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Beyond Ideology

Policy Inconsistency and Institutional Weakness in Ghana's Industrialisation, 1951-1981

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Abstract

This paper examines why Ghana's industrialisation efforts between 1951 and 1981 did not result in sustained structural transformation, despite repeated shifts between state-led and market-oriented development strategies. It argues that the central constraint was not ideological inconsistency itself, but weak institutional capacity that limited the state's ability to implement and sustain industrial policy over time.

Using a qualitative historical analysis of government documents, development plans, and secondary literature, the study traces industrial policy across four political periods: the Nkrumah era, the National Liberation Council and Busia governments, the Acheampong regime, and the Limann administration.

The findings show that industrial outcomes were shaped less by changes in policy orientation and more by persistent institutional weaknesses, fiscal instability, and repeated disruptions in policy implementation structures. As a result, even well-formulated industrial strategies were difficult to sustain beyond short political cycles.

The paper concludes that successful industrialisation depends less on whether states adopt interventionist or liberal economic models, and more on whether they possess stable institutions capable of ensuring continuity in policy execution across political transitions.

Keywords

Ghana, industrialisation, industry, industrial policy, ideology, ideological, development, policy, economy, economic policy, institutions

Table of Contents

Abstract 3

Table of Contents 4

1. Introduction 5

2. Literature Review 5

3. Methodology 5

4. Statement of Problem 5

5. Objectives of Study 6

6. Industrial Policies Under Kwame Nkrumah (1951-1966) 6

7. Industrial Policies Under the National Liberation Council and the Progress Party (1966-1972) 8

8. Industrial Policies Under the National Redemption Council and Supreme Military Council (1972-1979) 9

9. Industrial Policies Under the Armed Forces Revolutionary Council and the 1979 Elections 10

10. Industrial Policies Under Hilla Limann and the Third Republic (1979-1981) 10

11. Conclusion 11

12. Policy Implications 11

References 12

1. Introduction

Ghana's industrialisation experience between 1951 and 1981 is often explained through changes in economic ideology. Over this period, governments shifted between state-led industrialisation, market-oriented reforms, and renewed state intervention. Yet despite these changes in approach, the overall outcome remained largely the same: weak industrial development and limited structural transformation.

Existing explanations tend to focus on policy direction, macroeconomic instability, or external constraints. While these factors are important, they do not fully explain why different strategies produced similar outcomes over time.

This paper argues that the central issue lies elsewhere. The main challenge was not simply the choice between state and market, but the inability of successive governments to maintain consistent implementation of industrial policy. In other words, Ghana's industrialisation problem is better understood as a problem of state capacity rather than ideological orientation.

The key question guiding this study is: why were successive Ghanaian governments between 1951 and 1981 unable to sustain effective industrial policy implementation despite repeated shifts in strategy?

To answer this question, the paper examines industrial policy under four regimes: Nkrumah's state-led industrialisation programme, the National Liberation Council and Busia government's market reforms, Acheampong's return to state intervention, and Limann's liberalisation efforts. The analysis draws on embedded autonomy and developmental state theory to examine how institutional capacity and state-society relations shaped policy outcomes across time.

2. Literature Review

Existing literature on Ghana's industrialisation disagree on why Ghana's industrial transformation has stalled. Some attribute the problem to structural weaknesses or changing policy approaches (Adom & Zogbator, 2015; Ackah, Adjasi & Turkson, 2014). Others point to macroeconomic instability, external dependence, or political instability as major barriers. However, most of these studies explain industrial outcomes through the choice between state-led and market-oriented policies. Less attention has been given to institutional capacity, particularly whether governments had the ability to sustain policies across political transitions. This paper argues that policy continuity and state capacity mattered more than ideology in shaping Ghana's industrial performance between 1951 and 1981.

3. Methodology

This study adopts a qualitative historical approach to examine Ghana's industrial policy between 1951 and 1981. It draws on government documents, national development plans, reports from international organisations such as UNIDO and the World Bank, and existing scholarly literature.

The documents were selected based on their relevance to official industrial policy objectives and recorded economic outcomes during the period under study.

