delivery agencies. Education of the population and business houses on the more efficacious use of utilities (such as water and electricity) will be a permanent feature of the infrastructure delivery system.

7.1 Energy

The goal of the energy sector is the establishment of an efficient and secure energy supply and distribution system capable of meeting the domestic and industrial/commercial energy requirements for local consumption and for increased exports.

Ghana has several indigenous energy sources, viz. hydro-power, natural gas, solar energy, woodfuel and organically-based energy such as biogas and processed crop residues. Energy policy will be directed at reducing the country's reliance on woodfuel and at promoting the accelerated development of other indigenous energy sources, especially hydro-power, solar energy and biogas. Even though the use of woodfuel energy (as share of total energy use) is expected to decrease from 71% in 1991 to about 30% by 2020, the absolute volume of woodfuel use will continue to increase. It is therefore necessary to promote the cultivation of community woodlots and commercial fuelwood plantations, particularly around major urban centres, and to improve efficiency in the conversion and use of woodfuel through widespread adoption of new wood energy cookers and ovens.

Objectives

- To establish an efficient, dependable and integrated energy supply and distribution system.
- To diversify the country's energy base by promoting development and efficient use of renewable energy resources.
- To promote exploration, production and refining of crude oil and other petroleum products in Ghana.
- To make Ghana a net exporter of petroleum products.
- To exploit the identified potential for hydro-electric generation, especially for export.

Targets

- Increase total energy supply by about 9% per annum in line with macro-economic growth targets.
- Electricity and petroleum sectors to grow faster, by about 12% per annum.
- Reduce woodfuel consumption (as a share of total energy use) by about 2% per annum.

Strategies

- Promote efficiency in the production, transformation, distribution and use of all energy resources.
- Promote the development of the country's indigenous energy sources by providing support for research and development and for demonstration of the usage of renewable energy technologies.
- Supply adequate and reliable electric power to all sectors of the economy and to all parts of the country.
- Actively encourage private sector participation in the provision and delivery of energy.
- Encourage the cultivation of commercial fuel-wood plantations.
- Decrease reliance on woodfuel.
- Establish a planning framework for the rational use of the country's renewable energy resources.
- Intensify exploration for crude oil and natural petroleum gas.
- Promote the production and use of unleaded fuel.
- Expand the establishment of fuel storage depots/farms served by pipelines in order to decrease long-distance road haulage of petroleum products.
- Improve the collection and dissemination of information on the stock and status of renewable energy resources, suitable technologies and end uses.
- Intensify and sustain education of all consumers of energy on the need for judicious use of energy resources.

7.2 Transport

The goal of national transport policy is the establishment of an efficient and competitive transportation system which provides an adequate and integrated network of transport facilities and services necessary to support an expanded level of economic and social activities. In order to achieve this goal, transport policy will focus on the integrated development of all modes of transportation (including river transport and urban mass transit) in order to enhance the spatial connectivity of economic facilities and accessibility to human settlements, as well as contributing to reductions in travel time and vehicle operating costs.

Ghana's geographic position in West Africa and the country's recently rehabilitated seaport facilities make Ghana an ideal location for handling transit-cargo en route to land-locked countries in northern West Africa such as Burkina Faso, Mali and Niger. Until recently, the major competitors for transit cargo to these land-locked countries and (sometimes) to Nigeria have been Togo and Ivory Coast (Cote d'Ivoire).

The national transport policy will also be geared to further improvements and expansion of the physical facilities at seaports and airports in order to make Ghana an important shipping centre in the West African sub-region.

64. NDPF - Long Term Development Objectives

Objectives

- To establish an efficient and integrated transport network for the movement of goods and services at the least cost.
- To promote the development and efficiency of all modes of transportation.
- To achieve modal complementarity in the transport delivery system.
- To provide access to all human settlements in order to achieve integration of the national economy.
- To make Ghana a shipping gateway to West Africa.
- To establish an appropriate legal framework which ensures the safety and health of users of transport services and also protects the environment from vehicular pollution.

Targets

- Reduce ships' turn-around time in Ghanaian ports to the lowest industry standard for West Africa and Africa.
- Establish an urban mass transit service for Accra by 2005 and expand urban transport services in line with the rate of population growth in other major urban centres.
- All major towns should be inter-linked by all-weather motorable roads by 2010.
- Improve inter-modal complementarity by exploiting the relative cost advantages of the various modes of transportation.

Strategies

- Resolve the basic institutional and structural constraints facing the transport sector.
- Rehabilitate and expand all modes of transport infrastructure.
- Review and strengthen the legal framework in respect of the safety and health of transport users and the protection of the environment.
- Encourage private sector investment in, and the increased use of, all modes of transportation especially in air, sea and water transportation.
- Promote education and training of all categories of personnel engaged in all modes of transportation.
- Improve efficiency of operation of all modes of transportation by enhancing physical facilities and human capacity for handling traffic at the various terminals.
- Improve spatial accessibility to human settlements, especially the smaller rural settlements.
- Introduce effective road traffic management and control systems.

- Promote the development of transport terminals (for road, rail and water transportation) and of multi-modal terminals, where appropriate.
- Establish urban mass transit service for Accra and other major cities and open the service to private participation.
- Expand port physical facilities (especially for handling container and "roll-on, roll-off" traffic) and improve dry-docking facilities at Ghana's seaports.
- Promote the registration of foreign ships in Ghana.
- Privatised the national air and sea carriers (national airline and the national shipping line).
- Improve air terminal facilities at Accra, Kumasi and Tamale airports and provide adequate facilities for light aircraft in the other regional capitals and in important commercial and tourist centres.

7.3 Communications

The goal of communications policy is the establishment of an efficient communications system which permits the transfer of information and data quickly and reliably through postal and electronic media in support of economic and social activities. The achievement of this goal will result in the promotion of business efficiency, economic development and enhanced welfare of the population and will facilitate the financial services sub-sector objective of making Accra a regional financial centre.

Improved communications will also help to relieve traffic congestion in major centres and reduce wear and tear of highways.

Objectives

- To establish an efficient telecommunications network which is integrated with the world communications system.
- To establish an effective, reliable and competitive postal service.
- To set up an efficient information technology (IT) system that allows reliable transfer of voice and text/graphic information in support of projected expansion in economic, financial and social activities.

