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The Paradox of Assistance: A Historical Review of Foreign Aid in Ghana, 1960-1970

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ABSTRACT

The reliance on external financing has intensified socioeconomic challenges in Africa, with total external debts reaching \$1.2 trillion by 2023. This paper examines the historical dynamics of foreign aid to Ghana between 1960 and 1970, revealing the detrimental effects of aid dependency on national development and economic independence. By employing qualitative historical analysis, the study synthesises existing literature and data to highlight the complicated relationship between aid and development outcomes in Ghana. Despite substantial inflows of aid, the nation has struggled to achieve sustainable growth due to systemic issues and external shocks. The findings underscore the urgent need to re-evaluate foreign aid mechanisms, advocating for structural reforms that prioritise genuine development and empower countries like Ghana to pursue independent and sustainable growth trajectories. This analysis calls for a shift in international support frameworks to foster autonomy and resilience in developing nations.

INTRODUCTION

Foreign aid has played a pivotal role in shaping the political and economic landscapes of numerous developing nations, with Ghana serving as a notable example. Since the latter half of the 20th century, the discourse surrounding foreign aid has been extensive, particularly following the Marshall Plan, which allocated over \$1.2 billion to revitalise Europe after World War II (Andrews, 2010; Riddell, 2014). For many African states, including Ghana, the reliance on external financial assistance has proven to be a double-edged sword. While foreign aid has facilitated progress in critical sectors such as health, education, and agriculture, it has also exacerbated socioeconomic challenges, manifesting in heightened poverty levels and a burgeoning debt crisis (Acharya *et al.*, 2004; Moyo, 2009).

This analysis posits that the impetus for rapid industrialisation initiated the discourse on foreign aid within Ghana, laying the groundwork for the nation's economic challenges. Furthermore, it scrutinises the influence of foreign aid on Ghana's socio-economic development during its complex journey as an independent nation. The paper also examines the roles of leadership, the global context, and the conditionalities associated with aid in shaping Ghana's socio-economic trajectory. The argument presented herein contends that foreign aid has been essential for Ghana's survival during critical junctures, suggesting that the advantages of such assistance are heavily dependent on the vision provided by a country's leadership and its standing in the global arena.

Between 1957 and 2000, African countries observed a significant increase in foreign aid-induced debt, which escalated from under \$3 billion in 1960 to approximately \$225 billion by 2000. Private creditors alone accounted for 20% of this debt, while both bilateral and commercial

loans made up the rest (Fole, 2003). Fast forward to 2023, the total external debt for African nations reached a staggering \$1.2 trillion, with expectations that these countries will service \$88.7 billion in external debt by 2025. This scenario has significantly widened the socioeconomic divide between developing and developed nations (African Development Bank Group, 2024; World Bank, 2024).

This widening gap has characterised diplomatic relations for decades, emphasising the persistent need for support from developed nations to developing counterparts, particularly in sub-Saharan Africa (Andrews, 2009). The continued necessity for foreign aid underscores the importance of a historical approach to studying this phenomenon, using Ghana as a primary case study. The narrative from 1960 to 1970 presents a compelling lens through which to examine the broader dynamics of international relations and developmental strategies that were prevalent during that era.

Ayittey (2002) emphasises that the effectiveness of aid in promoting development is significantly contingent upon the presence of "proper" leadership, as opposed to the "vampire" or "pirate" state reputation commonly associated with some African governments. To contextualise this analysis, foreign aid is defined as the voluntary transfer of resources from developed countries or international organisations to developing nations. This assistance can take various forms, including grants, concessional loans, and technical support aimed at fostering economic growth, alleviating poverty, and providing relief in times of crisis. Diplomatic dynamics between nations often shape the nature of these foreign aid relationships.

In this discourse, development is conceptualised as socio-economic progress aimed at fulfilling present and future necessities. Sen (1999) outlines these necessities through five interconnected freedoms: economic opportunity,

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political freedom, social freedom, protective security, and transparency. Instances of lacking these freedoms indicate underdevelopment; thus, understanding the connection between aid and development necessitates a deep appreciation of the cultural and societal norms of the affected populations (Andrews, 2009). The argument that foreign aid promotes modernisation emerges as a historical construct influenced by external narratives, often neglecting the intricate realities of Africa's historical, structural, and developmental contexts.

The designated time frame is critical for comprehending the varied phases of political governance, economic hurdles, and global influences that have moulded Ghana's national identity. Significant events during this period include Kwame Nkrumah's leadership, a military coup, and fluctuating economic policies, each leaving a unique imprint on Ghana's developmental pathway. Ultimately, the economic trajectories observed underscore the varying effectiveness of foreign aid amidst crises, heavily influenced by the leadership dynamics at play. It contributes to the broader discourse on aid effectiveness and economic development in Africa. It challenges the simplistic narrative that either praises or repudiates foreign aid in absolute terms, instead emphasising the nuanced ways in which external assistance interacts with domestic governance structures.

The paper is divided into four sections, with Section 1 serving as the Background to the Study and Section 2 comprising the Methodology. The next section analyses and discusses the political and economic situations of Ghana's development and the genesis of aid; it also focuses on the interactions of Ghana and the Bretton Woods Institutions and the conditionalities attached to bilateral and multilateral aid to better appreciate the effects of such assistance on the socioeconomic well-being of the Ghanaian populace. Finally, the last section concludes the study.

MATERIALS AND METHODS

This study adopted a qualitative, interpretive historical methodology grounded in both political economy and literary-political theory to examine Ghana's engagement with foreign aid between 1960 and 1970. Therefore, the study employed a multidisciplinary approach, grounded in hermeneutics, contextualisation, triangulation, and source criticism, to analyse the historical dynamics of foreign aid in Ghana from 1960 to 1970. The approach is interdisciplinary, drawing from critical hermeneutics framework, African political history, postcolonial development studies, legal-institutional analysis and historical analysis, relying on a meticulous review of both primary and secondary sources to build a comprehensive narrative of the dynamics of foreign aid during this critical period in Ghana's history to reconstruct the narrative arc of Ghana's early post-independence foreign aid experience.

This multifaceted methodological approach enabled a nuanced exploration of the historical complexities

surrounding foreign aid in Ghana, fostering a deeper understanding of its implications for socio-economic development and the broader narratives of dependency and self-determination. Thus, it systematically addressed historical interpretation while accounting for the power dynamics and narrative construction inherent in aid discourses (Philips & Brown, 2017; Mehmood & Seror, 2019; Wadhvani, 2023).

Hermeneutics served as the foundational framework for understanding the complex narratives surrounding foreign aid in Ghana. By interpreting historical documents, policy reports, and contemporaneous accounts, the research sought to uncover the underlying meanings and implications of foreign aid on Ghana's socio-economic landscape. This interpretive lens enabled a deeper understanding of how the concept of foreign aid has evolved in the context of Ghanaian development, as well as the narratives constructed by both aid providers and recipients.