The study does not test hypotheses statistically. Instead, it traces how industrial policies were designed and implemented under different political regimes. This allows for a comparative reading of how policy intentions translated into outcomes across time.

The analysis is guided by two main theoretical perspectives: embedded autonomy and the developmental state. These are used to examine three recurring issues across all regimes: the strength and continuity of bureaucratic institutions, the relationship between the state and economic actors, and the stability of policy implementation over time.

4. Statement of Problem

Since 1951, Ghana has implemented various industrial policies to boost economic growth and create jobs. Despite these efforts, the industrial sector continues to face persistent challenges, including inconsistent policies, weak infrastructure, and continued reliance on imports. This study examines Ghana's industrial policies from 1951 to 1981 in order to understand why industrialisation has struggled over the years.

Therefore, the study outlines the objectives that guide the analysis of Ghana's industrial policies over the years.

5. Objectives of Study

The main objective of this study is to examine Ghana's industrial policies from 1951 to 1981. Specifically, the study seeks to:

1. Examine the major industrial policies implemented in Ghana since 1951.

2. Assess the effectiveness of these policies in promoting industrial development.

3. Identify the challenges that have limited the success of industrialisation in Ghana.

4. Draw lessons that can help inform and improve future industrial policy in Ghana.

To understand the evolution of Ghana's industrial sector, this study now examines the policies implemented during successive governments, beginning with the era of Kwame Nkrumah from 1951 to 1966.

6. Industrial Policies Under Kwame Nkrumah (1951-1966)

Kwame Nkrumah, Ghana's first Prime Minister and later President, pursued a state-led industrialisation programme from 1951 to 1966. He saw industrial development as central to achieving economic independence. Nkrumah and his party, the Convention People's Party (CPP), took over the leadership of Ghana from the British colonial administration, driven by a strong commitment to national development. His primary objective was to transform Ghana from a primary commodity-producing economy into an industrialised one capable of processing its abundant raw materials into finished goods.

With the support of the United Nations, Nkrumah secured the services of Arthur Lewis as an economic advisor on the Ghanaian economy.

Nkrumah's ideas were influenced by the modernisation thinking of the 1950s and 1960s. He believed industrialisation was essential for Ghana to overcome its dependence on primary commodity exports such as cocoa (Adom & Zogbator, 2015, p. 348). His strategy was import substitution industrialisation (ISI), which aimed to reduce reliance on imported manufactured goods by promoting domestic production through large-scale, capital-intensive industries owned and managed by the state (Ackah, Adjasi & Turkson, 2014, p. 2).

This approach reflected strong state autonomy in line with Evans' concept of embedded autonomy. However, the dominance of state enterprises and the limited involvement of domestic private actors weakened the state–society linkages necessary for effective long-term industrial coordination and efficiency.

Building on this approach, Nkrumah introduced the Seven-Year Development Plan, which was launched on 11th March 1964. The objective of the Plan was to establish a self-sustaining economy balanced between agriculture and industry, while transforming the colonial economic structure inherited at independence (Republic of Ghana, 1964, p. 8).

The Plan required substantial financial investment. Total expenditure was estimated at £1,016 million, with government investment accounting for £476 million (Nkrumah, 1968, p. 80). Investment allocation reflected the government's priorities, with 62% directed towards social services and infrastructure, and 38% towards productive sectors. The state retained control over strategic sectors such as public utilities, raw materials, and heavy industry (Nkrumah, 1968, p. 89).

Nkrumah emphasised that state enterprises were expected to operate efficiently and generate profits, which would be reinvested into further development (Republic of Ghana, 1964, p. 10). In line with Mkandawire's developmental state framework, this strategy reflects a state-led effort to drive structural transformation through direct control of key sectors, although institutional capacity limitations reduced the effectiveness of this intervention.

