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9. ABSTRACT

This Shelter Sector Assessment has been prepared to assist Ghana in achieving solutions to its low-income shelter problems. It analyzes the local shelter situation, formulates shelter needs and assesses the options for possible shelter development programs. The report includes country background information, demographic analysis, target group identification, shelter policy and institutions, construction and building materials industries, and illustrative tables. Ghana has one of the most rapid rates of urbanization south of the Sahara, and most of this urban population is poor. Most of the urban poor live in low income settlements with low levels of urban services. The existing formal shelter delivery system has had a significant impact, but it has only reached a limited number of the urban poor with high subsidies. Most poor households remain outside the reach of this program. Technical support should be given to the Ministry of Works and Housing for staff support and for policy/program formation. Coordination between the various ministries and agencies involved in shelter policy should be promoted. This should include policy coordination, development of long term urban and regional policies, import policy, price and labor policies, finance, employment, and technology. Assistance should focus on the following areas: reduction in subsidies for all income groups, regularization of land tenure in existing settlements, support of existing financing programs, support for informal and small scale industries, income support, development of local materials industries, and provision of basic urban services.

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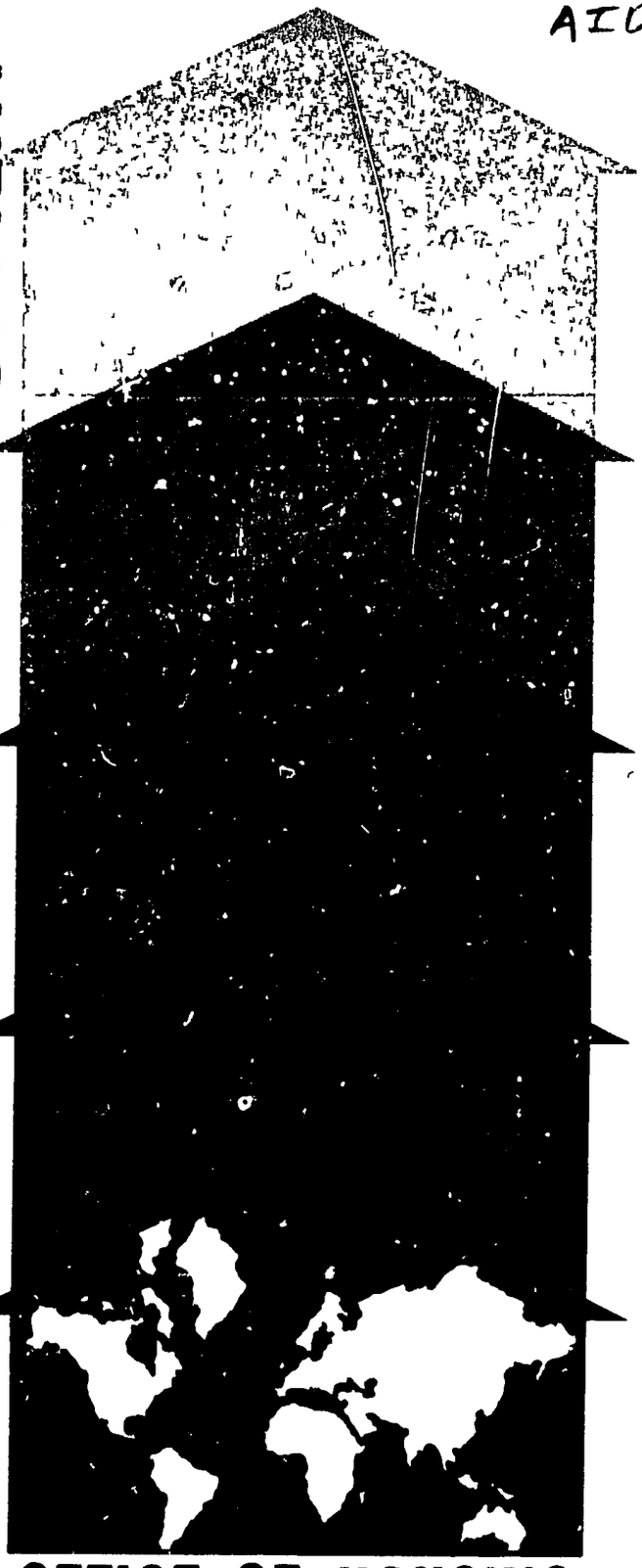

OFFICE OF HOUSING

Ghana Preliminary Study Shelter Sector

March 1978

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

FOREWORD

This study was conducted by Planning and Development Collaborative under the auspices of the Office of Housing of the Agency for International Development and through financing provided by this Office.

The purpose of the study was to research the data available from the IBRD Urban Projects Department and other Washington sources and to develop a paper which addressed the questions of a Shelter Sector Analysis as completely as possible from the data available in Washington. It is anticipated that the report will be expanded into a complete Shelter Sector Analysis after necessary field work is undertaken.

The research was conducted by Ernest Slingsby, James Wright and Marilyn Dawson during March 1978.

Peter M. Kimm
Director
Office of Housing

INTRODUCTION

Shelter Sector Assessments are designed for use as tools by local governments and USAID in analyzing the local shelter situation, in formulating shelter needs and, ultimately, in assessing options for possible shelter development programs.

In the past few years, USAID has integrated a policy of special concern about low-income groups. It has defined these groups, for practical purposes, as people below the median income range. Based on its past experience, USAID has found that meeting the needs of this group presents the greatest challenge to local governments and that it is the group most in need of public shelter assistance.

With the ultimate goal of assisting Ghana in achieving solutions to its low-income shelter problems, the following report has been prepared in the hope that it may prove to be useful.

TABLE OF CONTENTS

SUMMARY

Ghana has one of the most rapid rates of urbanization south of the Sahara. Its urban population is growing at a rate that is almost double the national rate of population increase. The largest cities in Ghana have especially high urbanization rates. The following table shows that the six largest cities had a combined average annual household increase of over 11,000 during the 1970-1976 period. This represents a large annual need for new urban housing to which another significant amount for replenishment and dedensification of the existing stock should be added.

Annual Growth of Urban Households in Major Cities

(Thousands)

	Population 1970	Population 1976*	Additional Population 1970-1976	Average Household Size	Additional Households (1970-1976)	Average Annual Household Increase
Accra	564	756	192	5.9	33	5.4
Tema	96	180	84	5.8	14	2.4
Kumasi	260	329	69	5.8	12	2.0
Sekondi-Takaradi	92	101	9	5.6	2	0.3
Tamale	84	133	49	7.3	7	1.1
Cape Coast	52	58	6	5.6	1	0.2
TOTAL						11.4

NOTE: *Estimated - see Table 20.

Most of this urban population is poor. In Accra in 1977 50 percent of households had annual incomes of less than ₵ 1,900. Median incomes were much lower in other urban centers. Most the urban poor live in low-income settlements with low levels of urban sevices. Most can afford to pay only small percentages of their incomes for housing, usually 10 percent to 15 percent or less. Houses are largely of traditional materials built through an informal building process.

The existing formal shelter delivery system has had a significant impact on urban housing need. During the 1972-1976 period an average of about 4,000 units per year was produced by the governments' Low Cost Housing Program and the two government housing corporations. Nevertheless, these programs involved relatively high standards which were able to reach limited numbers of the urban poor only with high subsidies Most poor households remained outside the reach of these programs.

Shelter sector development has a long history in Ghana; a large number of financing and development schemes have been undertaken. Recently, however, initiatives have been made to develop sites and services and urban upgrading programs which will benefit poorer households without large subsidies. New institutional mechanisms are being considered. These are important developments which should be pursued during further field development of this Shelter Sector Assessment.

The following are more specific recommedations and areas which should be developed during further shelter sector analysis and assistance:

1. Technical support should be given to the Ministry of Works and Housing in the areas of staff support and policy/program formation to develop overall sheltor to assist it in its sector policy.

2. Coordination between the various ministries and agencies involved in shelter policy should be promoted. This should include policy coordination, development of long-term urban and regional policies, import policy, price and labor policies, finance, employment, and technology. The principal ministries which should be involved are Works and Housing, Finance, Economic Planning, Industry, Commerce, Local Government and their various parastatals.

3. Assistance should focus on the following areas: reduction in subsidies for all income groups, regularization of land tenure in existing settlements, support of existing financing programs, support for informal and small-scale industries, income support, development of local materials industries and provision of basic urban services.

Chapter I

COUNTRY BACKGROUND INFORMATION

Geography and Climate

The Republic of Ghana lies in the center of West Africa on the Gulf of Guinea. Its southern coast extends between latitudes four-and-a-half and six-and-a-half degrees north. From the coast, the country extends inland to about latitude 11 degrees north, covering a distance of 416 miles from south to north and encompassing an area of 92,460 miles.

Ghana is bordered on the east by Togo, on the west by the Ivory Coast, and on the north by Upper Volta. The Volta River and Volta Lake are the only navigable inland waterways.

Continuous surf along the coast has always made landing difficult, even dangerous. Before the new industrial port at Tema was constructed in 1952, the only major port was an artificial deep water harbor in Takaradi constructed in 1931. The two seaports now handle all of Ghana's sea trade.

The low Accra Plains stretch inland 15 miles from the coast and continue along the Volta River and eastward, forming a coastal savannah zone which runs into swamps and lagoons along Ghana's western coast. Behind the plains the topography features hill ranges separated by wide, flat valleys. Along the eastern frontier the Togo Range attains a maximum elevation of 2,850 feet.