The deployment of the hermeneutic approach was critical in interpreting historical texts and data relevant to foreign aid in Ghana through a careful analysis of primary and secondary sources, including government documents, international reports, and scholarly articles, to decipher their meanings within the historical context of the period. By understanding the intentions behind these documents and the socio-political contexts in which they were created, the study aimed to uncover the underlying themes and narratives surrounding aid dependency and national development.

Additionally, contextualisation was crucial in this analysis, as it situated the foreign aid discourse within the broader socio-political and economic milieu of Ghana during the 1960s. The historical context of post-independence struggles, changing leadership, and global geopolitical dynamics was examined to comprehend how these factors shaped the effectiveness and outcomes of foreign aid. This approach offered insight into the various external and internal factors that influenced Ghana's reliance on aid and their implications for national development.

To effectively situate Ghana's experience within the broader historical and socio-economic landscape, contextualisation was employed by situating the foreign aid dynamics of Ghana from 1960 to 1970 within the broader frameworks of post-colonial challenges, global economic trends, and the impact of the Cold War on international relations. By examining the historical context, the research highlighted how external factors, including geopolitical interests and the conditionalities of aid, shaped the country's development trajectory and reinforced aid dependency.

Furthermore, triangulation was utilised to enhance the validity and reliability of the findings. By integrating multiple sources of data, such as archival materials, interviews with historical experts, and existing literature on foreign aid in Ghana, the study cross-verified information to construct a comprehensive picture of the aid landscape. This method allowed for a robust analysis, highlighting consistencies and discrepancies in

the narratives surrounding foreign aid and its impact on Ghanaian development.

Here, it involved integrating multiple types of data sources, including qualitative historical analysis, statistical data on aid and debt, and comparative studies from different periods of Ghana's political and economic life. By comparing pre-independent Ghana's experiences with those of the post-independent period, the study identified patterns and discrepancies that provided deeper insights into the effects of foreign aid. This multidimensional approach mitigated the limitations inherent in relying on a single source of information.

Moreover, source criticism played a crucial role in assessing the credibility and relevance of the sources utilised in this study. By critically assessing the origins, authorship, and potential biases of historical documents and accounts, the research aimed to identify the strengths and limitations of each source. This analysis provided a critical perspective on understanding how foreign aid is represented in the literature, clarifying the motivations and contexts in which aid is provided and received.

Thus, critical evaluation of primary and secondary sources formed the backbone of this methodology. Source criticism evaluated the reliability, bias, and perspective of each source, taking into account the author's background, the document's purpose, and its intended audience. Attention was given to the differences between government reports, non-governmental organisation (NGO) publications, and academic literature to uncover varying narratives on the impact of foreign aid. By applying source criticism, the study sought to present a comprehensive understanding of the historical context and its implications for Ghana's socio-economic development.

The first phase of the analysis involved a close reading and critical synthesis of primary and secondary historical sources by constructing a chronological narrative of Ghana's foreign aid history between 1960 and 1970. Archival research was central, involving the examination of Parliamentary Records, correspondences and agreements between Ghana and donor countries (notably the United States, the Soviet Union, and Britain), reports and policy documents from international organisations such as the Library and Archives Canada (LAC), the United States Agency for International Development (USAID), the World Bank and the International Monetary Fund (IMF); speeches and writings of key political actors, especially Kwame Nkrumah; and newspapers such as Ghana News, The New York Times and Ghanaian Times for contemporaneous public discourse, as well as transcripts and reports from the National Liberation Council following the 1966 coup by creating a timeline highlighting key milestones in the foreign aid relationship, framing the analysis within the structure of understanding the context in which foreign aid was received and the narrative plot.

Secondary sources included scholarly literature on post-independence African development, Cold War geopolitics, and Ghana's political economy. These texts were not treated merely as Background but interrogated for the

ideological assumptions they carried about aid, statehood, and development. The application of interpretive historical methodology facilitated the reconstruction of the political logic underlying foreign aid decisions and the assessment of their unintended consequences. Events are not treated as isolated occurrences but as embedded within broader ideological and institutional trajectories, shaped by both domestic priorities and global Cold War dynamics. The goal was to craft a detailed historical backdrop that set the stage for the "tragedy" to unfold.

In retrieving the sources, the author utilised both traditional and digital archives, including the Internet Archive, The New York Times online archives, Google Books, and the websites of the US Department of State and the UK Parliament. The sources were selected based on the credibility of the institutions and the periodisation of the historical writings. The institutions and authors selected are well-known in the Ghanaian political landscape, and the focus on periodisation helps to understand the situation before and after.

The primary sources comprised the writings of Nkrumah, such as Africa Must Unite, Revolutionary Path and Dark Days in Ghana, colonial documents, documents from the Ghanaian Embassy in Washington, the International Monetary Fund, the World Bank, Ghanaian Times, the UK Parliamentary Hansard, Parliament of Ghana and the US Department of State. The paper utilised data from reputable sources, including the IMF and World Bank, to substantiate the observed trends. These primary sources provided context and authenticity to historical narratives.

The secondary sources predominantly focused on scholarly writings by scholars on foreign aid, most of whom are from the field of political science, as well as the writings of other Ghanaians in various news portals. The secondary sources used date from the period after Ghana became a republic. The secondary sources were largely retrieved from Google Scholar and Google search engines.

The paper employed a triangulation method and abductive reasoning to ensure relevance and accuracy and to encourage critical reflection and interpretation of nuanced data beyond mere description. This study employed a thematic analysis approach to dissect the complex interplay between foreign aid, governance, and economic outcomes in Ghana. The analysis involved identifying and interpreting themes related to leadership, economic policies, and conditionalities associated with aid, allowing for a nuanced understanding of how these factors influenced Ghana's trajectory.

In addition to thematic analysis, this research utilised critical discourse analysis (CDA) to scrutinise the narratives surrounding foreign aid in policy documents and media reports from the era. CDA provides a framework for understanding how language and power dynamics shaped perceptions of aid and development in Ghana (van Dijk, 2015; Wodak, 2014). By analysing the discourse of both local and international actors, the study highlighted how framing and rhetoric influenced the aid relationship and its implications for Ghana's socio-economic conditions.

The study also employed a deconstruction to critically analyse historical texts and narratives surrounding foreign aid to Ghana between 1960 and 1970. The approach of deconstruction is rooted in the philosophy of Jacques Derrida, which challenges hidden assumptions within texts and enables a deeper understanding of historical events and their interpretations (Attridge, 2005). The textual exploration of primary sources served as contested sites of meaning. These texts were analysed to reveal implicit power dynamics and ideological constructs that shaped the discourse on foreign aid.