The industrialisation programme was extensive, with the government establishing projects across multiple regions. These included rubber and palm oil plantations in the Western Region, sugar cane plantations in the Eastern Region, cotton farms in the western parts of the country, and cattle farms in the Volta Region. In addition, approximately twenty-two import substitution industries were established in major cities, designed to rely primarily on local raw materials (Adom & Zogbator, 2015, p. 348). In the first year alone, new industries included a steelworks, two cocoa processing plants, two sugar refineries, a textile printing plant, a glass factory, and a chocolate factory (Nkrumah, 1968, p. 87). By 1966, Ghana had established 63 state enterprises (Nkrumah, 1968, p. 80). A 1989 UNIDO report noted that manufacturing expanded rapidly in the 1960s under a protected trade regime, and by 1970 Ghana had one of the largest and most diversified manufacturing sectors in Africa (UNIDO, 1989, p. 2).

The Plan also set targets for agricultural development. Fish production was projected to increase from 70,000 tons in 1963 to 250,000 tons by 1969, while livestock production was expected to rise from 20,080 to 37,800 tons (Nkrumah, 1968, p. 80). The Plan emphasised the modernisation of agriculture as the foundation for industrialisation (Republic of Ghana, 1964, p. 56).

In addition, significant emphasis was placed on human capital development. School enrolment was projected to increase from 1.2 million in 1963 to 2.2 million by 1970. Secondary school enrolment was expected to rise from 23,000 to 78,000, while university enrolment was projected to increase from 2,000 to 5,000 (Nkrumah, 1968, p. 93). The Plan recognised that a shortage of skilled personnel had previously constrained development and therefore prioritised the training of middle and high-level manpower (Republic of Ghana, 1964, p. 156).The ISI strategy yielded measurable results during the 1960s. From the perspective of embedded autonomy, such gains require strong institutional capacity and effective state–society linkages in order to be sustained over time. Manufacturing output grew at an annual rate of approximately 13%, and its share in total industrial output increased from 10% in 1960 to 14% in 1970. Employment in the manufacturing sector increased by nearly 90% between 1962 and 1970 (Ackah, Adjasi & Turkson, 2014, p. 3). The share of state-owned enterprises in gross manufacturing output rose from 18.9% in 1962 to 41.6% by 1967, while privately owned production, largely foreign, declined from 80.9% to 58.2% over the same period (Steel, 1972, cited in Ackah, Adjasi & Turkson, 2014, p. 4). These outcomes indicate that state-led industrialisation generated significant early gains, although its sustainability depended heavily on external revenues and institutional capacity.

From Evans' embedded autonomy perspective, the sustainability of these achievements depended on the state's ability to maintain strong institutions and cultivate productive relationships with economic actors, both of which remained relatively weak over time.

Despite these achievements, several challenges undermined the long-term sustainability of Nkrumah's industrialisation strategy.

These challenges reflected a weakening of embedded autonomy, as fiscal pressures, institutional limitations, and weak coordination between the state and productive sectors reduced the capacity to sustain long-term industrial transformation.

First, falling cocoa prices significantly reduced government revenue. The price of cocoa declined from £476 per ton in 1954 to £87 10s. per ton by 1965 (Nkrumah, 1968, p. 94).The Seven-Year Plan had assumed cocoa prices would remain around £200 per ton. The sharp decline to £87.10 created a severe foreign exchange shortfall that undermined the plan's financing (Aryeetey & Kanbur, 2017, p. 7). As export earnings declined, the government increasingly relied on external financing. Following the rejection of loan conditions from the World Bank and IMF in 1965, the government turned to supplier's credit arrangements, which contributed to corruption, as later revealed by the Apaloo Commission (Adom & Zogbator, 2015, p. 349). By the mid-1960s, growth had fallen to 0.4 percent, foreign exchange reserves were hugely depleted, and external debt had reached unsustainable levels (Aryeetey & Fenny, 2017, p. 4).

Second, Ghana's external debt rose to approximately £250 million. Although Nkrumah defended this as necessary for financing productive investment (Nkrumah, 1968, p. 91), the Plan itself acknowledged a financing gap and warned that some projects might be delayed if cocoa prices remained low (Republic of Ghana, 1964, p. 58).

Third, the rapid expansion of the public sector created sustainability challenges. Government employment increased by approximately 250% between 1957 and 1966 (Adom & Zogbator, 2015, p. 349).

Fourth, the pace of industrialisation exceeded the availability of skilled Ghanaian personnel. Nkrumah acknowledged this limitation (Nkrumah, 1968, p. 65), and the Plan identified the shortage of skilled manpower as a major constraint on development (Republic of Ghana, 1964, p. 156).