Targets

- Progressively introduce door-to-door mail delivery service.
- Increase telephone penetration 50 per 1000 population by 2020 from the 1992 level of 3.8.

Strategies

- Provide efficient and reliable postal and telecommunications services at all levels of national life.
- Encourage private-sector participation in providing postal and telecommunications services.

66. NDPF - Long Term Development Objectives

- Expand and improve national telephone transmission, switching, telex and terminal network facilities: and interconnect to the world communications system.
- Promote door-to-door postal delivery services.
- Promote the use of computers and other electronic information transfer equipment (including earth satellites) in education, business and social activities.

7.4 Meteorological Services

The main goal of the meteorological sub-sector is the establishment of an effective meteorological system capable of providing early-warning signals for the planning of economic and social activities, as well as improving safety standards in air and sea transport operations.

Objectives

- To set up an efficient and well-coordinated meteorological service for the purpose of providing effective early-warning information for the benefit of farmers and fishermen.
- To provide information on present and future weather conditions for aircraft and shipping.

Strategies

- Improve the physical capacity of the meteorological service to collect and analyse climatological data for accurate and timely weather forecasting and warning.
- Undertake adequate training of meteorological personnel.
- Maintain close cooperation and liaison with international meteorological organisations, especially WMO and ICAO¹⁹, and with national organisations in neighbouring countries.

¹⁹ World Meteorological Organisation and International Civil Aviation Organisation.

CHAPTER 8

SPATIAL ORGANISATION

8.1 Introduction

The Economic Recovery and Structural Adjustment Programmes, commenced in 1983, have had considerable success in stabilising the economy and re-establishing confidence in government (see Chapter 4). This process of stabilisation could not - and was not designed - to redress the spatial imbalances in the economy and society.

Ghana's early development after entry into the world economy was accompanied by a high level of polarization, geographically, and the breakdown of existing spatial systems and linkages in the economic and social sense. Development policy did not seek to establish new systems. After independence policies may have changed over the years, but nevertheless there has been a consistent geographical pattern of resource investment aimed principally at maximising growth. The pattern of investment has tended to exacerbate problems arising from spatial polarization and spatial inequity. The commercial economy and the benefits therefrom remain restricted to a few principal towns and enclave economies. A significant proportion of the rural areas, where the majority of people live (67.9% in 1984) and most physical resources are found, are spatially unconnected to the national economic system.

On the other hand, areas geographically integrated into the market economy are dominated by linkages principally with Accra-Tema and, to a lesser extent, with Kumasi. Linkages between medium and small size towns and their hinterlands, fostering strengthened local economies and stable societies, remain weak and undeveloped or nonexistent. The process of spatial polarization which was inherited from colonial times has yet to be redressed.

Basic Goal

The main aim is to achieve an optimal geographical pattern of resource investment designed to strengthen and geographically extend national and, particularly, local linkages between settlements of varying functions and size and their hinterlands and also between settlements with complementary functions. The purpose is to ensure the progressive matching and utilization of human and physical resources and the achievement of relative spatial equity.

8.2 Geographical Regions

A national spatial framework for development necessitates the definition of social and economic linkages representing the mutual exchange of goods and services between urban and rural environments. These normally manifest themselves in hierarchical order. The geographical surfaces occupied by these interactions are referred to as functional or geographical regions. A geographical region may represent a limited area around a small settlement or extend over geographical areas almost as large as the whole country or even larger, depending upon function. The intensity of interaction is dependent upon the social and economic importance of a centre and its hinterland.

Empirical study shows that there is a close correlation between a high level of social and economic activities, the availability of choice and a mature social and economic system on the one hand, and the number, intensity, nesting and overlapping of geographical regions in hierarchical order, on the other. Studies show that linkages between Accra and Kumasi and their functional hinterlands represent a one-way flow from the latter to the former. In other words there is a parasitic relationship dominated by and to the advantage of the two major cities. Benefit to the rural areas is minimal.

Research carried out in some typical administrative regions shows that the totality of the geographical area occupied by significant social and economic activities represents between 10% and 20% of total land resources and is occupied by less than 60% of the working population. A significant proportion of human and physical resources are still not fully integrated into the national economy. Even though over the years rural areas have enjoyed resource investment, it has been applied in a disparate way and usually for single purpose functions. What is needed is a comprehensive and coordinated approach to guide multipurpose investment in order to strengthen identified socio-economic activity systems (ie. geographical regions) by bringing into close proximity - in terms of time and/or location - the four phases of economic activity - viz. investment, production, processing and distribution. The quickening, strengthening and enlarging of this process incorporates more human, physical and financial resources into the economy and significantly increases choice.

Objectives

- Ensure relative spatial equity in public sector resource investment and the benefits of national development.
- Reduce inter- and intra-regional disparities in growth and development.
- Progressively commit the totality of human and physical resources to the national economy through the development and growth of interlocking and hierarchical geographical regions reflecting the mutuality of roles between town and country.
- Enhance the role of the rural sector by ensuring better utilization of the service and processing functions of key rural settlements and the human and physical resources in the potential hinterland of these settlements.
- Exploit the complementary and potential functions of small, medium and large urban centres by appropriate linkages.
- Redress the parasitic nature of certain towns in relation to their rural hinterlands by ensuring that the former are able to perform appropriate service and processing functions.

Targets

- Equip all rural or nucleated settlements with populations of not less than of 2,500 - particularly those in the northern savannah, Volta Basin and other deprived areas - with social and economic infrastructure appropriate to their size and function by 2020, to assist in stimulating development of their hinterlands.
- Achieve statistically perceived progressive growth in numbers, intensity and geographical area of social and economic linkages between key settlement and their hinterlands.
- Absorb all human and physical resources at present operating on a near-subsistence basis into the commercial economy by 2020.

Strategies

- Identify the geographical patterns manifested by linkages between key settlements which provide social and economic infrastructure and services and their hinterlands. Monitor changes in terms of functions, surface area and intensity of activities within these geographical regions.

- Categorize all geographical regions and linkages in accordance with their potentiality for and constraints on growth in relation to their importance to the local and national economies, to the wellbeing of society and relative equity as a basis for prioritizing investment allocations.
- Provide an institutional structure to ensure that all resource investment related to the growth and development of settlements and their hinterlands be dealt with in a comprehensive and integrated manner, according to established priorities.