The study situates the texts within their socio-political context, examining how external factors and Ghana's aspirations shaped aid narratives and acknowledging the interplay between local agencies and external pressures. The deconstruction method is significant for the study as it interrogates not only the explicit content of historical records but also what is omitted or marginalised. The approach allows for a nuanced critique of how foreign aid was framed as a tool for development or control during a pivotal period in Ghana's history. The method is significant because it transcends empirical analysis to uncover deeper ideological undercurrents shaping historical narratives.

However, as an interpretive, theory-informed historical study, this research does not attempt to quantify the impact of aid through econometric methods. Instead, it privileges narrative coherence, historical causality, and conceptual clarity. The use of a critical hermeneutical framework is both a strength and a methodological risk, requiring constant reflexivity to avoid deterministic or overly aesthetic interpretations of complex socio-political processes. By anchoring the paper structure in historical events and documentary evidence, the analysis retained both analytical rigour and ethical depth, offering new insights into the moral economies of aid and postcolonial statecraft.

Through the integration of these methodologies, this paper aspired to provide a comprehensive understanding of the paradox of foreign aid in Ghana during a pivotal decade. The approach not only highlighted the intricate interplay of various factors influencing development outcomes but also contributed to the ongoing debate on the relevance and effectiveness of foreign aid in promoting germane national growth and independence.

RESULTS AND DISCUSSION

Colonial Ghana, 1945-1956

In the tumultuous aftermath of World War II, the British Government found itself grappling with the complexities of its role in the Gold Coast, now known as Ghana. With the war having drained resources and left a legacy of devastation, the British colonial authority recognised that its persistent meddling in the affairs of the Gold Coast was becoming untenable. The nation faced an acute shortage of technical staff and essential materials, particularly for construction endeavours that were crucial for any semblance of progress (Colonial Office, 1948).

The winds of change began to blow as the Colonial Government initiated a series of reforms that would mark a significant turning point in the history of the Gold Coast. In 1946, the Colonial Government promulgated a new constitution that, for the first time, made provisions for laws applicable not just to the colony itself but also extended to areas beyond, including Asante (Nana Kwame Ackom, personal communication, January 15, 2025). This constitution ensured that an elected majority of all Africans would have representation, a development that fundamentally altered the political landscape. The emergence of political parties in 1947 sparked a movement towards self-government, instilling a growing desire for autonomy within the hearts of the people. This newfound political agency, however, foreshadowed the tragic struggles that lay ahead.

The economy began to show signs of revival, driven largely by the increasing prices of cocoa on the world market. From a mere £28 per tonne, cocoa prices surged dramatically to nearly £71 per tonne, infusing the economy with newfound prosperity. This occurred despite the destructive effects of swollen shoot disease on cocoa production, which plummeted from 221,000 tonnes in 1946 to 162,000 tonnes in 1947 (Colonial Office, 1948, p. 7). The burgeoning economic climate resulted in a significant increase in civil servants' salaries, which rose by over 20%, presenting an image of growth and wealth amidst underlying vulnerabilities.

In response to the economic shifts, the Colonial Government established the Cocoa Marketing Board in 1947, tasked with stabilising prices, addressing the pressing issues of the swollen shoot disease, and boosting cocoa production to sustain colonial expenditures and developmental goals. Unfortunately, this effort was thwarted by the looming presence of monopolistic practices perpetrated by European merchant firms, particularly those associated with the Association of West African Merchants (AWAM). The widespread discontent that permeated society eventually led to the 1948 Accra riots, a tragic culmination of pent-up grievances that exposed the deep fissures within the colonial structure.

Despite the noticeable economic advancements, ominous warnings emerged regarding the precarious nature of the economy. The Colonial Government expressed concerns that the reliance on cocoa and raw mineral exports, coupled with increasing imports, should signal caution. In the Annual Report for 1950, the Government ominously noted, "But it must expect soon to feel the severe impact of very much higher prices of exports, and if the international situation deteriorates, curtailment of supplies" (Colonial Office, 1950). The shadows of this caution darkened the reality of a public debt that had reached £8,410,000, juxtaposed against total revenues of £18,106,495 and a surplus of £3.9 million.

The narrative shifted significantly in 1951 when Nkrumah was appointed as the Leader of Government Business. His leadership heralded a new chapter, where the Government's focus turned to a Ten-Year Development Plan that

projected a staggering £80 million for comprehensive development initiatives (PRAAD/ADM/5/4/56 1951). Although devised before Nkrumah's rise to power, the Plan aimed to transform the nation's economic landscape, underlining the significance of improved communications and social services. Central to this Plan was the ambitious Volta River Project, designed to produce and supply electricity, facilitate water transport to the northern regions, and establish a harbour at Tema.

However, despite its economic viability, questions loomed regarding its financing methods, which would prove to be a persistent issue throughout its implementation (Colonial Office 1950). The development plan, approved in August 1951, earmarked £73,992,000 for its execution; however, only £3.76 million was actually allocated in practice (Colonial Office, 1952). This ambitious financial undertaking relied heavily on cocoa, which yielded a remarkable surplus income of £20 million due to cocoa prices exceeding £131 per tonne.

However, alongside prosperity, the spectre of rising living costs emerged. The inflationary pressures, primarily stemming from the costs associated with imported goods and the increased prices paid to cocoa farmers, began to weigh heavily on the populace. Fortunately, the Gonja Development Company's mechanised farming initiative provided some respite, leading to an abundance of food supplies that helped decode the crisis of high living costs, resulting in a surplus budget surpassing £6.78 million, showing promise yet pointing to a fragile economy (Colonial Office, 1952).

While the dawn of self-government and Nkrumah's elevation to Prime Minister on March 21 1952, promised rapid development, the country found itself grappling with inherent challenges tied to its agricultural dependency (Nkrumah, 1969, p. 88). Between 1950 and 1952, Ghana experienced a notable increase in investment in both the public and private sectors, with public investment totalling £23.7 million and private investment reaching £29.7 million. The Government enacted progressive reforms, including the abolition of fees for primary education, which resulted in an influx of 58,000 new students, further illuminating the promise of educational advancement. Simultaneously, the establishment of 17 new teacher training colleges and expansions in secondary school infrastructure, the first permanent buildings at the Kumasi College of Technology (KNUST), the standardisation of Government wages and the start of a new technical institute at Tarkwa to train apprentices in the mining industry, underscored a commitment to nurturing a competent workforce (Colonial Office, 1953).

However, amid these advancements, trouble brewed beneath the surface. The quest for electricity saw an estimated £100.5 million earmarked for the Volta River Project, with the UK government funding £43.3 million, the Ghana Government and private investment accounting for £36.3 million, and Aluminium companies contributing £20.9 million. This marked the first instance of Ghana's reliance on foreign aid. While the project was

recognised for its potential economic impact, it was fraught with challenges regarding its execution, overshadowing the optimistic plans laid by the Government and the public's expectations.