Fifth, corruption and inefficiency affected state enterprises. Although Nkrumah emphasised anti-corruption measures, enforcement remained weak, and instances of misconduct by public officials were reported (Nkrumah, 1968, pp. 68–69). It should be noted that Nkrumah's own account in Dark Days in Ghana (1968) was written in exile as a defence of his record. While it provides valuable insight into his perspective, it should be read alongside other sources for a fuller picture. Finally, political opposition from intellectuals, professional groups, and elements within the military and police weakened support for his policies (Nkrumah, 1968, pp. 29, 38).

Overall, while Nkrumah's industrial policy represented a significant attempt at structural transformation, its long-term sustainability was constrained by fiscal pressures, institutional weaknesses, and external economic shocks.

7. Industrial Policies Under the National Liberation Council and the Progress Party (1966-1972)

The 1966 coup marked a decisive break in Ghana's industrial policy trajectory. At the time of the overthrow, Nkrumah was abroad on an official visit, illustrating the abruptness with which regime change occurred (Telepneva, 2019, p. 1). The new regime, the National Liberation Council (NLC), rejected Nkrumah's state-led socialist model and introduced market-oriented policies. According to Jedwab & Osei, the NLC was composed of army and police officers who assumed executive power and sought to reverse the economic policies of the previous administration (Jedwab, 2012, p. 7).

The NLC implemented trade liberalisation policies, devalued the cedi, and pursued the restructuring of Ghana's external debt with the assistance of the International Monetary Fund (Adom & Zogbator, 2015, p. 349). This shift from a centrally planned system to a market-oriented economy marked a critical turning point. A Two-Year Development Plan (1968/69–1969/70) was introduced with the aim of reversing the economic decline inherited from the Nkrumah administration (Adom & Zogbator, 2015, p. 350).This transition from a centrally planned system to a market-oriented economy represented a critical turning point. When Kofi Abrefa Busia and his Progress Party assumed power in 1969, they sustained this approach by promoting private enterprise and aiming to expand Ghanaian participation in the economy. (Ackah, Adjasi & Turkson, 2014, p. 5)

However, the industrial sector remained weak. This reflects the absence of a coherent developmental state structure, as described by Mkandawire, in which both state capacity and private sector strength are necessary for industrial development. Many state enterprises had been sold off or closed under the NLC, and those that remained struggled with under-utilisation and inefficiency (Adedeji, 1999, p. 45; Ackah, Adjasi & Turkson, 2014, p. 5).

By mid-1971, Ghana's economy was facing serious difficulties. The profits from the 1970 cocoa boom were largely spent on imported luxury goods, resulting in shortages of essential items, growing unemployment, a worsening balance of payments, and increased foreign debt. (Adedeji 1999, p. 47)

Busia's government also distanced itself from important domestic groups. It weakened the Trade Union Congress (TUC) by prohibiting the mandatory collection of dues from all union members and had a strained relationship with the National Union of Ghanaian Students (NUGS) (Adedeji, 1999, p. 47).

The military, which had facilitated Busia's rise to power, became disaffected after the government cut the defence budget and replaced certain military personnel with Progressive Party sympathisers (Adedeji, 1999, p. 47). This set the stage for the coup of 13 January 1972, when Colonel Ignatius Kutu Acheampong seized power (Jedwab, 2012, p. 7).

Despite the Busia government's efforts to reorient Ghana's economy toward private enterprise, its industrial ambitions were undermined by a combination of structural, macroeconomic, political, and international challenges.

To begin with, the legacy of import-substitution industrialisation left severe structural bottlenecks. Many state-owned factories inherited from the Nkrumah era operated well below capacity, and the agricultural sector could not reliably supply the raw materials needed by industry (Otoo, 2023, p. 20). Consequently, the industrial base was too weak to respond effectively to market signals.

Additionally, the transition from state-led to private-sector industrialisation remained incomplete, as domestic businesses were unable to replace the sold state enterprises, creating gaps in investment and industrial management. This weakness of the domestic private sector persisted for decades, with 1,200 local industries collapsing between 1983 and 1992 and another 400 each year thereafter (Resnick, 2016, p. 73).