8.3 Hierarchy of Settlements

Towns perform - or should perform - a pivotal role within the national economy as catalysts for social, economic and cultural development. As centres providing industrial, service, distribution and sometimes entrepot functions, they represent vehicles for growth and development. It is a characteristic of settlements which play such a national role within a matured economy that they have a hierarchical structure represented by towns offering differing levels of services and functions in relation to varying population thresholds and hinterlands, nation-wide. In such circumstances, there would be a relatively even distribution and pattern of urban centres of various population sizes dependent upon social, economic and administrative activities of particular geographical regions.

The distribution of urban population largely reflects economic policies - or the lack of them. Foreign exploitation of the country's natural resources and an urban bias in terms of public resource investment since colonial times onwards has resulted in a skewed population distribution with an inordinate level - 16.35% - of population in four cities, three of which are in the "golden triangle". An analysis of the 1984 census is revealing. Just over 32% of people live in an urban environment comprising 189 settlements with a population of 5,000 or more. Another 32% live in settlements with populations of less than 500, too small for even basic services. Of the total urban population 52% live in the four main cities, Accra-Tema, Kumasi Sekondi-Takoradi and Tamale.

A better balance between export-oriented and mass consumption resource investment carefully targeted geographically would result in more rapid growth of small- and middle-sized towns for the provision of appropriate social and economic services. This would serve more people nationwide. It is not relevant to identify optimal sizes of actual settlements or even determine a precise physical pattern of service centres. In the interests of providing comprehensive services for the development of rural hinterlands, desirable growth in specific centres of population must be manipulated by the spatial pattern of resource investment.

Objectives

- Recognition of the role of towns as a dynamic component in national development and nation building as part of the process of policy formulation, administration and management at all levels.
- Stimulate the pivotal roles of all settlements as social, economic and cultural catalysts and as vehicles for the growth and development of their hinterlands.
- Achieve a better distribution of population, particularly in favour of small and medium sized towns, thus providing the human resources required to man social and economic infrastructure serving rural hinterlands.
- Encourage the development of a hierarchy of settlements, each level fulfilling functions appropriate to specific population thresholds.

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Targets

- 50% of all rural population to be in settlements or nucleated settlements with a population of not less than 2,500 by 2020 to ensure access to basic social and economic services for all.
- Statistically perceived progressive reduction in the level of primacy of main cities.
- Statistically perceived progressive changes in the distribution of urban population between large, medium and small sized towns in relation to a desired hierarchy of functions and service provision.

Strategies

- Categorize economic and social functions essential to the future development of human, physical and financial resources of the nation in relation to appropriate population thresholds and geographical distributions.
- Construct a model of service centres in hierarchical order from principal cities to the smallest key service settlements.
- Monitor the development and growth of settlement functions and relate resource investment to progressively achieve total national coverage of essential social and economic services, in order of priority.

8.4 Planned Human Settlements

Human settlements are, or should be engines of growth in the national economy. They also provide shelter, employment and recreation for their inhabitants. It is in the national interest that towns of all sizes should be both efficient for their purpose and environmentally attractive. Urban land use policies must ensure that land is available in adequate quantities to facilitate shelter and ancillary uses in seemly environments, employment in appropriate and accessible locations and provision for intensive and extensive recreation.

It is also a pre-requisite that settlements are planned in relation to climate. Zones enjoying hot wet climatic conditions require large areas of open forested land, punctuating the built environment, appropriately articulated to facilitate breeze and to lower ambient temperatures. Extensive tree cover around houses and along roads and pedestrian ways is essential for comfort.

It is difficult to predict the future rate of growth of a town with precision. In developing countries growth of some towns is frequently faster than the speed with which the administrative machinery for settlement planning and management can react. Infrastructure plans are often not in place and population growth is well in advance of the provision of essential services and utilities. Decisions on the provision of social and physical infrastructure are often not coordinated but are taken by a number of independent agencies, each applying differing policy criteria. The result is chaotic growth, inefficient services, poor visual environment, unhealthy conditions and towns which are economically inefficient and a drain on the public purse. These problems do not stem from lack of coordination alone. In many cases state and traditional land administration systems inhibit the provision and management of land for the progressive contiguous growth of urban development.

Objectives

- Ensure the progressive and contiguous growth of settlements, provided with basic services and public utilities, in accordance with development priorities.

- Ensure adequate provision of land for shelter, employment and recreation in seemly and efficient environments in a culturally relevant way.
- Ensure healthy environments in towns by appropriate provision of public utilities, effective waste management and adequate provision of open, forested land punctuating the built environment (approx. 25% of built land).

Targets

- Ensure an appropriate level of access to all land uses in all settlements by 2020.
- Provide extensive areas of planned open land, equivalent to 25% of built land, including managed forests, for climatic control and for environmental, leisure and economic purposes in all settlements by 2020.
- Provide all vehicular and pedestrian access with avenues of trees for purposes of shade and amenity by 2000.
- Complete, as appropriate, metropolitan and town plans with provision for 10 years estimated growth, for all key settlements by 2000.
- Provide an effective institutional framework for decentralized, integrated settlement planning and management, including waste management.

Strategies

- Adjust government and traditional land administration machinery to ensure the provision of the right amount of development land in the right place at the right time in accordance with planned demand.
- Provide effective administrative machinery to enable the settlement planning agency to coordinate the planning and provision of all urban services and utilities.
- Prepare comprehensive land use policies and standards appropriate for metropolitan areas and large, medium and small towns.
- Provide service and public utility agencies with regular forecasts of population growth in towns.

8.5 Implications of Spatial Objectives

The spatial component represents a synthesizing process by which the relationship between social, economic and environmental factors in development can be observed and managed. This phenomenon occurs at all levels, whether the subject area is a small town and its hinterland or a supra-national region such as the whole Volta Basin. The need is for mechanisms by which development problems can be studied comprehensively to facilitate integrated solutions and balanced resource investment.

8.5.1 Economic Policy

The concept of relative spatial equity demands more resource investment in the rural environment, thereby under-pinning economic policies leading to the better distribution of the benefits of development. The better distribution of benefits can more easily be effected by strengthening small and medium sized towns and their hinterlands and thus harnessing more human and natural resources to the national economy. Increases in resource investment in agriculture are therefore implicit. However, this approach requires the identification of all components of the rural

environment and infrastructure within the context of the mutuality of settlements and their hinterlands and for resource investment to be undertaken in a comprehensive way.