Ghana is generally divided into major vegetation zones that reflect climate and annual rainfall. Rain forests along the western coast average 80 inches of rain per year and stretch inland to cover about 30,250 square miles. North of the forest zone, Guinea-savannah woodlands cover 59,000 square miles with an annual rainfall from about 38 to 58 inches. Vegetation in the zone consists of fire-resistant, short-statured trees and continuous grass cover that is sometimes as high as 13 feet. The most northern zone, the Sudan zone, is characterized by open savannah with fire-swept grasslands and broad-leaved deciduous trees and rainfall of between 19 and 38 inches per year.

Climatic variations reflect vegetation zones. Temperatures range in the 90s F. Coastal areas' relative humidities are highest during the night and morning, ranging from highs of 95 to 100 percent and decreasing to 65 to 70 percent. In the north, humidities can average 80 percent during rainy seasons but drop to an average of 25 percent in January.

The northern savannah zone has two seasons: a rainy season from May to October and a dry season, the harmattan, from November to April. The latter is characterized by dry north-easterly winds which bring hot dry days and cool nights with low relative humidities. Further south the harmattan is less important, but it can bring dry, dusty winds to even the coastal areas for short periods.

South of the savannah, four seasons are prevalent. The first rainy season (May to July) is separated from the second rainy season (September to October) by a monsoon drought (late July to August). A dry season similar to that of the northern savannah but less severe comes between November and March. With the exception of the Accra Plains which receive only 34 inches of rain per year, the coastal areas have rainy seasons characterized at times by violent rainstorms and strong winds.

Review of the National Economy

Growth in gross domestic product (GDP) has fluctuated for the last several years. GDP grew at rates slightly over 5.0 percent in 1971, 1973 and 1974, while a decline of 2.5 percent was registered in 1972 (Table 1). Declines in the Ghanaian economy are typically caused by adverse changes in the terms of trade and by government efforts to control imports. The economy is dependent on the export of cocoa beans and products which accounted for about two-thirds of export earnings in 1975. Import controls are very tight during periods of balance of payments deficits and have impeded production in several sectors which depend on imports for investment and production. General uncertainty about the economic situation and very high rates of inflation (the highest in West Africa) have also limited production.

Estimates of economic performance since 1974 indicate continuing economic stagnation. Yearly economic expansion since 1971 has probably averaged only about 1.0 percent per year, implying a decline in per capita income during the period. Per capita GNP in 1975 was US$ 460 (market prices).*

*World Bank Atlas, 1976.

TABLE 1

Gross Domestic Product by Industry
in Constant Prices
(millions of cedis at 1968 prices)

	1971	1972	1973	1974
Agriculture, Forestry and Fishing:				
Agriculture and Livestock	531	543	593	654
Cocoa	216	226	198	187
Forestry and Logging	69	72	78	72
Fishing	43	54	31	38
Subtotal	859	895	900	951
Industrial Production:				
Mining and Quarrying	44	46	41	38
Manufacturing	290	226	274	268
Electricity, Water and Gas	25	29	43	48
Construction	111	85	100	130
Subtotal	470	386	458	484
Transport, Storage and Communication	90	93	98	94
Distribution and Other Services:				
Wholesale and Trade	237	222	243	259
Other Services (including Government)	373	382	389	408
Subtotal	610	604	632	667
Gross Domestic Product	2,029	1,978	2,088	2,196

SOURCE: Central Bureau of Statistics, Accra.

Although comparisons are difficult because of Ghana's overvalued exchange rate, per capita incomes in Ghana compare quite favorably with other African countries.

As shown in Table 2, inflation has become a problem of increasing magnitude. The rates of inflation have increased every year since 1972. It is likely that inflation has had a more serious impact on urban groups because they depend more on fixed incomes. Also, the terms of trade for most agricultural commodities except cocoa have improved in relation to urban goods and services. Government workers have especially suffered from a loss of real purchasing power.

TABLE 2

Percentage Increases in the Cost of Living

1972	National	Urban	Rural
1972	10.0	11.5	9.2
1973	17.5	19.7	17.3
1974	18.4	20.6	17.7
1975	29.7	37.5	27.3
1976	56.3	50.7	59.4

SOURCE: Central Bureau of Statistics.

The government has attempted to control inflation with a wage and price control policy. The principal cause of inflation in recent years has been the large government budget deficits which have been financed by the Bank of Ghana. Government revenues have not increased in proportion to increased government expenditures. Cocoa revenues have been as high as 35 percent of total revenue and they fluctuate widely. Other tax revenues include a large proportion of indirect taxes that are not sufficiently responsive to increases of prices and incomes. Government expenditures have increased rapidly in years of high cocoa prices but have failed to contract in poor years. Capital expenditures have risen at an annual average of about 50 percent.

The government has made some effort to curtail expenditure and to raise rates on some government services and taxes. In particular, the capital expenditure portion of the budget increased only slightly during 1976/77. However, the deficit has continued to expand and has, in fact, almost doubled from

₵ 406 million in 1974/75 to an estimated ₵ 807 in 1976/77. Most of this deficit continues to be financed by the Bank of Ghana which continues to expand the money supply and fuel inflation.

The balance of payments in Ghana depends largely on cocoa exports which have contributed about 60 percent to export earnings in recent years. Export tonnage was down 370,000 tons in recent years, compared to an average of 400,000 tons in late 1960s. While the price of cocoa more than doubled between 1972 and 1975, real export earnings from cocoa actually decreased.

The growth of other exports has been limited by the overvalued Ghanaian exchange rate. The prices of imports have increased during recent years as a result of increases in oil prices and in many consumer and capital goods. The government restricts imports through a complex licensing system. Nevertheless, current account deficits have been experienced consistently in recent years. Ghana had a deficit on current account in 1976 of US$ 68.7 million. Direct private investment and official capital movements have not been enough to finance this deficit. Foreign exchange reserves decreased by US$ 55 million in 1976.

Ghana's foreign debt service payments (as a percentage of exports of goods and nonfactory services) decreased from 7.2 percent in 1971 to 2.2 percent in 1973.* This was partly due to a rescheduling of debt by western creditors. Debt service rose to 3.2 percent by 1975. Although these levels do not appear high in relation to other countries, Ghana cannot afford high levels of indebtedness because of the uncertainty of future cocoa prices and because the Ghanaian economy requires high levels of imports to maintain investment and economic growth. In recent years foreign borrowing has been limited, but some increased capital inflows will be necessary to finance imports of capital equipment and industrial inputs. If private investors continue to be reluctant to invest in Ghana, greater official capital transfers will be required.

Balance of payments constraints will continue to oblige the shelter sector to seek solutions which require lower levels of imports. This need coincides with recent policy directions of the government that attempt lower standard

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*World Bank, World Debt Tables, Volume I, p. 225.

shelter for the urban poor using lower percentages of imported materials. Limited borrowing for such programs could finance many of the imported components still required and provide the long-term capital transfers needed to maintain growth in other sectors.

The Government Structure

National Overview

The Government of Ghana is headed by the Supreme Military Council (chaired by the Head of State) and the National Redemption Council (the Supreme Military Council, the Commissioner of State responsible for administration of the nine regions and the 17 ministries, and other military and civilian representatives). To develop the capacities of local government to administer the regions, a four-tiered structure for central and local government was established by the NRC in 1971. The new system consists of:

Central Government, Ministries, Regional Councils

District Councils

Municipal, Urban, and Local Councils

Town and Village Development Councils

Ministries

Ministries are headed by commissioners appointed by the Head of State. The primary administrative responsibilities of the various ministries are performed by principal secretaries, the highest-level civil servants.

The Ministry of Works and Housing is primarily responsible for developing infrastructure and shelter policies.

Regional Councils

All regional planning and programming for the nine regions is administered by regional councils. These are composed of representatives of district councils and regional

heads of departments and are chaired by regional commissioners. The regional councils act as agents of the central government for national programs and development projects. Within the regions they also: examine and approve district budget estimates; allocate funds to the districts; supervise district functions; ensure efficient management of public services throughout the region; and execute and manage projects and services which are beyond the competence of the districts.

District Councils

The 62 district councils are the basic administrative units at the local level. They are charged with provision, maintenance, and efficient management of public services within their jurisdictions, including public works (construction of roads and streets, and public buildings), the proper layouts of towns and villages, public transportation systems, facilities for refuse collection, control measures for public hygiene and health, facilities for education, and general social welfare.

Municipal, Urban, and Local Councils

These units are subordinate to district councils and perform specific functions delegated to them by the district councils. Of 273 to be created, three urban areas -- Accra, Kumasi and Sekondi-Takaradi -- already have established city councils with centrally appointed chief executives. These provide such services as primary and secondary education, secondary roads and trains, refuse collection, physical planning, development control and other municipal services.

The functions of the other urban agencies are expected to be similar to those of the three city councils, although they will not have equal power and will serve as consultive bodies to the district councils. Their main function will be community development.

Town and Village Development Committees

At the base of the government structure, town and village development committees are expected to be the grass

roots liaison between higher authorities and local communities. Among other responsibilities, these committees are expected to promote village sanitation and hygiene and to assist in the collection of revenues.

Chapter II

DEMOGRAPHIC ANALYSIS

Population Growth

Ghana has one of the fastest growing populations in Africa. Since 1921, population growth has averaged 2.8 percent per annum.

TABLE 3

Population Growth in Ghana, 1921-1970

	1921	1931	1948	1960	1970
Total population (Thousands)	2,296	3,164	4,118	6,727	8,559
Urban population (Thousands)	180	300	538	1,551	2,472
Annual growth of urban population over previous census		5.2%	3.5%	9.3%	4.8%
Urbanization ratio	7.5	9.5	13.0	23.1	28.9
Number of Towns*		23	39	98	135

NOTE: *Any locality with a population of 5,000 or more is considered a town or urban center.