Furthermore, macroeconomic instability intensified these challenges. The Busia government's import liberalisation combined with high public spending triggered a severe balance-of-payments crisis, resulting in a sharp devaluation of the cedi in December 1971 (Ackah, Adjasi & Turkson, 2014, p. 5). From an embedded autonomy perspective, weak state coordination and underdeveloped private sector institutions undermined effective industrial adjustment.

Finally, the international environment provided little support. The earlier National Liberation Council had expelled Soviet and Eastern European technicians, halting aid from the socialist bloc, and Western assistance was too slow to compensate, leaving the Busia government with scarce external resources for industrial recovery (Telepneva, 2019, p. 4).

From 1966 to 1972, Ghana's attempt to shift from state-led import substitution to a market-oriented, private sector approach largely failed. Despite efforts by the National Liberation Council and the Busia government to reverse the economic decline from the Nkrumah years, deep structural weaknesses, macroeconomic instability, and political conflicts hindered progress. The

private sector could not replace state enterprises, fiscal mismanagement led to a severe devaluation, and tensions with unions, students, and the military weakened the government. These combined challenges led to the coup of 13 January 1972, ending the Second Republic and ushering in a new military regime under Colonel Acheampong, which abandoned market reforms and returned to state intervention, prolonging economic and political instability.

8. Industrial Policies Under the National Redemption Council and Supreme Military Council (1972-1979)

The coup of 13th January 1972 brought Colonel Ignatius Kutu Acheampong and the National Redemption Council (NRC) to power. Unlike the Busia government, the new regime moved away from market-oriented policies and instead focused on state-led economic management. Acheampong promoted self-reliance, reversed the December 1971 devaluation by revaluing the cedi, and brought back import controls and price regulations. The government also introduced new investment laws, such as the Capital Investment Decree (NLCD 141) in 1973 and the Investment Policy Decree (NRCD 329) in 1975 (Korankye-Sakyi & Yin, 2021, p. 140).

The regime's economic management was largely unsuccessful. This period demonstrates strong state intervention without the bureaucratic discipline required in a developmental state. According to Buah, Acheampong's difficulties arose in part from his unwillingness to accept sound professional advice on economic and fiscal matters, a situation that contributed to extremely high inflation, estimated at about 130% annually, and severe hardship for the population (Buah, 1998, p. 202). By the time he was removed from office in 1978, the country's economy had deteriorated significantly, to the point of near collapse (Buah, 1998, p. 202).

The same source notes that Acheampong, who served as Commissioner for Finance while simultaneously holding several other ministerial roles, lacked sufficient training in fiscal management. As a result, he neglected the importance of maintaining proper budgetary control and instead mismanaged the nation's revenue and foreign reserves, frequently disregarding sound professional advice (Buah, 1998, p. 202).

Despite Acheampong's allocation of more than 20 million cedis to Operation Feed Yourself, bad rains, an overvalued exchange rate, and a collapse in the cocoa sector meant that by 1975 food had to be imported, but there was a lack of foreign exchange to do so (Resnick, 2016, p. 59).

The annual inflation rate increased from about 6 percent during the period 1965–1973 to an average of 50 percent in the subsequent decade (Aryeetey & Fenny, 2017, p. 51). By the early 1980s, inflation had climbed to 122.8 percent, the highest level recorded in Ghana's economic history (Aryeetey, 2017, p. 50, 51). Fenny likewise corroborates this peak in her analysis of Ghana's economic growth patterns (Fenny, 2017, p. 25).

The hyperinflation was largely driven by government budget deficits financed through local borrowing and excessive money creation, which expanded the money supply without a matching rise in goods and services. By 1978, the money supply had increased by 68.5 percent (Aryeetey & Fenny, 2017, p. 51). A UNIDO report from 1986 further indicates that between 1977 and 1983, manufacturing output and manufacturing value added declined significantly, alongside falling productivity levels and a reduction in capacity utilisation to as low as 20 percent across most industrial sectors (UNIDO, 1986, p. 1). This decline reflects a breakdown of developmental state functionality, where state control was not matched by technical competence or productive embeddedness. The report links this downturn primarily to the sector's heavy reliance on imported raw materials, spare parts, and technology (UNIDO, 1986, p. 1).