Between 1953 and 1956, a noble yet tumultuous journey unfolded as the government, driven by the ambitious Development Plan, sought prosperity through increased spending without burdening its citizens. The domestic economy appeared stable, with a harmonious balance maintained despite a surge in imports, notably from respected nations such as the United Kingdom, the United States, and Japan. However, the agriculture sector languished, deprived of vital resources and infrastructure. In a fateful twist, cocoa revenues became the lifeblood of ambitious projects.

While the Ten-Year Development Plan was realised in a mere five years, financial strains began to reveal themselves. The government spent an average of \$200 million each year on expanding infrastructure and social services, such that by March 1957, despite the enormous investments, there was a deficit of £26.7 million in the fiscal year 1956/57 (Hymer, 1969). Ghana's reserves stood in stark contrast to mounting fiscal deficits tragic evidence of a nation caught between aspiration and reality.

Independent Ghana under Nkrumah, 1957-1965

In the grand narrative of Ghana's postcolonial emergence, the reign of Kwame Nkrumah from 1957 to 1965 unfolds with the weight of historical inevitability, a tragedy wrought by ambition, foreign entanglements, and the very essence of independence. The stage is set on March 6, 1957, a date that heralded the dawn of a new era for Ghana as it shook off the shackles of colonial rule. The aspirations of the newly independent nation clashed with the stark realities of the geopolitical landscape, marked by the ominous clouds of the Cold War.

Nkrumah, infused with a transformative vision, sought nothing less than the 'jet propulsion' of national development. His ambition was to elevate the standard of living of Ghanaians to levels akin to those enjoyed by citizens of the United States and Britain, all while reaffirming African sovereignty in a world divided by ideological strife. Nkrumah, recognising the limitations of national resources, turned to foreign aid, establishing bilateral agreements and embassies worldwide to fortify diplomatic and commercial ties. Thus, Ghana's development narrative became intertwined with the strategic interests of the West, particularly those of the United States, which sought to consolidate its influence during the Cold War.

The tragedy of Nkrumah's vision was underscored by an ambitious industrialisation programme that sought to cultivate an auto-centric economy, breaking the chains of dependence on the West. He aimed to ignite rapid socioeconomic growth; between 1957 and 1960, Ghana experienced a remarkable surge in its Gross Domestic Product, from \$750 million to \$1,395 million (US Department of State, 1967). However, this triumph was

bittersweet, as the harsh reality loomed that, by 1959, over ninety per cent of Ghana's import trade was dominated by foreign entities Europeans, Indians, Lebanese, and Syrians leaving a mere fraction for Ghanaian merchants (Nkrumah, 1963).

In the aftermath of independence, the burgeoning import dependency took its toll. Imports surged from £48 million to £130 million between 1957 and 1960, while national debts ballooned from less than \$800,000 to an alarming \$26 million (UK Parliamentary Hansard, 1965). The tension between Nkrumah's developmental aspirations and the economic reality created a fertile ground for tragedy. His attempt to navigate these choppy waters through foreign alliances became a double-edged sword partnership with the United States promised much, yet also bound Ghana to the whims of external powers.

As the tapestry of foreign relations was being woven, Nkrumah espoused the policy of non-alignment, skilfully balancing the competing influences of both the East and the West. By 1958, Ghana formed a crucial bilateral relationship with Russia, gaining military assistance that included a troop contingent of 1,100 personnel (Nkrumah, 1963). Simultaneously, British military support further complicated the dichotomy with the establishment of the Joint Services Training Team (JSTT), which officially commenced on May 1, 1962, comprising approximately 245 military personnel (UK Parliamentary Hansard, 1966). Nkrumah's appeal for technical assistance from Canadian Prime Minister John Diefenbaker highlighted his strategy: to cultivate a blend of support that could both empower and entangle his nation.

As Ghana proclaimed itself a republic on July 1, 1960, the sources of foreign aid, primarily flowing from Western nations, became increasingly necessary. The overwhelming control of foreign entities over Ghana's import trade prompted the establishment of the Ghana National Trading Corporation in 1961, with the aim of reclaiming economic sovereignty and managing imports effectively (The Ghana National Trading Corporation Act, 1961). The initial economic successes began to falter as foreign reserves declined precipitously from approximately £180 million in 1959 to £74 million in 1961. The financial plight deepened as the current account deficit soared from £11.2 million in 1959 to a staggering £53 million in 1961, a catastrophic shift from a surplus of £11 million in 1958 (US Department of Agriculture, 1964). Thus, by 1961, Ghana faced an external deficit in its payment balance of approximately £132 million due to liberalisation (World Trade Organisation, 1962). The tragedy of Ghana's finances mirrored the tragic arc of Nkrumah's governance ambitious and idealistic, yet ultimately ensnared by circumstances beyond his control. Faced with escalating economic turmoil, the Nkrumah Administration sought remedies. On February 17, 1961, President John F. Kennedy extended a lifeline to Ghana with financial aid for the Volta River Project, following a successful meeting with Ghana's Finance Minister, Komla A. Gbedemah, which underscored the intricate dance of

Cold War geopolitics that defined Nkrumah's tenure. The support was more than just a financial transaction; it symbolised an American commitment to establish friendly relations with newly independent African states in a bid to counter burgeoning communist influence (US Department of State, 1961).

However, such entanglements came with costs, as the very essence of Ghanaian sovereignty was undermined by reliance on external assistance. Canada also became involved in this development project through technical expertise, with the Canadian engineer Frank J. Dobson appointed as the first Chief Executive of the Volta River Authority. The Canadian government, through its External Aid Office (EAO), which later became known as the Canadian International Development Agency (CIDA), also assisted with agricultural development in the northern part of Ghana.

However, on 28th March 1961, H. O. Moran penned a letter to the Canadian High Commissioner in Ghana, cautioning against a 'buckshot' approach to aid, one based on the notion that Africa's needs are enormous and that anything Canada does is bound to be beneficial (Library and Archives Canada, 1961). When the Nkrumah Administration withdrew all British officers from the army in September 1961, it sought military assistance from Canada. As a result, on January 8, 1962, the Ghana-Canada Military Agreement led to the Canadian Armed Forces Training Team, Ghana (CAFTTG) providing 30 military personnel to train the army's human resources (UN 1965).

Amid this unfolding drama, the US Government, through its USAID, also provided humanitarian assistance in the area of water, providing 192 dams and dugouts to help improve water availability throughout the Northern and Upper Regions. These dams and dugouts helped store excess water during the wet season for later use, which in turn aided in livestock production. The water sources provided water to 56,000 herds of cattle, 30,000 goats, 31,000 sheep, and 2,000 donkeys while also ensuring agricultural productivity.