Policies to bring together the four phases of economic activity in terms of space and time have implications for monetising the economy. However, traditional land administration may inhibit the introduction of effective land use management policies in support of policies related to monetisation in the rural economy.

8.5.2 Production Policy

Policies related to the identification of geographical regions as a basis for development are in support of the production policies which aim to ensure more effective linkages between manufacturing, agriculture, education and services. Proposals for the utilization of the totality of natural resources requires land-use policies which define non- agricultural land in terms of the environment, the economy and competing uses. Joint policies for the increase of value-added and the expansion of industrial activity should prioritize small and medium sized settlements whose hinterlands offer processable resources. The concept of comprehensive development by way of geographical regions places great emphasis on the staged provision of an integrated transportation system and an integrated road system in a timely fashion.

8.5.3 Environmental Policies

The establishment and maintenance of sound natural and built environments must be achieved by the provision of national land use policies leading to better management of both. Spatial policies presuppose a sustainable ecological balance. The management of the built environment must extend beyond the urban and peri-urban areas, particularly in the interests of effective control over waste and open land.

8.5.4 Public Administration Policy

Spatial organisation policies presuppose a sustainable decentralized and integrated approach to development. Horizontal decentralization at national and local levels is essential to ensure a comprehensive approach and the sharing of experience and expertise. Permanent institutional structures with identified roles and procedures are required to facilitate this as an integral part of public administration at all levels.

CHAPTER 9

ENVIRONMENT

9.1 Introduction

Safeguarding Ghana's environment is essential to ensure the attainment of sustainable development. This requires that development planning in the country is pursued with due regard to the environment, thereby proactively preventing all adverse environmental impacts in the process of development.

The environmental goals for sustainable development are:-

- To establish and maintain a sound built and natural environment that can sustain productive economic activities and pleasant living conditions for both present and future generations.
- Establish an environmentally conscious society that can exercise self-discipline at all times with regard to individual and community behaviour towards the environment.

Objectives

- Maintain ecosystems and ecological processes essential to sustain life and support socio-economic development.
- Ensure sound management of natural resources and the environment in general.
- Protect humans, animals and plants, their biological communities and habitats, against harmful environmental impacts and destructive practices and preserve biological diversity.
- Proactively find solutions to all kinds of environmental problems, including those of global dimensions.
- Raise environmental consciousness of the entire population.

Targets

- Present levels of both chemical and particulate air pollution reduced by 50% by the year 2020.
- Processes of deforestation and desertification stopped and reversed by the year 2020.
- Sustainable exploitation and protection of forest resources achieved.
- Uses of renewable sources of energy increased.
- Use of chemical fertilisers decreased.
- Quality of water and air improved.
- Safe disposal of all household and industrial wastes achieved.
- Sewage treatment systems provided for all urban centres.

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- National environmental standards established.
- Soil and coastal erosion checked.
- Bio-diversity conserved.

Strategies

- Integrate environmental considerations into national and sub-national levels of development decision-making.
- Support education on population issues and family planning.
- Increase access to information on and improve the understanding of environmental issues.
- Educate women and children on environmental issues.
- Promote grassroots participation in decision making on development and the environment.
- Establish an appropriate institutional framework and mechanisms to facilitate integration of development and environment.
- Promote the establishment of woodlots and fuelwood plantations and encourage reforestation and afforestation.
- Encourage the adoption of more efficient waste management practices and technology.
- Ensure compliance with environmental standards and regulations.
- Apply the "polluter pays principle" to check reckless environmental destruction.
- Ensure optimum sustainable yield in the use of natural resources and ecosystems.
- Promote international cooperation in matters of the environment.
- Encourage use of organic based fertilisers from human, animal and plant waste.
- Establish more botanical gardens and national parks.
- Establish gene banks to preserve biodiversity.

9.2 ENVIRONMENTAL IMPLICATIONS OF SECTORAL POLICY OBJECTIVES

9.2.1 Social Development

Achievement of the social policy objectives to reduce poverty, eradicate illiteracy, increase school enrolment, empower women and improve housing and sanitation will have a generally positive impact on the environment (see chapter 3). Abuse of the environment is largely due to lack of proper environmental awareness, resulting from insufficient attention to education on sanitation and other environmental issues. It will therefore be necessary to make provision for education on environmental issues in the curricula of both formal and informal educational institutions. The social policy objective of raising the educational status of women will also contribute to improving the level of environmental awareness among the population.

Poor sanitation and inadequate supply of safe water have severe consequences for environmental health. Health problems arising from poor environmental conditions are prevalent, particularly in poor urban neighbourhoods as well as in the rural areas. These problems are compounded by persistent high population growth and rural-urban migration. The social policy objectives of reducing the rate of population growth, improving access to potable water, increasing the supply of housing and improving household and community sanitation and waste disposal practices - as articulated in Chapter 3 - will all contribute to a reduction of environmental problems.

Even though one of the main objectives of social policy is to reduce the level of population growth, the population in 2020 will be almost double its present level, totalling over 31 million. The population density will rise from the present level of 70 per km² to around 140 per km². This will place severe strains on the environment, especially with regard to the extraction of building materials for housing and infrastructure development and to increased consumption of water. The former is discussed below in section 9.2.3 (iii) with respect to the environmental implications of the construction industry.

Increased consumption of water will arise from three sources, in addition to population growth. First, social policy aims to ensure universal access to safe water, implying an increase in per capita consumption by an expanding population. Secondly, agricultural policy aims at reducing dependence on rainfall by encouraging an increase in land under irrigation. Thirdly, the rapid expansion of all types of industrial production - mining, manufacturing and construction - will inevitably involve a major increase in industrial demand for water.

It is not possible to quantify the likely increase in water consumption with any accuracy, but it will clearly require the construction of additional reservoir capacity to supply piped water to urban settlements for domestic and industrial use. For domestic consumption in rural areas large numbers of boreholes will need to be sunk. The effect of reservoirs and boreholes on underground aquifers will be considerable and will be aggravated by the increased impounding of water for irrigation.