Public dissatisfaction intensified as economic conditions worsened. University students, academic staff, and professional bodies increasingly called for a return to civilian governance. In an effort to maintain control, Acheampong advanced the concept of a "union government," a non-party system intended to include civilians, the armed forces, and the police. Buah notes that "intimidation and victimisation were organised against persons who opposed the union government idea" (Buah, 1998, p. 203).

A referendum was conducted on 30 March 1978, during which the Electoral Commissioner, Justice I. K. Abban, reportedly had to abandon his duties, apparently to safeguard his life (Buah, 1998, p. 203). Although the government officially announced a majority in support of the proposal, Buah observes that the declared result, in which fewer than 50 percent of registered voters voted in favour of the union government, was not particularly significant (Buah, 1998, p. 203).

On 5 July 1978, Acheampong was removed from office by his colleagues in the Supreme Military Council and replaced by Lt. General F. W. K. Akuffo. Buah states that to preserve the image of the armed forces, the military removed Acheampong from his position as head of state and compelled him to retire from the armed forces (Buah, 1998, p. 203). Following the June 4, 1979 revolution, Acheampong was publicly executed by firing squad (Buah, 1998, p. 203).

General Akuffo's Supreme Military Council sought to respond to public pressure by removing military officers from ministerial roles, replacing them with civilians, and lifting the ban on political activity. A Constituent Assembly was established to draft a new constitution, which rejected the union government concept and instead recommended an executive presidency modeled on the American system (Buah, 1998, pp. 203–204). However, before elections could be conducted, a faction of the military launched an unsuccessful uprising in May 1979. The leaders of the attempt, including Flight Lieutenant Jerry Rawlings, were arrested and subjected to a court martial (Buah, 1998, p. 206).This sequence of events ultimately undermined the transition process and contributed to the collapse of the regime, and marked the end of this period of military rule.

9. Industrial Policies Under the Armed Forces Revolutionary Council and the 1979 Elections

On 4 June 1979, just two weeks before the scheduled elections, a group of mutinous soldiers launched another intervention. They freed Rawlings from custody and overthrew the Akuffo administration. The new regime, known as the Armed Forces Revolutionary Council, with Rawlings as chairman, declared that its primary objective was to clean up the armed forces and wider society of corruption, trade malpractice, and tax evasion (Buah, 1998, p. 207).

Despite its strict approach to governance, the Armed Forces Revolutionary Council committed to transferring power to an elected civilian administration. The planned presidential and parliamentary elections were held in July 1979. The People's National Party, which claimed ideological continuity with Kwame Nkrumah's Convention People's Party, won 71 of the 140 parliamentary seats, thereby securing an absolute majority. In the presidential election, Hilla Limann of the People's National Party obtained the highest number of votes in the first round but did not achieve an absolute majority. In the second round, Limann defeated Victor Owusu of the Popular Front Party, winning nearly 62 percent of the votes cast. On 24 September 1979, Rawlings formally transferred power to President Hilla Limann and returned to his military unit (Buah, 1998, pp. 209–210).

10. Industrial Policies Under Hilla Limann and the Third Republic (1979-1981)

President Hilla Limann inherited a nation in a state of deep economic and political distress. Buah offers a sober assessment, noting that Limann assumed office after nearly a decade of military rule under decrees, during which the civilian population had limited opportunity to express dissent. He further observes that Limann was required to govern under a rigid constitution that, for the first time in Ghana's history, established a strict separation of powers with checks and balances. In addition, he faced a severely weakened economy, with markets largely depleted of essential goods (Buah, 1998, p. 211). The frequent changes of government since 1966 had also negatively affected Ghana's external relations, undermining investor confidence and limiting access to international credit (Buah, 1998, p. 211; Aryeetey & Kanbur, 2017, p. 4).

In the area of industrial policy, Limann's government introduced several measures aimed at reversing the state controlled import substitution model that had dominated since the era of Nkrumah.