In August 1961, the Ghanaian Parliament enacted the Foreign Exchange Control Act 1961, imposing an embargo on consumer goods to stimulate local production (Foreign Exchange Control Act 1961 (GH)). The legislative action stimulated the economy by raising tariffs on essential commodities, increasing revenues, and leading to the establishment of approximately 150 companies, including steelworks and gold refineries (National Development Planning Commission, 1964; Grayson, 1973). However, the measures were akin to trying to revive a wilting flower in a harsh drought.

The perceived failure of the economy reached a crescendo in March 1962, which led to an attempted coup in July of that year (Ghanaian Times, 1963). The coup was aborted when papers that detailed the coup plot were seized. According to Mr. John Cordle, MP for Bournemouth, East and Christchurch, the situation was such that it was in the best interest of the UK and Ghana that Ghana be

assisted, as the seriousness was well reflected in Ghana's foreign reserves (UK Parliamentary Hansard, 1965). The precarious nature is significantly attributed to heavy reliance on investments in the manufacturing sector to provide import-saving goods.

As socio-economic events unfolded, Ghana experienced political upheavals beginning in August 1962, which began to impact the country's economic fortunes and development in a deleterious manner. In the fiscal year 1961/62, the financial gap stood at a deficit of ₵161 million, forcing polemicists to sound warnings to Ghana's creditors. The situation culminated in Nkrumah on September 28, 1962, to impose censorship on media dispatches leaving the shores of Ghana and the expulsion of two British correspondents, Walter Partington and Richard Beeston of *The London Daily Express* and *The Daily Telegraph*, respectively, to salvage the economic turbulence which Nkrumah believed was orchestrated by Western sloganeers (New York Times, 1962).

In 1963, the worn and weary nation of Ghana sought to rise from the ashes of colonial rule, aiming to forge a new destiny through industrialisation. The tragic tale begins with flickering hope as nascent enterprises sprouted across the land. Amongst them stood a \$23.8 million oil refinery, a beacon of ambition, built by Ente Nazionale Idrocarburi of Italy in partnership with Ghana. This was not a solitary venture, as Lever Brothers, a subsidiary of the esteemed Unilever Limited of the United Kingdom, invested \$7 million to establish a soap factory. Alongside these ventures, a \$2.8 million jute bag factory and two cocoa processing plants, valued at \$11.2 million and poised to transform 70,000 tonnes of beans annually, stood as monuments to Ghana's industrial aspirations. A steel mill envisioned to yield 30,000 tonnes per year, and a textile printing factory, with a potential output of 15 million yards annually, endeavoured to diversify the economy, bolster foreign exchange, create employment, and herald an era of industrial prowess (New York Times, 1964).

Nevertheless, as fate would dictate, these ambitions found themselves shackled by the very essence of the nation's being agriculture. The industries established were predominantly agriculture-related, serving the routine consumption needs of a populace that had long been ensnared in the cocoa economy. Ghana endeavoured to break free from its dependency on cocoa bean exports, birthing the Ghana Cocoa Products Corporation Factory in Takoradi with foreign assistance aimed at processing 18,000 tonnes of raw cocoa beans. Managed by the West German company Stahlunion for a five-year term, this venture, funded with \$3.02 million and a 4% interest rate, epitomised the struggle for self-determination amidst external influences (Cocoa Processing Company Limited, 2002).

In pursuit of its industrial dreams, Ghana further committed \$2 million to Technoexport, a Czechoslovakian firm that would breathe life into the Sugarcane Milling and Sugar Refinery project. It was because President Nkrumah's political campaign pledged to local gin

distilleries to improve their safety and environmental standards, including the construction of a factory. However, as Major (Rtd) Mohammed Bogobiri poignantly remarked, the Komenda Sugar Factory's inception was pursued more out of political aspiration than economic rationale because it was initially slated for Tsito, and it became evident that the undertaking lacked sufficient resources to sustain its ambitions (Bogobiri, 2023).

As the years unfolded, the ambition began to unravel. Ghana's bargaining power in the global marketplace dwindled, crushed by the reality of falling cocoa prices, which plummeted below £150 per tonne. The country, once thriving with a production level of 571,000 tonnes, was now beset by economic turmoil (World Bank, 1974; 1976). The tragic irony lay in the dependence on cocoa consumers, primarily situated in Europe, who manipulated prices to serve their vested interests (New York Times, 1965). In the fiscal year 1963/64, Ghana bore witness to the haunting spectre of a £70 million budget deficit the first since independence emerging from the depths of low cocoa prices and soaring expenditures on social services and development plans (New York Times, 1964). However, amidst this tragedy, flickers of hope remained. Compassionate aid arrived from the northern frontier as the Canadian Government, through the Prairie Farm Rehabilitation Administration (PFRA), sought to bolster agricultural productivity in Ghana. Three Canadians, M. J. Fitzgerald, W. L. Foss, and K. Kristjanson, were commissioned to explore irrigation and water development in the nation's upper regions. Their feasibility study aimed to ensure a stable food supply year-round, fostering the growth of crops beyond cocoa during the harsh dry seasons (Library and Archives Canada, 1963).

Against the backdrop of these agricultural endeavours, Ghana became the recipient of \$18,010,000 in Official Development Assistance in 1963, a testament to external interest in the nation's promise. The crowning jewel of this assistance was the monumental Volta River Project, heralded as a catalyst for Ghana's industrialisation. With the construction of the Akosombo Dam and its accompanying township, the nation stood on the brink of transformation. The project not only saved Ghana \$46 million compared to the initial estimate of \$196 million, but it also promised to lay the foundation for future progress (Ware, 1964). Senator Allen J. Ellender, during a Senate Debate on December 18, 1963, spoke of the Volta River Project's promise, declaring it the singular bright spot amidst a landscape of despair, where the Ghanaian Government would shoulder half the costs. The interest rates would downplay the burden of debt (Ghana News, 1964).

The Volta River Project, particularly through the Volta Aluminium Company Limited (VALCO), represented a culmination of international financial support. The project was sustained by loans totalling \$81 million from the World Bank, the United States, and the United Kingdom, which contributed \$47 million, \$30 million, and \$4 million, respectively (Central Intelligence Agency,

1971). The VALCO initiative introduced an aluminium smelter, and among its plans was the dredging of the Tema Harbour, which would enhance the potential for dock construction, employ 15,000 Ghanaian workers, and produce one-tenth of a million long tonnes of aluminium each year.