It will therefore be necessary to ensure effective management of water resources and the following measures will need to be put in place :

- Enforcement of regulations to prevent pollution of water bodies and erosion of river banks. Agricultural policy should include prohibition of cultivation along river banks and on steep slopes above water bodies.
- Reafforestation of exposed watersheds, catchment areas and river basins to prevent erosion and excessive evaporation.
- Continuous monitoring of the level of underground aquifers to prevent their depletion by excessive drilling of boreholes.
- Rational use of water through educational campaigns on water conservation.

9.2.2 Economic Development

Ghana's long-term macro-economic objectives imply that significant increases in human, financial, material and natural resources will be committed to the production, technology, services and energy sectors - see chapter 4. In the absence of preventive measures, the likely environmental consequences of the expected increase in economic growth will take the form of industrial and energy related pollution, deforestation, land degradation and over use of water.

There is therefore a trade-off between the environment and economic growth - i.e. how much loss of environmental quality society is prepared to forgo in order to achieve its growth

objectives, and *vice versa*. To ensure sustainable economic growth in which the environment and development will complement each other, sound management of natural resources, proper waste management practices, as well as environmentally friendly technologies will have to be adopted in the process of growth and development.

Although national accounts do not include costs of environmental degradation, estimates of the cost of yearly environmental degradation in the national economy was valued at 4% of GDP in 1988.²⁰ It is recommended that in future Ghana's national accounts should reflect the costs of environmental degradation to ascertain costs and benefits of the development process.

The incorporation of environmental considerations in economic growth and development planning may increase expenditure initially. However, what is important is that without adequate environmental protection, development will be unable to guarantee the attainment of sustainable growth of national income and better quality of life for the citizenry.

9.2.3 Production

i) Agriculture and Forestry

The long term target growth of the agricultural sector will require an intensification of agricultural production and an increase in general productivity in the sector. The expected growth is to be achieved by the adoption of improved agricultural techniques, high yielding crops and livestock varieties and other technical inputs necessary to increase productivity, as indicated in Chapter 5. Agricultural policies are environmentally friendly in the sense that they aim to increase production by raising yields rather than by expanding the area under cultivation.

However, extension services will need to take account of the environment with respect to agricultural practices. The increased use of organic fertilizers should be promoted to ensure sustainable agricultural development. In particular, agricultural policies will need to promote:

- agricultural land-use pattern consistent with ecological requirements;
- controlled use of environmentally harmful agro-chemicals;
- improved extension services;
- cost effective methods of preparing and applying organic fertilizers from agro-waste;
- improved farming technologies;
- research into soil quality and suitability for crops etc.

Export of wood and wood products is expected to increase significantly. To minimise deforestation and forest degradation in the interests of environmental protection, logging and fuelwood production will need to be carefully monitored to ensure sustained yield of forest resources. Sound forest management practices should be promoted, including:

- reforestation of degraded forests;
- establishment of fuelwood plantations;
- introduction of fast growing species for logging;

²⁰ See Convery and Tutu, 1990

- efficient methods of logging and milling which minimize waste;
- conversion of the by-products of logging and milling into usable wood products;
- increased use of secondary wood species;
- periodic forestry inventory;
- provision of fire education.

ii) Industry

Manufacturing, mining and quarrying are expected to grow significantly in the long-term (see chapter 5). The environmental implication of this development is the continuing increase in industrial demand for natural resources and energy. Unless effective environmental controls are put in place, this may lead to increased water and air pollution from the large volumes and quantities of toxic waste materials which may be generated from manufacturing and mining industries. Extensive land degradation and deforestation are also likely to occur, particularly in areas of surface mining.

To guard against such undesirable aspects of industrial development and to ensure that the industrial development process is sustainable and beneficial, all industrial establishments - including mines and quarries - will be required to adopt the following measures:

- Submit Environmental Impact Assessment (EIA) of all new industrial projects to the environmental authorities for approval before commencement of operation.
- Submit periodical Environmental Impact Statement (EIS) on their operations, including waste management systems to the environmental authorities for monitoring purposes;
- Adhere to environmental standards.

iii) Construction

The main environmental impact of the expansion of the construction sector is associated with the expected increase in quarrying and sand winning activities which normally destroy the landscape and beaches and contribute to coastal erosion. Also the expansion of the construction sector will put extra demand on wood for both construction timber and furniture, which may increase the rate of logging.

Increased construction will also involve greater demand for building materials such as sand and stone. This will put additional pressure on quarry sites and beaches, especially in and around the urban centres where housing shortage is most acute. Increased building has also led to areas of fragile ecosystems, such as swamps and lagoons, and fertile agricultural lands in peri-urban areas, being increasingly used for physical development.

To reduce the environmental hazards created by the construction sector, the following measures will have to be taken:-

- Adherence to landuse policy regulations in physical development.
- Quarrying and sand-winning will be restricted to demarcated sites.
- Old quarries must be filled up as and when they become inoperative.

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- EIA will be required for major new roads and highways.
- The use of crushed limestone and sandstone, as a substitute for sand, and of burnt bricks will be encouraged.

iv) Services

The growth of the retail and wholesale trade will require improved market facilities to be established throughout the country, with acceptable sanitation and hygienic conditions, as indicated in chapter 5. Food hawkers and petty trading activities generate large quantities of garbage and create sanitation and hygiene problems, particularly in central business areas and markets in towns and cities of Ghana. The discarding of packaging and wrapping materials by food hawkers and petty traders - and their customers - which constitute the bulk of waste materials, creates insanitary conditions in central business areas and markets.

Apart from the need to improve sanitation and hygiene in markets and central business areas, as articulated in chapter 5, efficient waste management practices - including waste recycling and proper drainage systems - will be required to prevent litter and eliminate problems of waste disposal and sanitation. Also, increasing use of leaves for wrapping materials, which are mainly extracted from the forest, need to be investigated against the background of depletion of forest resources and deforestation.

Tourism and hospitality services are to expand considerably to cope with the expected large number of foreign visitors to Ghana in the next 25 years, as indicated in chapter 5 on tourism development. Beaches, coastal castles and national parks and other places of historical interest will be visited by foreign tourists. Tourism development can make a positive contribution to the environment by providing an incentive to develop our beaches and check beach sand-winning and coastal erosion. On the negative side, construction of tourist resorts can cause environmental problems to local residents - both socially and physically - unless carefully planned.