SOURCE: Kodowo Ewusi, "Urbanization and Migration in Ghana," Economic and Social Affairs, Vol. 1, No. 1.

Growth had, however, apparently slowed during the 1960-1970 census period to about 2.4 percent (Table 4). Various population projections by the Regional Institute for Population Studies and the Institute of Statistical, Social, and Economic Research foresee little change in the growth rate. As shown in Table 4, if the rate of fertility remains the same, the rate of increase will rise to 3.43 percent per annum by 1980-1985 and decline only slightly by the year 2000. If there is a rapid decline in the fertility rate, the rate of

TABLE 4

Population Increase, Percent Average Growth and Projections Based on Fertility Rate Changes

	Population (Millions)	Absolute Population Increase (Millions)	Average Annual Rate of Growth Over Previous Census (Percent)	Projections Based on Assumed Constant Fertility Natural Increase ¶ (Percent)	Projections Based on Rapidly Declining Fertility Natural Increase¶ (Percent)
1921	--	--	--		
1931	3.16*	--	3.2#		
1948	4.12*	+0.96	1.6		
1921-1960			2.8#		
1931-1960			2.7#		
1960	6.73*				
1948-1960	6.73*	+2.61	4.2#		
1970	8.56*	+1.83	4.2		
1960-1970			2.4#		
1960-1971			2.7†		
Projected					
1975	9.88*	+1.32	2.9*		
1980	11.39*	+1.52	2.9*		
1985	13.14*	+1.75	2.9*		
1975-1980				3.24	3.13
1980-1985				3.43	3.11
1985-1990				3.25	2.78
1990-1995				3.10	2.43
1995-2000				2.95	1.69

SOURCES: *Interim Report. Accra: Government of Ghana, Ministry of Works and Housing, Ghana Urban Development Project: May 1977, Table 2. (Prepared by Haszar Brammah and Associates, Roger Tym and Associates, Allott and Lomar, and the Study Team of the Government of Ghana.)

#Gaisie, S.K., The Population of Ghana, World Population Year 1974. Legion, Ghana: Institute for Population Studies 1974, p. 7.

†Based on 1971 supplemental inquiry.

¶ Gaisie, p. 111.

population increase would decrease from 3.13 percent in 1975-1980 to 1.69 percent by the year 2000. In either case, the population is expected to double by 1980 and reach 22.3 million by 2000. The major components of this population increase have been constant high fertility and slight decreases in mortality.

Mortality

Estimates of crude death rates from the 1968/69 National Demographic Sample survey show the national average to be between 19 and 20 per thousand. Urban crude death rates tend to be lower than rural death rates -- 14 deaths per thousand compared to 21 per thousand in rural areas. The Accra Capital District has the lowest death rate, eight to ten per thousand; the highest is found in the least developed region of Ghana, the Upper Region (Table 5).

TABLE 5

Estimated Crude Death Rates by Regions and Residence, 1968-1969

Region	Urban-Rural	Urban	Rural
All Regions	19-20	14.0	21.1
Accra	8-10	7.4	14.5
Eastern	17-20	17.7	20.2
Central	19-20	15.0	21.3
Western	15-17	12.0	22.3
Volta	18-19	16.5	20.4
Ashanti	18-19	12.5	20.0
Brong-Ahafo	19-20	16.3	22.0
Northern	24-25	15.6	29.4
Upper	27	15.1	29.5

SOURCE: Gaisie, 1973, pp. 177, 179.

Infant mortality rates remain high. Estimates from the mid-1960s show rates of 133 deaths per thousand live births. The lowest mortality rates are found in the Accra Capital District, and the highest are in the Upper Region (Table 6).

TABLE 6

Estimated Infant Mortality Rates
By Region and Residence

Region	Urban-Rural			Urban			Rural		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
All Regions	113 (122)	145	121	98 (94)	107	89	148 (132)	161	135
Accra	56 (63)	61	50	53	58	47	106	115	96
Eastern	124 (100)	135	113	120	130	110	135	147	123
Central	141 (119)	153	128	126	134	118	155	166	143
Western	111 (135)	121	101	87	96	79	118	128	107
Volta	130 (113)	144	125	104	112	95	140	153	127
Ashanti	124 (96)	135	113	87	96	79	133	145	121
Brong-Ahafo	142 (145)	154	129	126	134	113	153	165	140
Northern	168 (149)	188	157	129	140	117	207	225	188
Upper	192 (234)	209	174	111	120	101	208	226	189

NOTES: Figures in brackets are based on 1971 supplementary inquiry data. These are figures adjusted by Brass' technique and are not derived from a life table on the basis of the estimated child mortality (i.e. probability of surviving from birth to age two.

SOURCE: Gaisie, 1973, p. 174.

Poorer health care in rural areas results in higher infant mortality rates in rural areas, almost 40.4 percent higher.* There is a strong correlation between economic wilfare conditions and mortality. Low-income areas in Accra, Kumasi, Sekondi-Takaradi, and Cape Coast had 15.7 percent higher mortality than the highest-income areas, even when both had access to health facilities.**

Life expectancy has been increasing since the 1940s at the rate of about 0.75 years per year. Table 7 shows estimates of life expectancy at birth based on child mortality. Gaisie

TABLE 7

Estimated Life Expectancy at Birth, Sex, Region and Residence 1968-1969

Region	Urban and Rural	
	Male	Female
All Regions	45.6	48.3
Accra	63.4	65.7
Eastern	45.2	50.3
Central	42.3	45.7
Western	42.9	46.3
Volta	52.4	56.4
Ashanti	50.2	53.9
Brong-Ahafo	44.6	49.2
Northern	35.9	38.7
Upper	34.3	38.3
Urban only	54.1	57.7
Rural only	40.4	44.7

SOURCE: Gaisie, p. 23.

estimates life expectancy at birth in 1968/69 for males at 45.6 years and females at 48.3 years. Life expectancy is

*Gaisie, S. K. The Population of Ghana, World Population Year 1974. Accra: Institute of Statistical, Social and Economic Research, p. 13-21.

**Caldwell, J. C. Population Growth and Family Change in Africa: The New Urban Elite in Ghana. London: C. Hurst Company, reprinted in 1977, p. 195-203.

almost 34 percent greater for urban than for rural males. In urban areas, life expectancy is lower in slum areas than in higher-income areas. The variation between high-income areas (such as cantonments) in Accra and Nima (about a mile away) is ten years (52.5 years in Accra and to 42.5 in Nima).*

Fertility

Fertility rates have remained higher and virtually unchanged since 1948. The mean number of children born to Ghanaian women has remained about 6.5 (Table 8). Crude birth

TABLE 8

Mean Numbers of Children Born to Women Aged 50 Years and Over 1948-1971

Year	Age	Children per Woman
1948	50 and over	6.6
1960	50 and over	6.2
1968	50 and over	6.0
1971	50 and over	6.5

SOURCE: Gaisie, The Population of Ghana, World Population Year, p. 12.

rates per thousand population are estimated at about 50 and have remained fairly stable since 1948. As a result, family sizes are large with usually more than six persons per family. A comparison of family size with other countries shows that fertility in Ghana is as high or higher than in Latin American and Asian countries and higher than in some other tropical African countries. The net reproduction rate has been estimated to be between 2.0 and 2.4 children per adult.** Fertility ratios remain higher in Ghana's rural areas than in urban areas and higher in lower-income areas than in higher-income urban areas (Table 9).

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*Caldwell, J. C., Population Growth and Family Change in in Africa: The New Urban Elite in Ghana. London: C. Hurst and Company, pp. 195-203.

**Gaisie, pp. 11-12.

TABLE 9

Estimates of Fertility and Life Expectancy by Residence and Economic Ranking in Ghana, 1960

Population Segment	Standardized Fertility Ratio*	Life Expectancy At Birth
Rural Ghana	84.1	40.0
All Ghana	82.4	42.5
Urban Ghana#	76.8	45.0
Four Major Towns in Ghana, Statistical Areas ranked according to income:		
First Quartile	71.1	52.5
Second Quartile	75.6	50.0
Third Quartile	78.2	45.0
Fourth Quartile	77.3	42.5

NOTES: *Percentage formed by children 0-4 years of the number of births over the five preceeding years, calculated by applying age-specific birth rates to the female population 15-49 years, during the time when the births occured.

#Urban areas are those having populations of 5,000 or more.

SOURCE: Caldwell, Population and Family Change in Africa, p. 203.

International migration has ceased to be a major factor in population growth since enforcement of the Aliens Compliance Act of 1969. The 1970 Population Census of Ghana showed foreign nationals accounted for 6.6 percent of Ghana's population, a decrease from 12.3 percent in 1960. Between 1948 and 1960 international migration caused increases of Ghana's population by about 30,000 per annum.* Although current statistics are not available, economic problems are probably now causing some net out-migration.