In January 1964, aid was still flowing, aimed at bolstering agricultural success under the stewardship of Krobo Edusei, the Minister of Agriculture. Through the USAID Mission, a series of farm institutes and mechanisation training centres sprang forth in Accra, supplementing the joint projects under the Ghana-US Technical Aid Agreement, all aimed at improving the country's agricultural productivity, especially as foreign reserves stood at \$122,112,800. With this assistance, Ghana established three farm institutes and five mechanisation training centres, striving for advancement in agricultural productivity. As Ghana saw most of its imports being food-related, aside from spare parts for the manufacturing sector, this support was particularly valuable (Ghana News, 1964).

Additionally, in February 1964, through the Ghana-Japanese Technical Assistance Programme, the Government of Ghana established a \$560,000 textile training centre in Tema. The centre provided two years of training in dyeing, weaving, and printing to students who intended to be employed in the newly established textile factories. Eight trainers, each from Ghana and Japan, conducted the training centre as the Nkrumah Administration sought to provide more industries and employment opportunities for the populace (Ghana News, 1964).

The Ghana-Canada Technical Programme also saw the establishment of another \$560,000 trade training centre, the Accra Technical Training Centre (ATTC), to teach courses in carpentry, joinery, electricity, masonry, painting, and decoration. Through the programme, six Ghanaians underwent a year of technical training in Canada in connection with the centre, which also offered courses in beauty culture and a nursery for girls (Ghana News, 1964, p. 8). The American Government also, through Kaiser Engineers in February 1964, began discussion of critical matters relating to the Volta River Dam and the operation of the VALCO, which was to operate the smelter at Tema, and it was the first significant foreign assistance Ghana had (Ghana News, 1964; Nkrumah, 1973).

With a burgeoning hope and ambition to remedy the economy, on March 11, 1964, Nkrumah announced the grand design of his Seven-Year Development Plan a proclamation heralding the dawn of industrialisation. Committees were formed to direct the production of goods, including the brewing of beer, the bottling of soda, the crafting of cigarettes, and the baking of bread (Parliament of Ghana, 1964; National Development Planning Commission, 1964; Nkrumah, 1968). The promise of prosperity wafted through the air, much like the fragrant scents rising from the baker's oven. To fuel the engines of this ambitious industrialisation, Nkrumah championed the completion of the Akosombo Dam,

which harnessed the mighty river to generate 768,000 kilowatts of electricity (Nkrumah, 1969). He believed it would sever the bonds of economic dependence, liberating the Ghanaian spirit from the clutches of foreign monopolies. The Plan would demand a staggering sum of \$2,844,800,000 a number that loomed like a great mountain, both inspiring and daunting.

Nkrumah, in his dreams of progress, declared, "We do not intend or desire to limit private investment. We continue to look to the outside world to contribute to our national development" (Ghana News, 1964). Thus, he invited the hands of foreign investors to join in the toil, a gesture mingled with hope and peril. Following the launch of the development plan, which focused on increasing the contribution of industries to GDP above 20%, the Nkrumah Administration began to centralise the economy. The regime adopted state planning and central management of the economy by creating state farms using Eastern European machinery, nationalising the import sector, and pursuing a one-party state, which caused a distance between Ghana and Western countries, such as Canada and the United States (National Development Planning Commission, 1964).

By March 1964, concerns had arisen about the persistent borrowing from creditors on short terms to establish factories, which prompted alarm from Western countries, particularly the United States and the Bretton Woods institutions. This rebuke was perceived as unfriendly by the Nkrumah government, forcing President Lyndon Johnson to dispatch Governor W. Averell Harriman to Ghana on March 21, 1964 (US Department of State, 1964). It resulted in Ghana's Ambassador to the U.S., Miguel Augustus Francisco Ribeiro, on July 11, 1964, remark that "aid must be premised on seeking true and wider knowledge about nations; for it is only in this way that developed countries can better understand Ghana's problems and sympathise with the efforts being made to solve them" (Ghana News, 1964). The dire situation in Ghana culminated in China providing economic assistance, an interest-free loan of \$22.4 million to Ghana on July 15, 1964. It also provided military assistance in the form of weapons and assigned 52 military advisors to Ghana in October 1964.

Nevertheless, as the wheel of time turned, it became evident that despite the fabric of support woven from foreign threads, the core struggles persisted. The aspirations for industrialisation faltered as the looming shadow of dependence on cocoa remained unyielding. The dreams of self-sufficiency and industrial prowess began to dissipate like mist in the morning sun. The initial grammar of prosperity was clear; a treasury once brimming with £200 million (equivalent to \$560 million) seemed to foreshadow an era of flourishing growth and development. However, like all tragic heroes, the seeds of demise lay hidden within the glories of their rise. The initial triumphs, such as the establishment of state enterprises and public boards, gradually devolved into a façade masking an impending crisis.

By November 1964, the society that had rejoiced in its newfound freedom found itself ensnared in the throes of hardship. The initial idealism crumbled as economic struggles intensified. As the economy faltered, the optimistic vision of governance morphed into a harrowing reality. The 1965 budget, once anticipated with hope, was postponed, a sign of a government grasping at straws for new revenue streams amid a backdrop of austerity. Life became unbearable for the average Ghanaian, who bore witness to tightening controls and the spectre of despair. Soldiers, once protectors, found their dignity stripped as their wages faced reductions while essential commodities such as meat, canned chicken, and pickles imported goods grew scarce. The issue escalated to the point where Ghana's request for food surplus from the United States was ignored.

By January 1965, the economy teetered on the brink, echoing the cries of a populace deprived of necessities of sugar, rice, and even the simplest pleasures, such as meat, had all but vanished from the market. According to Kwaku Amoo-Appau, there was a shortage of almost everything under the sun, such as sugar, milk, rice, wax print, pharmaceutical products and foodstuffs like maize, plantain, cassava, onions and yam, such that citizens resorted to hoarding, an act of desperation in a landscape that had turned hostile (Amoo-Appau, 2012). The tragic hero, Nkrumah, once revered, now faced the catastrophic consequences of misconceived policies and misguided alliances. His vitriolic words labelling the United States a "Fascist-Imperialist" regime had driven his nation into the depths of isolation (US Department of State, 1965, para. 1002). These remarks further strained the already tense relations between Ghana and the US, which had become apparent in April 1964 when Nkrumah asserted that "even massive American aid is regarded as a scheme to make profits at Ghana's expense or subvert the people" (New York Times, 1964).

As the American aid evaporated, so did the lifeblood of Ghana's struggling economy. Ghana's plight worsened as government consumption skyrocketed. Employment for public servants increased, yet they were but shadows of a functioning government, burdened by the failure to generate impactful investment. Economic mismanagement presented a tragic irony: the very measures intended to uplift became the chains that bound the nation in despair. No noble action came without its trials.