9.2.4 Economic Infrastructure

i) Energy

The long term objective of the energy sector is to increase and diversify the country's energy base, encourage exploration, production and refining of crude oil as well as promote the use of renewable energy. Electricity and petroleum production is to grow by 12% per annum, while fuel-wood's share of total energy use is planned to fall from 85% (1992) to no more than 40% by 2020. Details of the energy sector's long term objectives, strategies and targets are provided in chapter 7.

While the promotion of the use of renewable energy such as solar, biogas and plantation source fuelwood is consistent with the environmental objectives, the same cannot be said of the increased use of energy based on crude oil and gas and on hydro-electric power. Normally petroleum production and distribution takes place against the background of stringent environmental safeguards. These safeguards notwithstanding, the development of our oil and gas deposits require elaborate environmental protection measures to minimise the danger of oil spillage in our coastal waters. This not only destroys marine and aquatic life, but also damages the coastline to the detriment of the tourist industry.

In developing our hydro electric power potential, it is imperative to require EIA studies of every new project. This is necessary to evaluate the inevitable land destruction and the possible environmental health hazards in the dam areas, as well as the environmental effects of resettlement

of communities displaced by dams. To limit the negative environmental effects arising from the increased energy requirements, the following strategies will be implemented:-

- Continued promotion of LPG as an alternative source of energy for cooking.
- Introduction of more fuel-efficient cooking appliances.
- Promotion of the use of alternative sources of energy, such as biogas, solar and wind.

ii) Transport

The environmental implications of the development of the transport sector, discussed in Chapter 7, are that more land will be needed to build roads and transport terminals. Air and noise pollution from vehicles is also likely to increase. These environmental problems will be particularly acute in the urban centres where land is becoming more scarce and the highest concentration of vehicles is found. The development of river transport in the country will have to take into consideration the need to protect sources of drinking water and aquatic life from oil spillage into river systems.

To protect the environment in the development of the transport sector, the following measures are necessary:-

- Control of air and noise pollution from motor vehicles.
- Monitoring of river systems for possible oil spillage from motorised vessels.
- Proper disposal of discarded and old vehicles.
- Encourage the use of unleaded fuel.

9.2.5 Spatial Organisation

As discussed in Chapter 8, a considerable increase is anticipated in the urban/rural ratio in Ghana which will have significant environmental implications and consequences. The growth of settlements will lead to increased demand for land and infrastructure. Also space for water and electricity facilities will be needed to cope with the rapid expansion of the urban population. At the same time, more household and industrial waste will be generated, drainage and sanitation problems will increase, while vehicular and noise pollution are likely to affect the quality of the ambient air and life generally in the urban areas.

In order to address these environmental problems and to achieve sustainable urbanization by 2020, the following measures are recommended:

- Land use policy regulations will have to be enforced and complied with by all developers.
- Physical plans should be prepared and circulated among all developers before new areas are developed.
- Appropriate waste management schemes to take care of industrial, household and community solid and liquid waste disposal will need to be introduced.
- Appropriate action taken to control vehicular and noise pollution.

9.2.6 Public Administration

The decentralization of public administration and devolution of political power to local communities is state policy to empower the people at grassroots level to participate in making decisions concerning the development and welfare of their communities - see Chapter 10. District Assemblies are thus ideally placed to promote sound environmental practices by having the mandate and means as a result of their direct dealings with the communities.

Local decisions to allocate resources for environmental concerns and the active participation of local people in such matters as deforestation, land degradation, bush fires etc. have a much better opportunity of succeeding when proceeding from District Assemblies than instructions handed down from the centre. Dissemination of information relating to environmental protection can best be carried out through the district and local environmental committees which are being formed as part of the decentralisation process.

In order to enhance co-ordination in environmental management at the lower levels, joint multi-district committees should be formed when necessary to formulate common action, especially when a particular environmental issue cuts across district boundaries.

CHAPTER 10

PUBLIC ADMINISTRATION

10.1 Introduction

The ultimate long term goal of Ghana's national development policy is the improvement in the quality of life and material standard of living of all Ghanaians. The aim is to raise living conditions in Ghana by 2020 to a level comparable with those in middle income countries. Essentially, the process of achieving this end is expected to be pragmatic and self-sustained with regard to the efficient production and equitable distribution of material and cultural welfare. The policy emphasis is on decentralization in terms of local political autonomy, local resource capacity and local community initiative and self-help.

The formulation of Ghana's development planning policy and the coordination of national, sub-national and sectoral programmes and strategies needed for the achievement of our national development goals are the responsibility of the National Development Planning Commission (NDPC). The public administration system is responsible for the efficient coordination of the processes of formulation and analysis of policies; implementation and review of development objectives, strategies and programmes at national and sub-national levels; and generally for giving effect to the business of government.

10.2 Goals and Objectives

The national development policy formulation and coordination process, as briefly described above, calls for a complementary system of public administration that is horizontally and vertically decentralized, yet integrative of the roles of sectors, districts, local communities and public and private institutions and persons.

The requisite public administration system must be further oriented towards the principal long term objective of effective and efficient coordination of the processes of formulation, implementation and review of development objectives, strategies and programmes, at national and sub-national levels.

Post-1983 macro-economic reforms (economic recovery and structural adjustment programmes) have effected realistic and constructive changes in Ghana's strategy of economic growth and development. However, the achievement of requisite high levels of economic efficiency and social welfare is still hampered by serious weaknesses in public administration, viz.:

- overstaffing
- centralized decision-making process which marginalizes private and sub-national elements
- regulations which discourage private initiative and investment
- cumbersome and time-consuming procedures
- bureaucratic inefficiency and waste of public resources.

There is, therefore, the need for rationalization of the public administration system in terms of the elimination and/or drastic reduction of the above drawbacks.

Objectives

- Establishment of an efficient public administration system which is development orientated.
- Effective translation of development policies into plans and programmes.
- Effective coordination of both the formulation and implementation of development programmes and strategies.
- Efficient discharge of government business.
- Nationally integrated system of data collection, analysis and dissemination.
- Establishment of efficient intra- and inter-departmental, inter-sectoral, national and sub-national system of communication, for the necessary feed-back in policy formulation and programme implementation, monitoring and review.
- Establishment of efficient and effective system of policy research and policy analysis.
- Clearly defined roles of the political leadership and the bureaucracy in policy formulation and programme execution, relative to both development issues and general social policy and administration.
- Systematized and transparent procedures in which the professional knowledge and administrative skills of the public official are enhanced.
- Judicious use of resources by implementing agents of development programmes.
- Ensure the protection of budgetary allocations for public investment from arbitrary cuts.