Age Distribution

As a result of high fertility rates, Ghana's population is becoming more youthful. Projections based on census data

*Gaisie, The Population of Ghana, pp. 24-25.

indicate that the proportion of children in the population of Ghanaian origin will climb from 45.6 percent in 1960, to 48.3 percent in 1975, and to 48.7 percent in 1981. In fact, the proportion of the population between the ages of 15 and 64 has been decreasing gradually since 1921 (Tables 10 and 11). As a result of increased life expectancy, the proportion of the population 65 and over has increased from 3.2 percent in 1960 to 3.6 percent in 1970.*

Although the dependency ratio (the ratio of the population under 15 and over 65 to the economically active age groups) is projected to increase from 98 in 1968 to 111 in 1980, the number of persons who remain economically active beyond age 65 remains high. ILO statistics indicate that 71.3 percent of males and 42.6 percent of females remain in the labor force after age 65, compared with 29.7 percent of males and 10.1 percent of females in the United States.**

Regional Distribution

Table 12 shows the regional distribution of the 1970 population. Regional differences in population increase between 1960 and 1970 were a result of internal migration rather than of pronounced regional differences in fertility and mortality. As a result, while the total population increased at 2.4 percent per annum, the rate for the greater Accra region was 5.6 percent. The greatest concentration of population is in the triangle formed by the largest cities -- Accra, Kumasi, and Sekondi-Takoradi.***

Family Size and Household Composition

A Ghanaian household may contain both related and unrelated persons. It may include one or more nuclear families who are

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*Gaisie, S. K., Estimating Ghanaian Fertility, Mortality, and Age Structure. University of Legon, Ghana: University of Ghana Population Studies, No. 5, 1976, pp. 10-13.

**1966 Yearbook of Labour Statistics. Geneva: International Labour Office, 1966, Table 1.

***Gaisie, The Population of Ghana, p.57.

TABLE 10

Age Structure, 1960 and 1970
(Percentage Distribution in Broad Age Groups)

Age Group	Both Sexes			Males			Females		
	1960	1968	1970	1960	1968	1970	1960	1968	1970
Under 15	44.5	48.9	46.9	44.4	50.4	47.6	44.6	47.3	46.3
15-44	43.1	38.2	40.2	42.1	35.7	38.9	43.9	40.6	41.4
45-64	9.3	9.9	9.3	10.2	10.4	9.8	8.5	9.6	8.7
65 +	3.2	3.0	3.6	3.3	3.4	3.7	3.0	2.5	3.6

SOURCE: Gaisie.

TABLE 11

Age Structure, 1921-1968
(Percentage Distribution in Broad Age Groups)

Age Group	1921	1948	1960	1968
Under 16	44.1	43.0	46.3	50.9
16-45	42.3	43.2	42.1	37.3
46 +	13.6	13.8	11.8	11.8

SOURCE: Gaisie and Caldwell.

TABLE 12

1970 Population, Localities, Area and Density By Region

Region	Population	Localities	Area in Square Kilometers	Population Density (persons per Square Kilometers	Population increase from 1960 to 1970 (percent)
All regions	8,559,313	47,769	214,612	40	27.2
Western	770,087	5,157	23,921	32	23.0
Central	890,135	4,570	9,826	91	18.5
Greater Accra	851,614	710	2,592	329	73.2
Eastern	1,261,661	5,273	19,976	63	15.3
Volta	947,268	5,655	20,570	46	21.9
Ashanti	1,481,698	11,451	24,389	61	33.6
Brong-Ahafo	766,509	9,393	39,557	19	30.4
Northern	727,618	3,150	70,384	10	36.9
Upper	862,723	2,410	27,318	32	13.9

SOURCE: The Population of Ghana, p. 57.

members of an extended family. Comparisons of 1960 and 1970 household sizes indicate definite increases in the average size of both rural and urban households.

There has been a slight increase of single person households, from 20.4 persons in 1960 to 21.2 persons in 1970. However, the most significant change has been in the number of small nuclear family households. The total number of households containing two to four persons dropped from 42.0 percent in 1960 to 36.0 percent in 1970. Similarly, since 1960 there has been a 37 percent increase in the number of larger households. The change in urban households has been even more dramatic. The total number of urban households containing five or more persons has increased by 55 percent since 1960 (Table 13).

TABLE 13

Distribution of Households According to Size

Size of Household	1960			1970		
	Total	Urban	Rural	Total	Urban	Rural
1	20.4	28.5	17.1	21.2	27.7	18.1
2	13.8	16.4	12.8	12.4	14.5	11.4
3	14.7	14.7	14.7	12.1	12.4	12.0
4	13.5	12.1	13.5	11.5	10.7	11.9
5-8	28.1	21.9	30.5	30.0	25.6	32.2
9-14	8.3	5.5	9.5	10.4	7.7	11.8
15 +	1.6	0.9	1.9			
Average	4.3	3.6	4.6	4.7	4.1	5.0
1	20.4	28.5	17.1	21.2	27.7	18.1
2-4	42.0	43.2	41.0	36.0	37.7	35.3
5 +	38.0	28.3	41.9	51.9	44.0	55.9

SOURCE: Unpublished census data.

Households in regional capitals tend to be larger than in other urban areas of the same region. In a survey of 7,216 households in major urban centers conducted by D.J. Owusu on behalf of the low-cost housing committee, average household size was discovered to be as much as 46.2 percent larger in regional capitals than the average for all urban areas of the same region (Table 14). Although the 1973 survey has been criticized as being biased toward middle-income households, it does indicate a significant variation in household sizes.

TABLE 14

Household Sizes

	Total		Urban		Rural		1973 Urban Survey	Percentage Variation Urban Areas with Regional Capitals
	1960	1970	1960	1970	1960	1970		
All Regions	4.3	4.9	3.6	4.8	4.6	5.0		
Accra	3.4	4.2	3.3	4.3	4.2	5.0	5.9	37.2
Eastern Region	4.6	4.8	3.8	3.9	4.9	4.9		
Koforidua							5.7	46.2
Central/ Western	3.8	4.5	3.5	4.2	4.0	4.6		
Cape Coast							5.6	33.3
Sekondi-Takaradi							5.6	33.3
Volta Region	4.5	5.0	4.0	5.1	4.7	4.8		
Ho							5.9	15.7
Ashanti Region	3.9	4.9	3.5	5.3	4.0	4.8		
Kumabi							5.8	9.4
Brong-Ahafo Region	3.8	5.4	3.5	5.2	3.8	5.5		
Sunyani							6.4	23.1
Northern/ Upper Region	6.7	6.6	5.1	6.0	6.8	6.8		
Tamale							7.3	21.7
Bolgatanga							5.7	- 5.0

SOURCES: The Population of Ghana, p. 55; Owusu, D.J., p. 22.

Owusu speculates that the larger households may have resulted from extended family members and other nonrelated lodgers who have migrated to the capitals.*

There tend to be more single person households in urban areas than in rural areas. Approximately 28 percent of urban households are single person households, compared to 18 percent of rural households. Gaisie speculates that, apart from migration, males tend to form single person households more readily than females, particularly in urban areas. When a divorce occurs, females tend to live with other relatives.** Owusu supports that thesis by indicating that more male migrants came in search of employment (44.5 percent) while a larger number of females migrated to stay with relatives (15.9 percent compared with 7.2 percent for males).

Rural households tend to have more members than urban households: 56 percent of rural households have more than five members, compared with 44 percent of urban households. Almost 20 percent more urbanites live in households containing four or less persons than do rural persons.

In 1973 urban household survey, Owusu notes great mobility among urban household heads. Only about 20 percent of the household heads interviewed had been in the same area all of their lives. Another 45.5 percent had been in an urban area for three years or less. Inter-city mobility is also significant -- only 7.7 percent of the 20 percent who had never left their city of birth had also remained in the same residence. Persons in the 15 to 24 age group were more mobile than other age groups.***

Although household sizes are increasing, particularly in urban areas, Gaisie found an increase in the number of nuclear families since 1960. Nuclear family households accounted for 44.0 percent of households and have an average size of 4.6. This has been an increase from the 1960 level, when 41.6 percent of households were nuclear with an average size of 4.3 (Table 15).

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*Owusu, D.J. A Housing Survey in Ghana, Prepared for the National Low-Cost Housing Committee, December 1973, pp.21-29.

**The Population of Ghana., pp.52.

***A Housing Survey, pp. 25-28.

TABLE 15

Household Composition and Household Size, 1960 and 1968

Family Household Type	Urban and Rural Percentages		Average Number of Persons per Household	
	1960	1968	1960	1968
All households	100.0	100.0	4.3	4.9
One person only	17.9	18.0	1.0	1.1
Nuclear families	41.6	44.4	4.3	4.6
Husband-wife and children	32.6	28.3	4.3	4.6
Husband-wives and children		4.6		8.1
One-spouse families	9.0	11.5	3.3	3.6
Other families	40.5	37.6	6.1	7.0
Other than head-wife or wives and non-related persons		6.7		3.8
Extended families		30.9		7.7

SOURCE: The Population of Ghana, p. 53.

The next largest household type is the extended family, made up of the household head with wives and unrelated persons. Gaisie notes a slight drop in the extended family group, from 41 percent of all family groups in 1960 to 38 percent of family groups in 1968.*

National trends seem to indicate changes in living patterns (from large extended families to smaller nuclear families and single-person households), particularly in urban areas, and increased urban household sizes. These trends are explained by high urban migration with rapid household formation and temporary members in existing households.**

*The Population of Ghana, p. 53.

**There has also been a drop in the number of household heads with more than one wife. While 28 percent of married men were polygamous in 1960, only 9.2 percent had more than one wife in 1968. (The Population of Ghana, pp. 50-51.) More recent surveys in low-come urban areas carried out in 1976 and 1977 by the consultant team of the Government of Ghana further indicate the increasing strength of the nuclear family

Housing Occupancy

Available data show that the number of housing units has expanded with population growth. Tables 16 and 17 show that the overall occupancy ratio fell slightly, from 9.56 to 9.37, between 1960 and 1970. Even the urban housing stock expanded as rapidly as population growth. It is not clear, however, how much housing stock growth was accounted for by informal sector production.

Although there was a reduction during the decade in the number of households per house, in 1970 there were 3.12 households per house in urban areas, representing a continuing high degree of overcrowding.