Despite efforts to mitigate the crisis through agricultural aid in February 1965, the fruits of hope were slow to manifest. Aid from the United States, meant to nourish agricultural aspirations, arrived too late. The sacrifice of resources establishing agricultural institutes and Fisheries Research Institute with an approved sum of \$1.4 million and an additional \$700,000 for the Food Research Institute and mechanisation training centres proved insufficient against the deeper rot of bureaucratic inefficiency and the haunting spectre of rising debts (Ghana News, 1965). By the first quarter of 1965, Ghana's foreign reserves

had shrunk alarmingly from \$481 million in 1957 to an intolerable level of \$24 million, with an over-deficit of £27 million (New York Times, 1965; IMF, 1965). Heavy debts from Nkrumah's quest for rapid industrialisation weighed heavily on the treasury, amounting to a staggering \$700 million, and looming repayment deadlines threatened financial collapse (Central Intelligence Agency, 1968). The audacity of Nkrumah's vision met the harsh reality of impending ruin. In a desperate plea, Nkrumah invited the International Monetary Fund (IMF) to rescue Ghana from the brink of financial annihilation in March 1965. A three-man mission arrived, a glimmer of hope amidst the despair, deliberating on debts and restructuring financial obligations. Nkrumah requested that the IMF establish an aid consortium in Washington, DC, under the auspices of the International Bank for Reconstruction and Development, to assist in financing Ghana's Seven-Year Development Plan (Ghana News, 1965).

Dr. Kwame Nkrumah explained the rationale for inviting the IMF. He retorted that it was to provide insurance to foreign investors against any potential risks associated with financial assistance in Ghana's development, of which these foreign investors were a part (Ghana Broadcasting Corporation Documentary, 1965). The tragic irony deepened as foreign assistance was rejected when Nkrumah spurned the IMF's proposed austerity measures, viewing them as an affront to his expansionist ideals (GhanaWeb, 2022). The defiant spirit of the tragic hero clashed with an inescapable reality. The IMF's intervention, framed ostensibly as a safeguard for foreign investors, shrouded in promises of economic revival, was met with staunch opposition. The overture for fiscal restraint was antithetical to Nkrumah's vision of progress, which ultimately sealed the nation's fate. Thus, the hand of fate played a cruel trick upon Ghana as external support began to wane.

In January 1966, the economy, deprived of its telos, appeared stagnant and moribund, lacking the dynamism to achieve eudaimonia as debts and unemployment rose (Central Intelligence Agency, 1969). The tragedy of Ghana is not merely one of economic decline but a poignant reminder of the weighty interplay between vision and reality. In the chilling aftermath, the voices of Ghanaians echoed the cries of yearning for a saviour, longing for the golden promises of independence, eclipsed by the shadows of unfulfilled ambitions. As the country stood on the precipice, Nkrumah's legacy was marked not by the dream of a prosperous Ghana but by the tragic entanglement of ambition and misjudgment. Ultimately, the path to ruin was paved not merely by economic miscalculations but by the failure to connect aspirations with a grounded understanding of reality (International Monetary Fund, 1966).

Tragedy of Dependency: Ghana's Struggle for Sovereignty, 1966-1970

Following the inability to salvage the economy, a

military-police coup, Operation Cold Chop, took place on February 24, 1966, which toppled the Nkrumah government, echoing the sorrowful tones of betrayal and ambition. The actions that led to the coup were not born of mere ambition; they were reactions to a collective agony inflicted upon the nation due to mismanagement and poor policy implementations. The military regime, known as the National Liberation Council (NLC), emerged from the ashes of Nkrumah's administration with a singular focus: to salvage Ghana from economic destitution, setting the stage for a harrowing tale of ambition, struggle, and ultimate misfortune.

The NLC's path to redemption was fraught with complexity as it sought to rehabilitate a nation buried under the debris of economic miscalculations. The initial actions taken by the NLC illuminated a paradox: in seeking to absolve Ghana from the throes of financial crisis, they turned to the very institutions they had once criticised. Their first act of desperation was to seek assistance from the International Monetary Fund (IMF), a move that would set the stage for a tragic interplay between ambition and dependence. In May 1966, the NLC embarked on a programme with the IMF, securing a stabilisation credit of \$37 million, coupled with a reprieve from flickering foreign debts (Central Intelligence Agency, 1966).

However, could true rehabilitation flourish under the weight of external indebtedness and reliance on foreign powers? The tragedy lies in the NLC's reliance on curtailing public spending and privatising state enterprises measures that, while aimed at regaining financial stability, also severed lifelines to thousands employed in the public sector. The vision for a revitalised Ghana came at a great cost.

Amid tales of political intrigue, the NLC sought to rebuild. They appealed to Western donors for assistance, specifically targeting a combined aid of \$14 million from the US, West Germany, and Canada (New York Times, 1966; Ghana News, 1967). This plea for foreign aid, while yielding some immediate relief, further entangled Ghana in a web of dependency. The moratorium on medium-term debts and the debt rescheduling agreement implemented in December 1966 were temporary solutions rather than the sustainable recovery the NLC promised. Though the debt obligations were postponed, the underlying economic structure remained unaltered, leaving Ghana vulnerable and dependent on foreign benefactors. This agreement called for a resumption of debt service in 1967/68, as no debt service payments were required in 1966/67 because Ghana had negative foreign reserves. (World Bank Group, 1968). Due to this, the balance of payments surplus available for development slightly decreased from N¢20.3 million to N¢14.6 million.

With great gravity, the NLC viewed the implementation of an IMF programme as a condition for stabilising credit; hence, it undertook tax reforms and reviewed its basic economic policies including an import licensing regime focusing on essential commodities. Herein lies the crux of tragedy; despite the clarity of vision,

the execution faltered. The liberalised import system, which sought to correct structural maladjustments by introducing an import licensing regime focused on essential food commodities, did not attend to the deeper issues of production and sustainability. Instead, it marginalised local industries, hampering the potential for self-sufficiency and further entrenching Ghana's reliance on imports. Colonel Afrifa, therefore, proclaimed, "... to develop national resources, it is...essential that firm and definite public policies be laid down and pursued" (Ghana News, 1967).

The inflow of foreign aid surged dramatically after securing an IMF credit, with official development assistance increasing to \$62.2 million in 1966. As international aid began to flow, the NLC found itself in a precarious situation. The United States, eager to support its ally, resumed unprecedented food aid to Ghana and provided imported manufactured goods, such as textiles and tobacco, which accounted for over three-fifths of imports (World Bank, 1968, pp. 1-2). While this assistance temporarily alleviated some economic pressures, it also deepened the cycle of dependency that the NLC had sought to transcend.

Compounding these troubles was the devaluation of the cedi, enacted in July 1967, which reduced its value by 30% (Ghana News, 1967). This economic decision, intending to bolster exports and attract foreign currency, only exacerbated the plight of ordinary Ghanaians, who found themselves coping with increasing prices for imported goods. Thus, while the NLC sought to remedy a fragile economy, they simultaneously set in motion a tragic chain of events that would ultimately lead to greater economic instability.