10.3 Reform of Public Administration.

The areas of Public Administration (at both national and sub-national levels) that require major reforms for effective operation are discussed below, with reference to the respective strategies required to implement the necessary reforms.

10.3.1 Legal and Regulatory Framework.

Ghana's on-going macro-economic reforms involve the de-regulation of the economy towards free and private enterprise, privatization of public sector industrial and commercial portfolios and the concentration of the State's economic role on the regulation and facilitation of the process of economic growth and development.

The long-term success of the macro-economic reforms requires a legal and regulatory framework that does not stifle private initiative and creativity. Such a framework must embody rules and regulations that promote free enterprise and fair competition, as well as provide anti-trust and anti-monopoly regulations and the appropriate sanctions to deter the flouting of regulations.

Objectives

- Provision of safeguards against abuse of executive authority and the waste of public resources.

- Establishment of a uniform system of information classification that facilitates systematic use of knowledge and resources in public administration, as well as provides the private sector with the necessary access to official information.
- The elimination or minimization of "red-tape" and patronage in bureaucratic decision-making.
- Establishment of a legal framework that is consistent with the direction and process of development.
- Ensure attitudinal change of law enforcement officers for proper working of the legal regime governing economic democracy.

Strategies

- Institute clearer lines of command and delegation of responsibilities in the public service.
- Increase delegation of responsibility to enhance the decision-making initiative and administrative confidence of officials at lower levels of the public administration structure.
- Emphasize the strict adherence to established administrative procedures and financial regulations.
- Review and update system of information classification, storage and retrieval.
- Educate the public on administrative grievance procedures.
- Establish regulatory bodies to ensure free enterprise and fair competition.
- Periodically review the legal framework.
- Enforce discipline in the security agencies to stamp out extra-legal practices of law enforcement agents.

10.3.2 Training in Public Administration

A complete review of manpower development programmes of the various components of the public service is required, in order to make public servants more professionally competent and administratively confident and efficient.

Objectives

- Promotion of professional competence and commitment of public servants to national/sub-national developmental issues and associated development needs.
- Achievement of bureaucratic responsiveness to changing social conditions and ways of doing things.
- Sensitivity of public servants to the diversity of opinions on national economic, political and other social issues.

Strategies

- Develop systematic management training programmes that up-date professional and administrative knowledge and utilize the services of research and training institutions and personnel.
- Conduct periodic review of training programmes and curricula.
- Strengthen public servants' performance appraisal reviews.
- Train public servants in policy analysis.
- Institute public fora to encourage interaction between the public and the public service.

10.3.3 Economic and Financial Management

Effective Public administration of Ghana's process of socio-economic development would require a system public management of economic and financial activities which supports the rapid growth of the economy, the development of the requisite social and administrative infrastructure and the establishment of disciplined management of public finance.

As Chapter 18 in Volume II shows, the procedures and regulations relating to the country's economic relations and activities are both outdated and stunting of potential for growth and development. In the quest for a new system of economic and financial management that facilitates the achievement of the development goals specified in this Framework, it must be noted that the ultimate object of efficiency in public finance management is the judicious use of resources to eliminate waste.

Objectives

- Accurate and timely accounting of public revenues and expenditures establishment and maintained.
- Public resources - financial and human - allocated in accordance with development objectives and priorities.
- Independence of Bank of Ghana maintained.
- Banking system privatized and regulated in accordance with the needs of development.
- Tax system restructured to promote development and effective decentralization.

Strategies

- Establish efficient system of control of public expenditure, supported by well-trained personnel and the necessary equipment and technology.
- Improve the effectiveness of Government accounting and auditing procedures by providing adequate incentives and facilities for personnel to perform efficiently and honestly.
- Privatize or contract out public revenue collection where appropriate.

- Continuously review fiscal policies in line with macro-economic policy objectives and the requirements of effective decentralization (see section 10.3.7 below and Chapter 4).
- Revise the legal and regulatory framework of the banking system to promote investment and development.
- Introduce procedures for the allocation of public expenditure which ensure that funds are allocated in accordance with development objectives and priorities.

10.3.4 Management of Public Enterprises

In accord with the Government's macro-economic reforms, rationalization of the SOE sector has been going on through the machinery of divestiture. Ultimately, the programme is expected to transfer the bulk of the SOEs to the private sector. Those remaining are to be public companies and managed by their shareholders (see Chapter 5 on Production).

10.3.5 Personnel Management

It is essential to the development and reform of the public services that measures are instituted to ensure optimum staffing and the management of such staff for the efficient and effective discharge of government business. The reformed public administrative system must give evidence of ability to motivate and reward high quality performance, initiative and creativity.

Objectives

- Maintain optimum staffing (both central and local) at all levels.
- Provide public sector employees with conditions of service and remuneration that ensure the attraction of the public service to those with the requisite professional/managerial expertise.

Strategies

- Improve work environments for increased motivation.
- Employ modern personnel management techniques.
- Emphasize professionalism in the service
- Introduce a system of fixed establishment figures into the public service.

10.3.6 Gender Equality at the Work Place

Worldwide, gender issues have become the object of intense debate with women demanding their rightful place in society. Gender equality is not just an ethical concept of society's obligation to treat women as equally deserving of social opportunities and welfare. On the contrary it has a pragmatic dimension in which, the potentialities of women must be harnessed as an indispensable contribution to the process of nation-building.

Women's participation at all levels of the public service must therefore be given the active support by government. Every effort must be made to enable females to acquire equal status to ensure development of their full potential.

Objectives

- Eradication of gender disparities in training especially at tertiary and managerial levels.
- Increased female representation in the higher echelons of professional and technical positions.
- Achievement of gender equality of opportunity in employment and promotion.

Strategies

- Integrate gender issues into mainstream policy formulation.
- Accelerate training of women in public sector.
- Encourage women's participation in occupations and activities traditionally viewed as male preserves.
- Use educational programmes to foster confidence of women in their competitive abilities.