Table 18 shows the occupancy of the 1973 housing stock according to the major regions and urban centers in Ghana. Average numbers of persons per room and per house are high. There were 3.0 persons per room in accra and 3.6 persons per room in Kumasi.

Urbanization

With an estimated urban population of over three million in 1977, Ghana has one of the most rapid rates of urbanization in Africa south of the Sahara. Only Mauritius and Gabon have greater urbanization ratios (44.1 and 32.0).* Since 1921 when only 7.5 percent of Ghana's population lived in urban areas, Ghana's urbanization ratio has steadily increased. By 1970 almost a third of Ghana's population was urban. By the end of the century, more than 50 percent of the population is expected to be in urban areas. As shown in Table 19, the urban population is increasing at a rate that is almost double the national population increase.

In Tamale Center only 12 percent of the persons interviewed were considered members of an extended family. In other areas the percentages were much smaller. (Interim Report, Table 3.)

*Demographic Yearbook, 1974. Vienna: International Labor Office, 1974.

TABLE 16

Population Households and Housing Stock, 1960-1970

	Percent Change 1960-1970				Number of Persons					
					House		Room		Household	
	Population	Households	Houses	Rooms	1960	1970	1960	1970	1960	1970
Total	36	25	37	26	9.5	9.4	2.3	2.0	2.0	2.0
Urban	61	39	63	56	12.9	12.8	2.4	1.6	1.6	1.9
Rural	28	20	31	17	8.7	8.5	2.3	2.2	2.2	2.2

SOURCE: 1970 Population Census, Vol. I.

TABLE 17

Population and Housing Stock, 1960 and 1970

	1960			1970		
	Total	Urban	Rural	Total	Urban	Rural
Houses	701,360	120,540	580,820	959,240	193,300	762,940
Households (Thousands)	1,525.0	433.3	1,091.8	1,910.6	603.1	1,305.5
Population (Thousands)	6,633.0	1,559.4	5,073.7	8,992.6	2,514.5	6,478.0
Occupancy Rates	9.56	12.94	8.74	9.37	12.81	8.49
Household/House Ratio	2.17	3.59	1.88	1.99	3.12	1.71

SOURCE: 1970 Population Census, Vol. 8.

TABLE 18

Population and Housing Stock

	Population Growth Percent Increase		1973		Percent Change in Housing Stock, 1960-1970	Annual Production of Houses Per 1,000 Population	Persons Per House	
	1948-1960	1960-1970	Persons Per Household	Average Persons Per Room			1960	1970
All Regions			6.1	3.1	+68.38	2.93	14.63	13.85
Western Region					+11.40	0.69	12.01	14.74
Sekondi-Takaradi	71.9	21.8	5.6	2.9				
Central Region					22.06	1.34	13.41	13.50
Cape Coast	77.0	25.3	5.6	2.7				
Greater Accra					20.65	3.97	16.44	13.76
Accra	152.0	67.0	5.9	3.0				
Eastern Region					66.66	3.44	13.81	11.64
Koforidua	48.0	32.6	5.7	2.8				
Volta Region					54.66	3.59	10.30	9.85
Ho	148.6	66.7	5.9	2.9				
Ashanti Region					43.59	1.52	18.09	19.99
Kumasi	152.9	44.1	5.8	3.6				
Brong-Ahafo					16.45	3.40	18.58	15.86
Sunyani	166.6	95.6	6.4	3.3				
Northern Region					52.74	5.31	13.40	11.38
Tamale	135.3	106.3	7.3	3.0				
Upper Region					95.83	3.86	13.31	12.69
Bolgafanga	51.3	242.6	5.7	2.5				

SOURCE: Owusu, D.J., A Housing Survey in Ghana. Kumasi Ghana: Building and Road Research Institute, December 1973; 1960 and 1970 Population census of Ghana.

TABLE 19

Growth of Ghanaian Urban Population, 1921-1970

	1921	1931	1948	1960	1970
Total Population (millions)	2.30	3.16	4.12	6.73	8.56
Rate of Increase (percent)	--	3.20	1.60	4.20	2.40
Urban Population* (millions)	0.18	0.30	0.54	1.56	2.47
Annual Rate of Urban Population Increase	--	5.20	3.50	9.30	4.80
Urbanization Ratio	7.50	9.50	13.00	23.10	28.90
Number of Towns	na	23.00	30.00	98.00	135.00

NOTES: *Urban areas are defined as having populations greater than 5,000.

SOURCE: Ewusi, Kodwo, "Urbanization and Migration in Ghana," Economic and Social Affairs, Vol. 1, No. 1.

With the exception of Tamale, most urban population growth increase has taken place in the southern part of the country, principally in the urban centers of Greater Accra and the Ashanti Region. Since 1931 the number of towns with populations greater than 5,000 has increased from 23 to 135. However, as of 1970 there were only two urban centers with populations greater than 100,000. If the metropolitan areas of Tema and Sekondi-Takaradi are also included, there were four such cities. The six largest population centers accounted for 43 percent of total urban population in 1970 and for almost 14 percent of total population.

The growth of individual urban centers declined somewhat after the rapid growth of the postwar period (1948-1960). Only the new port town (Tema) and Tamale, the rapidly growing administrative center in the northern agricultural zones, continued to grow at high rates. Table 20 shows the growth of Ghana's principal urban centers since 1948.

Urban growth in Ghana has been through three main sources: 1) growth by changes in the number of towns; 2) growth by natural increase; and 3) growth by migration from other areas, internally and externally. As shown in Table 21, urban growth has been mainly caused by natural population increase and migration.

TABLE 20

Growth of Ghana's Principal Urban Centers, 1948-1970

Localities	Population			Average Annual Compound Growth Rate		1976 Population Assuming 1960-70 Growth Rates
	1948	1960	1970	1948-60	1960-70	
Accra	133,771	337,828	564,194	8%	5%	756,100
(Teshie)		(19,823)	(39,382)		(7%)	(59,100)
Tema*		25,223	96,492		14%	179,900**
Kumasi	71,436	180,642	260,286	8%	4%	329,300
Sekondi-Takaradi	43,898	75,450	91,874	5%	2%	101,400
Tamale	17,187	40,443	83,653	7%	8%	132,700
Cape Coast	23,294	41,230	51,653	5%	2%	58,200

NOTES: *Includes localities of Tema, Tema New Town, and Ashiaman.
**Based on a growth rate of 10 percent per annum which reflects the limitations on growth in Tema and Tema New Town compared to the 1960-1970 period.

SOURCE: 1970 Population Census of Ghana, Vol. II, and 1960 Population Census of Ghana, Vol. II.

TABLE 21

Components of Urban Population Growth in Ghana Between 1960 and 1970

Factors	Absolute Numbers	Percent of Total Change
Change in number of towns	214,186	23.2
Natural increase	434,328	47.2
Migration	272,768	29.6
Total change in urban population	921,282	100.0

SOURCE: Ewusi, Kodwo, "Urbanization and Migration in Ghana," Economic and Social Affairs, Vol. 1, No. 1.

Internal migration in Ghana, particularly rural to urban migration, has been fairly extensively studied. As indicated by Table 22, the greatest amount in interregional migration has been from lesser developed regions to the southern coastal regions and to the timber-cocoa farming areas of Ashanti and Brong-Ahafo. In surveys of 1,782 rural households (13,776 persons) and 585 urban households (3,167 persons), Caldwell found that at least 25 percent of the adult population had migrated at some time during their lives. He also found a strong correlation between education and rural to urban migration: 67 percent of those with no education had never migrated, while only 17 percent of the males and 26 percent of the females with education had never migrated.* The tendency of the educated to migrate is further reflected in the disproportionate share of educated persons in cities: 26 percent of current school leavers, 38 percent of past school attenders, 73 percent of middle school leavers, and 79 percent of university graduates lived in towns with populations over 10,000.**

In a survey conducted by the low-cost housing committee in late 1973 the search for employment was found to be the major motive for migration of 44.5 percent of the males and 24.5 percent of the females interviewed. More males than females migrate. Similar conclusions were found in earlier studies by Caldwell.*** Details of these rural urban surveys are presented in Annex III.

Urban migration occurs among all socioeconomic groups. In his previously cited study of four large Ghanaian towns, Caldwell found that wealthy areas (such as Ridge Area in Kumasi, cantonments in Accra, and Harbour Area in Sekondi-Takaradi) have a high percentage (99 percent) of migrants. Low-income areas such as Nima in Accra, Amakom in Kumasi, and Ketan-Fijai in Sekondi-Takaradi also had populations of more than 70 percent migrants.****

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*Caldwell, J.C., African Rural-Urban Migration: The Movement to Ghana's Towns. London: C. Hurst and Company, 1968, p. 361.

**Caldwell, J.C., "Determinants of Rural-Urban Migrants in Ghana," Population Studies, Vol.22, No. 3, Nov. 1968, p.361.

***Owusu, D.J., A Housing Survey in Ghana. Building and Road Research Institute, December 1973, pp. 17-18.

****"Population Growth and Family Change in Africa," The New Urban Elite in Ghana, p. 267.

TABLE 22

Interregional Migration, 1960-1970
Respondants Reporting Birthplace Other
Than Region of Residence

Region	1960	1970	Proportion of Migrants 1970
Western	- 1	- 7	52.7%
Greater Accra	+ 90	+273	54.0%
Eastern	- 19	+100	48.6%
Central			34.6%
Volta	- 95	-169	36.9%
Ashanti	+ 96	+ 72	45.6%
Brong-Ahafo	+ 85	+117	47.0%
Northern	-157	-187	35.8%
Upper			29.2%

SOURCE: Abdullahi Farah Hamadllo, Interregional Migration and Urbanization in Ghana, 1960-1970. Legon, Ghana: Regional Institute for Population Studies. The Population of Ghana, p.62.