In the short term, some improvements in the growth rate and balance of payments could be celebrated; the deficit gradually shrank from \$69 million in 1965 to \$55 million by 1967, and the growth rate increased from 0.3% in 1966 to 3% in 1967. Merchandised imports also declined from \$434 million in 1965 to \$279 million in 1967, presenting an illusion of fiscal stabilisation (World Bank, 1968). However, beneath this veneer lay a harsh reality: international reserves dwindled sharply from \$29 million in 1965 to a dire \$17 million in 1967. The tragic irony was that the very measures instituted to restore stability laid bare severe vulnerabilities within the economy, revealing the deep-rooted inability of the NLC to escape the shackles of foreign reliance.

Ghana's economic predicament was further aggravated by the NLC's implementation of the IMF's stabilisation policies, which reduced gross fixed investments by nearly half. In the pursuit of aligning public investment levels with the country's manpower needs, the NLC inadvertently stifled governmental savings and endeavoured to rectify the overextensions that characterised the previous administration. Nevertheless, this noble pursuit of efficiency resulted in a chilling paradox: as the essential public sector investments dwindled, the prospects for long-term recovery dimmed. As the years progressed,

it became increasingly evident that the NLC's tactical decisions bore the hallmark of tragedy, as its policies culminated in the dismissal of approximately 70,000 public sector workers (US Department of State, 1967). Their attempts to navigate the complexities of economic revival through foreign aid projected an image of a nation caught in a cycle of dependency with no clear exit. The bleak implications of this tragedy extended beyond numbers and economic metrics; they encompassed the very fabric of Ghanaian society, with thousands left yearning for the promise of prosperity that remained stubbornly out of reach. Thus, the NLC relied heavily on US aid and loans, as foreign aid was reduced by over \$16 million in 1967. For example, in 1967, the US provided about \$35 million in loans and commodity import loans. Under this loan agreement, the US supplied 10,000 metric tonnes of rice and 10,000 metric tonnes of wheat flour tonnes of indelible tallow, and 500 metric tonnes of tobacco. According to John Willie Kofi Harley, the Vice Chairman of the NLC, the receipt of agricultural commodities had contributed substantially to the alleviation of the acute shortage of essential food items. The fatal misalignment of policy intentions and economic realities left Ghana at a crossroads filled with uncertainty and desperation. In their quest for salvation, the NLC further became ensnared not only by their reliance on foreign entities but also by the unfortunate miscalculations inherent in their strategies. In April 1967, Ghana and France reached an agreement to settle Ghana's debt of \$21.84 million to France following a six-day meeting in Paris due to the country's inability to repay its debts because of foreign exchange constraints. The agreement provided a payment period of 8 years, with December 31, 1968, as the consolidation date and a grace period from January 1, 1969, to June 30, 1971. It also secured similar agreements in London in February 1967 to settle its \$70 million debt to the British Government (UK Parliamentary Hansard 1967; Ghana News 1967; The National Archives, Kew, 1968). What began as a hopeful initiative turned into a lamentation for lost opportunity, a realisation that the very means sought to deliver Ghana from despair had fostered an even deeper entrenchment in dependency. To the National Liberation Council, foreign aid served as a source of financing to bridge external gaps and meet the population's living standards. For example, in 1967, the financing gap stood at N¢95 million (\$96,938,776). Aid in 1967 stood at a little above \$45 million when Ghana needed \$88.2 million, proving that aid was still below the level considered necessary for the full success of Ghana's economic rehabilitation. The situation was re-echoed by Emmanuel Noi Omaboe, Chairman of the Economic Committee of the NLC, when in September 1967, during a meeting between Ghana and the IMF in the presence of 8 donor countries the United States, the United Kingdom, the Federal Republic of Germany, Japan, France, Italy, Canada and Denmark in Accra, he asserted that the economy would

rely on external assistance "for many years to come" adding that it will depend on how such assistance are utilised. The meeting aimed to determine how much of the balance of payment support, which stood at N¢90 million, had been bridged since the last meeting in Paris (International Monetary Fund, 1967).

By December 1969, the economy had seen some recoveries, and this was largely attributed to the standby credit arrangement from the IMF, which concentrated on stabilisation by containing inflation, easing constraints on the balance of payment, rehabilitating the badly damaged economic infrastructure, and preparing the ground for a comprehensive restructuring of the economy to ensure an adequate and sustainable rate of economic growth (Ghana News, 1968; 1969). Manufacturing became a significant contributor to exports, accounting for a 14% share of the total. In contrast, agriculture's share of GDP declined to 46% because there was no clear policy in place to develop agriculture and support the newly established industries, most of which relied heavily on imported raw materials (Ghana News, 1969). External debts under the NLC did not increase significantly as Ghana's debts soared by another N¢90 million.

Despite these feats, Ghana was unable to make its \$750,000 repayment to the IMF in 1969; hence, the IMF decided not to disburse credit to Ghana in 1970, although its balance of payments stood at \$40 million, which represented an improvement from the deficit of \$55 million at the end of 1965. However, the overall balance stood at \$2 million due to shortfalls in export receipts and seasonal factors, resulting in a substantial deficit (International Monetary Fund, 1969). E. N. Omaboe vividly described the economic picture when he asserted that economic problems would persist for some time and continue to engage the serious attention of future governments despite the enormous opportunities available for solving the difficulties. To Omaboe, the solution was that "unless we help develop services within our communities, we shall be condemned to low standards of living and thereby remain poor for generations to come" (Ghana News, 1968).

CONCLUSION

The paper reveals a complex relationship between foreign assistance and Ghana's socioeconomic development during its first decade as an independent country. The findings revealed that, despite foreign aid being instrumental in Ghana's survival and development, its usefulness has been undermined by political strife, leadership failures, and the pervasive conditionalities attached to aid. The paper further demonstrated that the debates between aid as a catalyst for growth or a mechanism of dependency are not merely academic; they have significant implications for policy formulation and implementation, as well as international relations. The study emphasises the need for foreign aid benefits to be contingent on the timely disbursement and allocation of resources, as well as the leadership's vision and governance

capacities. Effective and efficient leadership, devoid of corruption and patrimonialism and characterised by a commitment to sustainable development, is a crucial factor for the successful integration of aid into relevant development strategies and plans. The study reinforces the need for recipient states of aid to advocate for a more equitable global aid framework that prioritises their peculiarity of socioeconomic contexts over imposed conditionalities of aid. The findings highlight the urgent need for international actors and agencies to have a critical introspection into the relevance of aid transforming aid from a temporary relief mechanism to a sustainable support system that empowers developing states.

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