

# So why is Ghana an LEDC?

In the last two units, you met reasons why many countries are less developed. Here you'll find out how those reasons apply to Ghana.

## Working hard – but still poor

Ghana has many natural resources, including gold and diamonds. It's the world's second largest producer of cocoa. Its people work hard. But millions of them still live in deep poverty. Why?

### 1 Some historical reasons

We were not always one country. Once we were separate kingdoms and tribes, with our own languages and culture. And some of us were wealthy.

Then came the Europeans. First the Portuguese, in 1650. Later the Dutch, Danish, Germans, British. They were so excited by our gold. So we traded it. The British called us the Gold Coast.

By 1650, they wanted slaves more than gold, for their plantations in the Americas. They bought at least 5000 people a year from us. We had some slavery before – of our enemies, and people to be punished. But now tribes fought with each other to get people to sell. Villages and families were torn apart. It went on for over 150 years. So shameful.

The Europeans competed to trade with us. They set tribes against each other. But Britain took over, little by little. By 1901 our lands had become a British colony. Our kingdoms and tribes were forced together.

The British shipped out gold, diamonds, ivory, pepper, timber, corn, cocoa. They built railways to carry them to the coast. They did build some roads and schools and hospitals too – but made us pay for these through taxes.

In the end, we had enough. We wanted freedom! At last, in 1957, we gained independence. We called our country Ghana, after an ancient West African kingdom. Free – but with no factories, few services, and few skilled people. And an uneasy relationship between the tribes Britain had forced together.

We have been free for less than 60 years. That's not very long, is it?

### 2 Some environmental reasons

56% of Ghana's workforce are farmers. So land is very important to them. But in the north, land is turning into desert. This is called **desertification**. It is due to drought, chopping down trees, and overgrazing.

In the south, three-quarters of the rainforest has been destroyed – for timber, firewood, and land to grow cocoa. This is called **deforestation**. People gain more land to farm, but the exposed soil is soon useless. And many can't afford fertiliser to improve it.

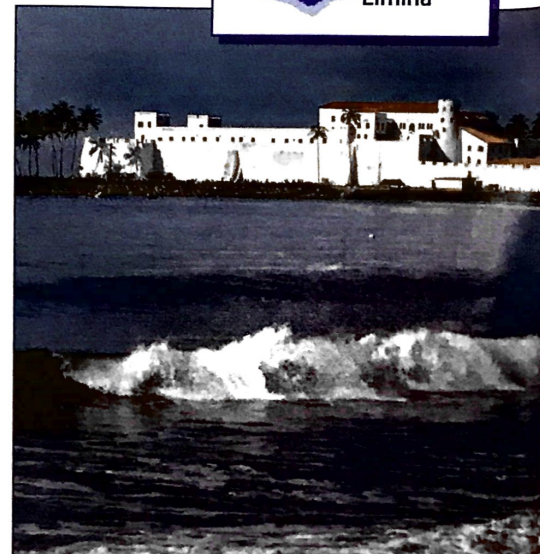
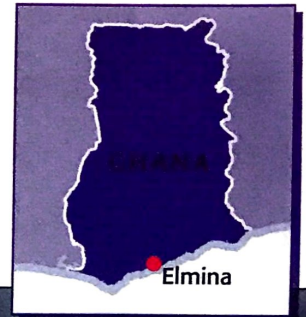
All this means smaller crops to eat and sell. Which means more poverty.

### 3 Some political reasons

Since independence, Ghana has suffered much political unrest. The army took over the country for three separate periods. But now it is stable, under an elected government. People say it will remain stable.



▲ A cocoa farmer. The yellow pods contain the cocoa beans, that end up in chocolate.



▲ The fort at Elmina, where slaves were chained in dungeons until the next slave ship arrived.

#### 4 Big debts to pay off

Ghana borrowed a lot of money in the past. So it had to pay out lots of **interest** each year – which meant less money for development.

In 2004, Ghana was given **debt relief**: richer countries and the World Bank agreed to cancel over half its debts. But it still owes \$2.6 billion. And it still needs to borrow more to help it develop.

#### 5 Trading troubles

- ◆ Ghana relies heavily on cocoa, to earn money. But the world price of cocoa goes up and down. So, some years, Ghana earns much less from it. (And most goods that Ghana imports get more expensive.)
- ◆ Many Ghanaian farmers grow rice, for sale in Ghana. But far cheaper rice is coming in from Europe, Asia and the USA, where rice farmers get subsidies. This has put many of Ghana's rice farmers out of business.
- ◆ In the same way, Ghana's chicken farmers can't compete against the frozen chicken coming in from Europe and the USA.
- ◆ In exchange for debt relief, Ghana is not allowed to stop these imports. Many people think this is unfair. They think poor countries should be allowed to protect their farmers and fragile industries.

But Ghana hopes that its new-found oil and gas will help to solve its problems, and turn it into an MEDC.

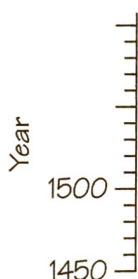


▲ A farm in northern Ghana, at risk of desertification.

### Your turn

1 You have to draw a time line for Ghana.

- a On a large sheet of paper draw a vertical time line from 1450 up to 2010. Make it 30 cm long if you can. (Use two pages ?)
- b On your line mark in events from both the text **and** the box below. (Small neat writing !) Add a title.



2 Beside your time line shade the period in which:

- a West African slaves were bought by Europeans
- b the Gold Coast was partly or wholly a British colony.

3 Now underline the events that you think:

- a *helped (or will help)* Ghana to develop, in one colour
- b *held back* its development, in another colour
- c *did a mixture of both*, in a third colour.

4 Add a key for your colours and shading, for 2 and 3.

5 Choose *one* event you underlined for 3c above, and explain why you underlined it.

6 '*Since independence, Ghana's development has been completely under its own control!*

From the work you have just done, do you think this statement is true? Give your reasons.

#### EVENTS

1878: a Ghanaian brings back cocoa plants from Fernando Po, an island off Africa

1928: a large harbour built at Takoradi

1980: economy almost collapses due to low cocoa price and other problems

1885: the first cocoa exported to Britain

1999: crisis in Asia and Russia causes world chocolate sales to fall

1830: the world's first chocolate bars made in England by J S Fry and Sons

1528: chocolate drink from the Aztecs introduced to Europe, by Spanish explorers

1502: first slave ship leaves West Africa

2004: over \$2 billion of Ghana's debts are cancelled

1618: first British trading settlement set up on the Gold Coast

1993: Ghana earns \$222 million from selling rainforest timber

1898–1927: railways built by the British

1817: slavery abolished in Europe

1657: London's first drinking chocolate café opens

1965: the Akosombo dam completed, to provide Ghana with hydroelectricity

1874: Britain takes control of the south of the Gold Coast

2007: Large deposits of oil and gas found off Ghana's coast

1983: Ghana has to pay back loans of \$1.5 billion to other countries