First, Parliament passed legislation to liberalise the importation of essential consumer goods and industrial inputs, thereby reducing the bureaucratic controls that had constrained private sector activity. Evidence of the impact of this policy was beginning to emerge at the time of his removal from office (Buah, 1998, p. 212).

Second, his administration enacted the Investment Act of 1981 (Act 437), which repealed the Investment Policy Decree (NRCD 329) of 1975 and introduced a more flexible legal framework designed to attract both domestic and foreign private investment into manufacturing and agro processing (Korankye-Sakyi & Yin, 2021, p. 140). From a developmental state perspective, this reflects liberalisation without sufficient institutional depth for coordinated industrial transformation.

Also, For Limann, agriculture was the cornerstone of broader economic recovery. The People's National Party affirmed this commitment within its first half-year in office, making agriculture the central pillar of economic policy. As Limann put it, "agriculture will be our first priority now and for the foreseeable future" (Damwah, 2011, p. 111). In line with this vision, the government launched a two-year initiative in May 1980 called the "New Deal," framed by the slogan "Food for the People" (Damwah, 2011, p. 111).Six sectors were identified for development, including crop production, livestock and fisheries, infrastructure support, extension services, planning, and programme administration (Damwah, 2011, p. 111)

Overall, Limann's industrial policy sought to shift Ghana from rigid state control toward a liberal, investment-driven strategy by restoring international confidence, reviving abandoned projects, liberalising economic activity, and encouraging private investment. However, severe macroeconomic instability, weak institutions, and political constraints limited these reforms. From the perspective of Evans and Mkandawire, Limann pursued liberalisation without the necessary institutional capacity or state-society coordination to sustain industrial transformation. The 31 December 1981 coup led by Jerry Rawlings ended the Third Republic before these policies could mature.

11. Conclusion

Across all four regimes, Ghana's industrial outcomes were shaped more by differences in institutional capacity than by ideology. Although each government pursued different policy approaches, none managed to sustain consistent implementation over time. This points to weak institutions, rather than policy choice itself, as the main constraint on industrial transformation during the period studied.

Despite changes in ideology and development strategy, Ghana's industrial policy outcomes between 1951 and 1981 followed a broadly similar pattern. Across regimes, a set of underlying constraints repeatedly weakened implementation.

One of the most consistent issues was the lack of continuity in state institutions. Changes in government were often accompanied by shifts in personnel, restructuring of ministries, and abrupt changes in policy direction. This disrupted long-term planning and weakened institutional memory.

Fiscal instability also played a major role. The country's dependence on export revenues, particularly cocoa, meant that downturns in global prices often translated into budget constraints. As a result, industrial projects were frequently delayed, scaled down, or abandoned.

Another constraint was weak coordination between the state and the productive sector. Industrial policies were frequently designed without effective engagement with domestic firms, limiting feedback and reducing implementation efficiency.

Finally, state-owned enterprises frequently suffered from inefficiency and political interference. Rather than operating as independent drivers of industrial growth, many relied heavily on state support, making them vulnerable to changes in political leadership and economic conditions.

Taken together, these factors suggest that Ghana's industrialisation challenges were driven less by ideological differences and more by persistent weaknesses in institutional capacity that cut across all political regimes.

This study has some limitations that should be recognised. First, it mainly depends on government documents and secondary materials written in English, which may leave out perspectives from non English sources during that period. Second, there was limited access to internal policy discussions, cabinet records, and private correspondence from the 1960s and 1970s. Finally, explanations for policy failure should be interpreted with caution given the limited number of regime transitions examined.

12. Policy Implications

The central implication is that long term industrial transformation relies on institutions that can sustain policy continuity beyond changes in government. When this capacity is weak, even well designed industrial policies tend not to deliver durable outcomes.

In Ghana's current context, this is particularly relevant to the One District, One Factory (1D1F) programme. Its effectiveness will depend less on whether it follows a state driven or market oriented model, and more on whether the Ministry of Trade and Industry can ensure steady implementation despite political transitions. As a result, strengthening bureaucratic capacity and reducing political interference in senior appointments within industrial ministries should be prioritised over debates about ideology in industrial policy.

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