Ethnic Composition

The indigenous African population of Ghana is made up of more than 60 tribal groups (summarized in Table 23). The Akan (made up mainly of the Ashanti, Fanti, and Awapim) the Ewe, and the Ga-Adagbe have until recently been the most dominate ethnic groups.

Employment

Labor Force and Unemployment

In 1960, 89 percent of males and 57 percent of females aged 15 and over were reported to be economically active. Within this group, 94 percent of males and 95 percent of females were employed. Since 1960 the percentage of economically active males has dropped to 77 percent and the percentage for females has increased to 61 percent. The number of openly unemployed males increased to 6.4 percent in 1970; the number

TABLE 23

Ethnic Compositions of Ghanaian Population 1960 and 1968

Ethnic Group	Percentage of Population	
	1960	1968
Akans	44.1	43.3
Ewe	13.0	14.5
Mole-Dagbani	15.9	12.8
Ga-Adangbe	8.3	9.4
Grusi	2.2	4.8
Guan	3.7	2.2
Gurma	3.5	0.7
Central Togo tribes	0.8	0.4
Non-African	0.2	0.2

SOURCE: 1960 Census. Gaisie, The National Demographic Sample Survey, Vol. 2a, General Characteristics of the Sample Population, 1970.

TABLE 24

Economic Activity of Population Aged 15 and Over by Sex in Percentages 1960-1970

Activity	Male			Female			Total		
	1960	1968	1970	1960	1968	1970	1960	1968	1970
Employed	83.2	78.4	77.1	53.6	73.6	61.1	68.6	75.8	69.0
Unemployed	5.8	3.9	6.4	3.0	1.6	2.4	4.4	2.7	4.3
Homemakers	0.6	3.4	1.0	36.7	16.6	26.1	18.4	10.4	13.8
Students	6.0	11.6	-	1.8	4.9	-	3.9	8.1	-
Aged and disabled	3.3	2.0	-	4.6	2.6	-	4.0	2.3	-
Other	1.1	0.7	15.5	0.3	0.7	10.4	0.7	0.7	12.9

SOURCES: Ghana Census, 1960, vol. 4; 1970, vol. 2; and Gaisie 1970b.

of unemployed females dropped from 3.0 percent in 1960 to 2.4 percent in 1970 (Table 24).*

TABLE 25

Urban-Rural Unemployment Distribution

	Urban			Rural		
Age	Total	Male	Female	Total	Male	Female
15+	8.6	9.5	7.2	4.9	6.7	2.5
15-19	33.9	37.1	30.7	21.2	27.2	13.9
20-24	16.6	19.9	13.9	16.0	16.8	5.2
25-29	6.3	7.6	4.4	4.6	7.3	1.5
30-34	3.4	4.5	1.8	2.2	3.6	0.6
35-39	2.5	3.5	1.2	1.5	2.4	0.4
40-44	2.2	3.0	1.0	1.0	1.6	0.3
45-49	2.0	2.7	0.9	0.8	1.2	0.2
50-54	1.8	2.6	0.7	0.6	0.9	0.2
55-59	1.8	2.5	0.8	0.6	0.8	0.2
60-64	1.6	2.3	0.7	0.4	0.6	0.2
65+	1.7	1.8	1.0	0.4	0.4	0.4

SOURCE: Five-Year Development Plan, P. 336.

As shown in Table 25, urban employment (8.6 percent in 1970) is most critical among males aged 15 to 19 and 20 to 24 and among females aged 15 to 19. The principal causes of unemployment and underemployment are recognized by the Five-Year Plan as:

> Low absorptive capacity of the modern sector to provide employment opportunities for existing unemployed persons and new additions to the labor force.
>
> Widening discrepancy between certain categories of products and educational institutions on the one hand and job opportunities on the other.
>
> Critical shortages of strategic skills at all levels -- professional, managerial, technical, middle-level, and skilled manpower.

*Urban umemployment is more than double national unemployment.

Inadequacy of training and lack of qualified instructors and facilities for practical training.

Low productivity and underutilization among certain segments of the labor force.*

Labor force projections indicate that the total labor force will grow at an annual rate of 2.2 percent, from 3.30 million in 1970 to 4.05 million in 1980. The urban labor force is expected to grow at more than twice that rate (5.2 percent per annum), from 1.00 million in 1960 to 1.52 million in 1970. As a result of rural to urban migration, the urban labor force is expected to be 69.7 percent of the total labor force by 1980, more than doubling its share of the total labor force (Table 26).

The significance of private sector employment, especially self-employment, is demonstrated in Table 27. Self-employment accounted for 37.5 percent of total employment in the Accra metropolitan area. Although small informal firms were probably missed in the survey, female self-employment is still significant, accounting for 68.8 percent of all employed females. The private sector provided 72.4 percent of Accra's employment.

Small-Scale Industry Employment

During 1973 extensive small-scale industry surveys were conducted in Accra by William F. Steel. These indicated that the sector is an important employment source for the urban poor. His findings demonstrated that:

The number of persons engaged in small-scale manufacturing in Accra is approximately equal to the number employed in large-scale industry.

Small-scale manufacturing predominates in the clothing industry (self-employed owners and apprentices).

Employment in small-scale repair is predominately vehicle repairs, the largest employer of wage workers among all manufacturing and repair industries.

*Five-Year Development Plan, Vol. II, p. 337.

TABLE 26

Growth of Ghana's Labor Force and Employment, 1960-1980

	1960 Level	1970 Level	Average Annual Growth Percent	1970-1980 Additions at same Growth Rate (thousands)
Millions:				
Total Population	6.7	8.6	2.7	2,625
Urban Population	1.5	2.4	5.6*	1,739
Total Labor Force	2.7	3.3	2.2	745
Urban Labor Force	0.7	1.0	5.2	519
Recorded Nonprimary Employment#	0.2	0.3	3.2	102
Percentages:				
Urban Population	23.0	28.5	--	58.6
Total Labor Force	40.4	38.9	--	31.9
Urban Labor Force	24.3	31.0	--	69.7
Recorded Nonprimary Employment	9.0	9.7	--	13.7
Recorded Nonprimary Employment Share of Urban Labor Force	37.2	31.4		19.7

NOTES: *Defined as having populations greater than 5,000.
#Recorded employment is defined by labor statistics as having more than ten persons employed.

SOURCE: William F. Steel, p. 44.

TABLE 27

Working Population Employment Status

	1960*			1971 - Accra#		
	Males	Females	Total	Males	Females	Total
Employed of Self-Employed	56.6	76.2	63.6	17.7†	68.8†	37.5†
Public Sector Employment	11.3	1.4	7.4	46.0	14.9	27.6
Private Sector Employment	17.8	2.3	11.8	64.0	85.7	72.4
Family Workers	9.8	19.0	13.4	0.3	1.3	1.0
Apprentices	2.5	0.8	1.9			
Caretakers in Agriculture	3.0	0.3	1.9			

SOURCES: *Gaisie, Estimating Ghanaian Fertility, Mortality and Age Structure. Legon, Ghana: University of Ghana Population Studies, University of Ghana, 1976, p. 29. #1972 Supplemental Inquiry. †Self-employed workers.

Less than a fifth of small-scale firms are modern in the sense of employing at least one nonfamily member for wages, but these firms account for almost half of total small-scale employment.

Apprentices are the largest employment category in the small-scale sector, followed closely by wage workers and self-employed workers.

Women account for almost half of small-scale employment and 90 percent of informal activities.

The women's share of total employment is shown in Table 28. Over 50 percent of intermediate and informal employment is female. In urban sectors (such as commerce, food preparation, textiles, and beverage manufacture) the women's share of modern employment is small, limited to about 9.7 percent of total employment.

In Steel's complete survey of small-scale enterprises and employment in Accra, it was discovered that roughly half of small-scale employment is concentrated in manufacturing and repair activities. The remainder consists of professional services (9.0 percent), food and lodging (15.6 percent), and trading (22.0 percent).

Employment Policy

The Five-Year Development Plan outlines a twofold manpower development strategy which would encourage higher levels of employment and a more flexible labor force less dependent on traditional employment. Emphasis is placed on developing middle-level and subprofessional technical workers, skilled craftsmen, and middle-level managerial personnel. To achieve these aims technical and vocational training facilities will be encouraged.*

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*Five-Year Development Plan, pp. 333-348

TABLE 28

Relative Sizes of Women's Employment by Sector, 1970
(Percentage)

Sector	Share of Total Workers		Share of Category		Women's Share		
	Modern Employment	Intermediate and Informal*	Modern Employment	Intermediate and Informal*	Total Workers	Modern Employment	Intermediate and Informal
Largest Modern and Intermediate Sectors:							
Agriculture, forestry, and fishing	2.7	97.2	12.3	63.5	43.2	13.6	44.0
Commerce	8.2	91.8	9.0	14.6	83.7	10.6	90.2
Manufacturing	13.9	86.1	13.3	12.0	56.1	7.2	64.0
Services	43.0	57.0	34.6	6.7	17.6	15.0	19.5
Construction	68.0	32.0	12.6	0.9	3.6	2.4	6.2
Total, all Sectors	12.7	87.3	100.0	100.0	45.2	9.7	50.3
Largest and Intermediate Manufacturing Industries:							
Food	3.4	96.6	7.5	37.3	85.8	-	-
Wearing apparel	3.7	96.3	6.3	28.1	64.5	-	-
Beverages	7.9	92.1	5.1	10.3	57.0	-	-
Furniture	6.9	93.0	3.0	7.0	2.2	-	-
Textiles	41.5	58.5	20.1	4.9	14.6	-	-
Wood products	62.6	37.4	23.0	2.4	21.4	-	-
Printing, publishing	59.4	40.6	5.9	0.7	19.0	-	-

NOTE: *Calculated as a residual.