10.3.7 Decentralization.

Decentralization is both the ultimate objective of current reforms in Ghana's public administration and a constructive means of ensuring real participation of the people of this country in the process of social and economic development. In essence, decentralization is aimed at providing local communities with the political autonomy and resource capacity (part of which is to be realized locally) to determine and pursue their own development needs within the framework of national development policies and guidelines.

Objectives

- Achievement of optimal resource allocation and effective utilization of resources and equitable distribution of the benefits of socio-economic development.
- Improved efficiency and effectiveness in development planning and implementation, at all levels and departments of government.
- Clearly defined functional roles and demarcated jurisdictions in the relationship between central and local political authorities.
- Achievement of effective partnership in the development process between political authorities, traditional authorities, private entities and professional bodies in the formulation and implementation of development policies and programmes.

Strategies

- Strengthen the capacities and capabilities of the departments and units of District Assemblies to perform their functions effectively.
- Re-orient the central bureaucracy from control to facilitation in support of development efforts of local communities.
- Review legislation that is inconsistent with the goals and means of decentralization.

- Foster the appropriate political will and climate to ease the difficulties encountered in inter-governmental co-ordination.
- Establish conflict resolution mechanisms at district level.
- Ensure adequate funding for District Assemblies.
- Adequate training of central and local administrators and sensitization of local citizens to the development opportunities and constraints peculiar to each district.
- Build up the professional capacity of sub-national organizations to assume greater responsibility for development planning and management.

NATIONAL DEVELOPMENT POLICY FRAMEWORK

STATISTICAL ANNEX to Chapter 4

LONG-TERM MACRO-ECONOMIC OBJECTIVES

	Unit	1992	2000	2020	
1.00 GROWTH OBJECTIVES					
1.10 Gross Domestic Product:					
1.11 GDP @ 1992 mkt prices	Cedis bn.	3,009	4,653	25,705	
1.12 less Indirect Taxes (net)	"	263	326	1,476	
	% GDP	8.74	7.01	6.00	
1.13 GDP @ factor cost	Cedis bn	2,746	4,327	24,229	
1.14 Growth rate	% pa	1.0465	1.059	1.0900	
1.20 POPULATION					
1.21 TOTAL	million	15.60	19.62	31.22	
1.22 Growth rate	% pa	1.030	1.029	1.0235	
1.30 GDP per head afc	Cedis 000	176	221	776	
Growth rate	% pa		1.029	1.065	
2.00 SECTORAL OBJECTIVES					
2.10 Agriculture	Value	Cedis bn	1,461	1,859	4,218
	Share	% GDP	48.56	39.96	16.41
	Growth	% pa	1.017	1.031	1.042
2.20 Industry	Value	Cedis bn	487	992	10,535
	Share	% GDP	16.19	21.32	40.98
	Growth	% pa	1.078	1.093	1.125
2.30 Services	Value	Cedis bn	1,049	1,803	10,952
	Share	% GDP	34.87	38.75	42.60
	Growth	% pa	1.075	1.070	1.094

STATISTICAL ANNEX to Chapter 4
(cont.)

3.00 INVESTMENT & SAVINGS

	Unit	1992	2000	2020
3.10 Investment				
3.11 Total	Cedis bn	475	1024	8,997
	% GDP	15.80	22.00	35.00
3.12 Public	Cedis bn	244	420	3,239
	% total	51.27	41.00	36.00
	% GDP	8.10	9.02	12.60
3.13 Private	Cedis bn	232	604	5,758
	% total	48.73	59.00	64.00
	% GDP	7.70	12.98	22.40
3.14 Implied ICOR	Ratio	2.6600	3.73	3.89
3.20 Domestic Savings				
3.21 Total	Cedis bn	223	744	7,712
	% GDP	7.42	16.00	30.00
3.22 Public	Cedis bn	-33	189	2,313
	% total	-14.64	25.41	30.00
3.23 Private	Cedis bn	256	555	5,398
	% total	114.64	74.59	70.00
3.30 Foreign Savings	Cedis bn	252	279	1,285
	% GDP	8.38	6.00	5.00

4.00 FISCAL OBJECTIVES

4.10 Government Revenue				
4.11 Total	Cedis bn	396	744	4,627
	% GDP	13.16	16.00	18.00
4.20 Government Expenditure				
4.21 Total	Cedis bn	499	814	4,627
	% GDP	16.58	17.50	18.00
4.22 Administrative	Cedis bn	379	419	2,056
	% GDP	12.59	9.00	8.00
4.23 Developmental	Cedis bn	120	395	2,571
	% GDP	3.99	8.50	10.00
4.30 Budget surplus/deficit	Cedis bn	-103	-70	0
	% GDP	-3.41	-1.50	0.00

STATISTICAL ANNEX to Chapter 4
(cont.)

	Unit	1992	2000	2020	
5.00 BALANCE OF PAYMENTS					
5.10 Visible Trade					
5.11 Exports	\$ mn	986	2,129	14,117	
	% GDP	14.32	20.00	24.00	
5.12 Imports	\$ mn	1,457	2,662	16,470	
	% GDP	21.16	25.00	28.00	
5.13 Trade Balance	\$ mn	-471	-532	-2,353	
	% imports	32	20	14	
5.20 Invisibles (net)	\$ mn	94	63	500	
5.21 Services	"	(376)	(534)	(200)	
5.22 Official Transfers	"	215	272	200	
5.23 Private Transfers	"	255	325	500	
5.30 Current Account Balance	\$ mn	(377)	(469)	(1,853)	
	% GDP	-5.48	-4.41	-3.15	
5.40 Net Capital Inflow	\$ mn	274	461	2000	
5.41 Official	\$ mn	387	320	350	
5.42 Private	\$ mn	-113	141	1,650	
5.50 Overall Balance	\$ mn	-103	-8	147	
6.00 MONETARY POLICY OBJECTIVES					
6.10 Inflation (annual average)	% pa	24.01*	8.00	6.00	
6.20 Money Supply (M2)	Cedis bn	519	1,163	12,853	
	% GDP	17.26	25.00	50.00	
6.30 Interest Rates					
6.31 Bank rate	Nominal	% pa	30.00	18.00	13.00
	Real	"	18.16	10.00	8.00
6.32 Lending (max. rate)	Nominal	"	26.50	15.00	11.00
	Real	"	14.98	7.00	5.00
6.40 Exchange Rates	Deprec'n	% pa	18*	6	4

*1987 to 1991

Latest revision: 08.02.1994