SOURCE: Steel, p. 58.

Chapter III

TARGET GROUP IDENTIFICATION

The characteristics of six low-income settlements, in five urban centers, located in four regions of Ghana were compared with the general city characteristics to identify variables for target group identification. The tabulated results of this comparison are presented in Table 29.

The following are the general characteristics of the low-income target group identified in this analysis:

Unemployment is higher than in surrounding urban areas.

The proportion of unskilled labor was as much as twice that of surrounding areas.

The proportion of professional skills is usually similar to that in surrounding urban areas, indicating that professionals frequently live in low-income areas.

Income levels are lower than in surrounding urban areas.

There is usually a higher proportion of home ownership in low-income areas in surrounding metropolitan areas.

A higher percentage of the residents in low-income areas are self-employed.

Both room and house densities are higher.

The level of infrastructure is much lower than surrounding urban areas.

Population growth rates tend to be higher, sometimes twice those of the surrounding urban area.

There tend to be a large number of migrants in settlements who are tenants.

Settlement patterns are usually irregular. In some cases all available land has been used for building purposes.

Land tenure is usually traditional and has not been formalized by the Lands Department. The settlements may be subject to land tenure disputes between various traditional owners.

The following sections discuss the above benchmarks in more detail and provide specific criteria for measuring each of them.

Demographic Characteristics

Households in lower-income areas are larger than the average for the larger metropolitan areas (Table 29). The largest households are found in Tamale Central (an average of 8.16 persons per household) and the smallest are in Ashaimen (3.5 persons per household). Both have experienced rapid growth in the last two census periods.

Both room and household densities are higher in low-income settlements than in surrounding urban areas. In Nima there are 187 percent more persons per room than in Accra as a whole. In Kumasi where the greatest house densities are found (19.99 persons per household), Anloga has a much greater density of 42.98 persons per household. In all cases room densities are greater than what is considered a minimum room occupancy standard.*

*Housing authorities differ on minimum standard room occupancy rates: Busia, in a 1950 survey of Sekondi-Takaradi, considered houses with room densities greater than two overcrowded; Owusu refers to what is called the "Manchester Standard" of 2.5 persons per room counting children under ten years old as 0.5 persons; the director of the Building and Road Research Institute observes that occupancy rates above 1.5 persons per room are overcrowded. Generally the authorities agree that there is overcrowding when occupancy rates are greater than two related persons per room.

TABLE 29

TARGET GROUP IDENTIFICATION A COMPARISON OF URBAN AREAS AND LOW-INCOME AREAS

	Accra	Nima	Sekondi-Takaradi	Kwesi-Mintim	Kumasi	Moshie Zongo	Anloga	Tema	Ashaimen	Temale	Temale Central
Human Capacity											
Unemployment	11% •	20% # (9% 1970) δ	10% •		10% •			10% •	12% •	7%	
Community Effort											
Education Skills											
(% in Primary School)	68% †	48% ¶ (7% 1968) ∂	59% †	48% ¶	59% †	48% ¶			48% ¶		48% ¶
Vocational Skills											
(% Unskilled)	4% ¥	36% ♦ (1976)	6% ¥	11% ♠ (36%) ¤	5% ¥ (16%) ¤			7% ¥	14% ♦	5%	25% ▬
(% Professional)	8% ¥	11% ♦	5% ¥	5% ♦	7% ¥		10% ♦	6% ¥	6% ♦	6% ♦	5% ▬
Household Income (50 Percentile)	₡1,900 §	₡1,776 §	₡1,450 §	₡992 §	₡1,450 §	₡1,460 §				₡2,400	₡2,370
Individual (50 Percentile)	₡1,190 §	₡1,110 §	₡1,210 §	₡827 §	₡1,115 §	₡1,125 §				₡ 533	₡ 530
Control of Capital Assets											
Home Ownership (% Tenants)	94% (1973) Ω	77% ••	96% (1973) Ω	75% ••	98% (1973) Ω		85% ••	na	87% ••	58% Ω	42% ••
Personal Property											
Business (% Self Employed)	37% ##	na	39% ##	49% ††	53% ##		64% ††	31% ••	39% ††	na	68% ††
Land Tenure	Leasehold	Leasehold	Leasehold	Leasehold/ family	Leasehold	Leasehold		Leasehold	Leasehold	Leasehold	Leasehold
Access to Credit	Formal	Informal	Formal		Formal			Formal	Informal	Formal	Formal/Informal
Permanence/Stability											
Age of Area	1877 §§	1931 #	1920's		1800's			1952	Late 1950's	1905	1905
Migration (% Locally born)	46% ¶¶	25% ¥¥	31% ¶¶	49% ¥¥	39% ¶¶	59% ¥¥		24% ¶¶		na	59% ¥¥
Social	Local Government	Mixed	Local Government	Traditional	Traditional	Traditional/ Mixed		Local Government	Mixed	Local Government	Traditional
Vulnerability: Physical											
Access to Water											
Pipe Bourne	43%			6% ♦♦							
Standpipes	40%			94% ♦♦			8% ♦		11% ♦	61% ♦	
Well									19% ♦	38% ♦	
Others				▬			58% ♦				
				▬			34% ♦	40%	70% ♦	1% ♦	
Sanitation											
Water Bourne/Septic Tank	na						1% ♦		2% ♦		
Public Latrine		87% ♦		31%			28% ♦		22% ♦	65% ♦	
Night Soil Collection		13% of houses ♦		68%			65% ♦		30% ♦	35% ♦	
Open Space		(87%) ♦		1%			6% ♦		46% ♦		
Electricity											
(% of Households)				52%			29% ♦		25%		
Solid Waste Disposal	ΩΩ		ΩΩ		ΩΩ			•••			
Public Refuse Dump											
Indiscriminant											
Others											
Occupancy Rates											
Persons per Room	3.0	3.4	2.9	2.6	3.6		3.5		2.5	3.0	2.6
Persons per House	13.76	39.44	14.74	23.14	19.99		42.98		21.83	11.38	29.2
Rooms per House		11.6		8.9			12.28		8.73		11.23
Population	756,100	54,000	101,400	12,000	329,300	4,000	8,900	179,900	78,000	132,700	15,000
Growth Rate	5%	10%	2%		4%			14%	30%	8%	
Percent of Metropolitan Area		7.1%		11.8%		1.2%	2.4%		43.3%		11.3%
Persons Per Household	5.9	5.12	5.6	5 6	5.8		5.21	3.5	3.5	7.3	8.2

SOURCES:

• 1970 Population Census of Ghana. Vol. II. # J. Annorbah-Sarpei. Operation Help Nima Asempa Publishers Accra 1974, 8. † The Population of Ghana, 195. ¶ Statistic from Ministry of Education. ∂ J. Annorbah-Sarpei, 8. ¥ Unpublished 1971 Supplemental Enquiry. ¤ A Housing Survey in Ghana ♦ Government of Ghana Study Team, Interim Report.

▬ Agricultural skills included. § Refer to Table ___. Ω A Housing Survey in Ghana, 47. •• Government of Ghana Study Team, Interim Report. §§ 1971 Supplemental Enquiry. †† Government of Ghana Interim Report. ¶¶ The Population of Ghana ¥¥ Government of Ghana Interim Report. ♦♦ Government of Ghana Interim Report. ΩΩ ••• The date when the colonial government was shifted from Capecoast to Accra.

TABLE 30

Average Household Size, Metropolitan and Low-Income Areas

	Average Household Size*			Average Number		
	Male	Female	Total	Rooms per Household*	Persons per Household**	Persons per Room
Sekondi-Takaradi	3.7	3.7	3.7	2.9***		
Outskirts	3.8	3.5				
Zongo (Sekondi)	3.5	3.8				
Kwesimintim				2.1	5.6	2.6
Greater Accra						
Accra City Council	3.5	4.3	3.7	3.0***		
Nima	3.1	3.3	3.1	1.5	5.12	3.4
Tema City Council	3.4	4.0	3.5			
Tema	4.2	3.8				
Ashaiman				1.4	3.47	2.5
Kumasi City Council	3.8	4.4	4.0	3.6***		
Northern Outskirts	3.5	4.4				
Tafo	3.4	4.1				
Anloga				1.5	5.21	3.5
Tamale	6.0	4.4	5.6	3.0***		
Tamale Central				3.7	8.16	2.2

SOURCE: *1971 Supplemental Inquiry. (Unpublished Census Data, Census Office, 1971).
**Government of Ghana Interim Report.
***Owusu, A Housing Survey in Ghana.

Occupations and Vocational Skills

There is a larger percentage of unskilled workers in Nima than in Accra as a whole, probably explaining higher unemployment rates. In Ashaimen there are twice as many unskilled workers (seven percent greater than in Tema as a whole).

In most low-income areas, self-employment is greater than in larger urban areas. The greatest number of self-employed persons were found in Kumasi (53 percent). An even greater number of Anloga's workers were employed in small-scale business.* Kwesimintim is a much more traditional community than Nima, Anloga, or Ashaiman and has about 50 percent self-employed, compared to surrounding Sekondi-Takaradi where only about 40 percent are self-employed.

Educational levels tend to be lower in the five slum areas than in the cities of which they are part. In Nima between 7.0 and 48.0 percent of primary school aged children attend formal schooling, while in Accra as a whole almost 70 percent of primary school aged children attend school. In other areas the difference is much smaller. About 50 percent of the primary school children in Kwesimintim attend school, compared with 60 percent in Sekondi-Takaradi as a whole.

Incomes

Income distributions for major cities and slum areas are presented in Tables 31 and 32. As expected, median income levels are lower in the slum areas than in the larger urban areas. Personal incomes in Nima are 7.2 percent lower than in Accra. In some areas such as Kwesimintim (Sekondi-Takaradi),

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*Anloga is noted for its small-scale timber industry which provides up to 64 percent of the employment in the community. In other areas employment is more often found in the surrounding community. This trend is particularly true in Nima and Ashaiman which provide housing for Accra and Tema's low-income workers.

TABLE 31

1973 Personal Income Distribution

Percentile Income	Accra	Kumasi	Sekondi-Takaradi	Tamale
90th	1,698		1,833	1,806
80th	1,028	870	942	987
70th	860	787	820	777
60th	715	705	697	566
50th	570	590	574	403
40th	441	473	455	326
30th	330	355	341	249
20th	219	236	228	172
10th	110	118	114	95
0				
Average Income (1973)	¢ 673	¢ 727	¢ 699	¢ 508
Increase since 1973 (percent)	109	89	111	32

SOURCE: Estimated from occupational data supplied by the 1971 supplemental inquiry and income and residential data from "A Housing Survey in Ghana," 1973.

TABLE 32

INCOME DISTRIBUTION, ACCRA, KUMASI, SEKONDI-TAKARADI, TAMALE
(JUNE 1977 INCOMES IN CEDIS)

Income Percentile	Accra		Teshie		Nima		Sekondi Takaradi		Kwesi-Mintim		Kumasi		Anloga		Moshie Zonga		Tamale		Tamale Central	
	HH	P	HH	P	HH	P	HH	P	HH	P	HH	P	HH	P	HH	P	HH	P	HH	P
100th																				
95th																	4,250	944		
90th	5,600	3,500					3,750	3,130			3,750	2,890								
85th																	3,100	688		
80th	3,000	1,880					2,500	2,080			2,500	1,920								
75th																	2,800	622		
70th	2,500	1,560					1,950	1,630			1,950	1,500								
65th					2,120	1,325											2,600	578		
60th	2,150	1,340					1,600	1,330	1,130	942	1,600	1,230	1,230	946	1,675	1,290			2,500	560
55th					1,776	1,110											2,400	533	2,370	530
50th	1,900	1,190	1,950	1,220			1,450	1,210	992	827	1,450	1,115	1,138	875	1,460	1,125			2,250	500
45th					1,544	965									1,350	1,040				
40th	1,740	1,090	1,750	1,090			1,300	1,080	866	722	1,300	1,000	1,046	805			2,100	467		
35th			1,650	1,030											1,250	960			2,000	445
30th	1,500	938			1,387	867	1,250	1,040	756	630	1,250	960	953	733			1,800	400		
25th			1,400	590											1,125	865			1,730	385
20th	1,255	784			1,230	768	1,050	875	642	535	1,050	808	848	652			1,560	346	1,600	350
15th			1,125	700											950	730				
10th	980	612			995	622	800	670	300	250	800	615	743	572	630	485	1,250	278	1,250	280
5th			825	516																
0																				

NOTES: HH = Household income. Household incomes were derived from estimates of the average number of income earners per household; Nima, Accra 1.6, Sekondi-Takaradi 1.2; Kumasi, Moshie Zongo 1.3; Tamale Central 4.5.
P = Individual Income.

SOURCE: Derived from various income estimates made by consultants to the Ghanaian Government and from recent surveys.

this income difference is as much as 46.3 percent. In the Kumasi suburb of Moshie Zongo the difference only becomes apparent below the 20th percentile.* However, median incomes in Anloga are more than 27 percent lower than median incomes in Kumasi as a whole.

Changes in income distribution in major urban areas from mid-1973 to 1977 can be noted by comparing Table 31 with Table 32.** At the 50th percentile, personal incomes have risen 109 percent in Accra. It should be noted that incomes in Accra in 1973 were lower than in other cities, but that this situation reversed itself by 1977. Incomes in Kumasi have risen about 89 percent since 1973. Indications are that incomes in Tamale have grown less than in other urban areas, only 32 percent.***

Incomes in the construction sector have been increasing at an annual rate of 26.2 percent since 1973. The basic daily wage of ¢ 1.28 for unskilled labor in 1974 had increased to ¢ 4.00 by the third quarter of 1977.****

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*The difference between household incomes and personal incomes is because many urban households have more than one source of income. For the calculations of household incomes used here, the following coefficients were used: Accra 1.6 income earners per household; Tema 1.5 income earners per household; Sekondi-Takaradi 1.2 income earners per household; Kumasi 1.3 income earners per household; and Tamale 4.5 income earners per household.

**Personal urban incomes presented were derived from comparisons of occupational data from the unpublished 1971 Supplemental Inquiry and income data collection by occupational and residential groups from "A Housing Survey in Ghana."

***Income data on Tamale does not seem to be as reliable as for other areas. Both surveys relied on sample sizes of about one percent of the total population. It should be noted that there has been more urban migration throughout the 1960s and 1970s for Tamale than in other areas. This has probably resulted in a large number of low-income agricultural workers who are relatively unskilled.

****Industrial Statistics from the Central Bureau of Statistics and the Schedule of Salary and Wages (1967-1977) of the Architectural and Engineering Services Corporation, Accra.

Expenditure

Table 33 shows the percent of income paid in rent in Nima by each income group. At the 50th percentile household heads pay between 6.0 and 19.0 percent of their incomes in rent. The largest group, however, pays about 10.0 percent of its income in rent.* The incomes of household heads in the 30th percentile are spent between 8.0 and 24.0 percent in rent. Most pay about 12.0 percent.** At the 10th percentile, rent takes between 11.0 and 34.0 percent of household head incomes. On the average, rent accounts for about 17 percent of expenditure by the lowest-income group.

Poorer households pay higher percentages for rent. Given the large increases in food costs and the large household sizes in settlements like Nima, it is unlikely that household heads can maintain monthly expenditures for rent much in excess of ten percent of their income. Although urban households derived about 90 percent of their incomes from the household head's income, households with incomes below the 30th or 40th percentile rely more heavily on income sources other than household heads.***

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*Dutta-Roy in his often cited "Household Budget Survey in Ghana," (Accra: Institute of Statistics: University of Legon, Accra, Technical Publication Series No. 2, 1968) determined that urban households expended about 10.1 percent of their incomes on rent, which appears to coincide with the 50th percentile incomes of Nima (Table 33).

**In the 1973 housing survey previously cited ("A Housing Survey in Ghana"), the average percentage of income spent on rent was 12.7 percent. The lowest-income groups represented about 38.5 percent of the respondents of the survey and averaged about 24.8 percent of their incomes. The next highest income group (about 38.2 percent of the survey) spent 12.8 percent of their incomes on rent. The highest incomes in the survey, representing 0.7 percent of the survey, spent only 8.0 percent of their incomes on rent which corresponds to the majority of the Nima household heads at the 60th percentile.

***It is unlikely that male and female members of the household pool their resources to form a common household income. The tradition of the husband providing the wife with "chop money" (food money) is still common.

TABLE 33

Nima Rent Distribution and Rent as
a Proportion of Household Head Income

Household Head Income Distribution	Monthly Rents									
	3.0 - 5.9		6.0 - 8.9		9.0 - 11.9		12.0 - 17.9		18.0 +	
	No.	% of Income	No.	% of Income	No.	% of Income	No.	% of Income	No.	% of Income
80th (¢ 1,711)	2	4	53	6	23	8	22	13	--	--
70th (¢ 1,446)	11	5	55	7	23	10	11	15	--	--
60th (¢ 1,285)	10	6	52	8	23	11	10	17	5	17
50th (¢ 1,124)	10	6	52	10	23	13	10	19	5	19
40th (¢ 977)	20	7	46	11	22	15	10	22	2	22
30th (¢ 879)	22	8	51	12	24	16	11	24	2	25
20th (¢ 781)	46	9	31	17	14	18	9	28	--	--
10th (¢ 639)	10	11	58	17	17	22	5	34	--	--

NOTE: The variation in percentile group is due to variations in the sample.

SOURCE: Derived from Government of Ghana Interim Report Table 12.

TABLE 34

Annual Household Head Consumption and Expenditure by Major Groups in Urban Sector

(in percentages including rent)

	Urban	Rural
Local Food		
Total	52.7	58.9
Purchased	47.2	27.5
Imported Food	2.8	2.0
Drinks and Tobacco	2.9	2.8
Food, Drinks, and Tobacco	58.9	63.9
Fuel and Light		
Total	5.6	7.4
Purchased	4.5	5.2
Clothing		
Total	13.0	19.2
Men	4.5	5.1
Women	6.3	9.7
Children	2.2	4.9
Household Durable Goods	3.0	2.0
Sanitation and Health	4.0	4.2
Miscellaneous Services	2.8	1.1
Transport, Communications	2.6	1.7
Rent	10.1	--
Payment to other Households	(0.9)	(1.5)
Total	100.0%	100.0%

SOURCE: Dutta-Roy, D.K., and Mabey, S.J., Household Budget Survey in Ghana. Institute of Statistics, University of Legon, Technical Publication Series, No. 2, 1968.

Since mid-1973 the urban consumer price index increased from 359.6 to 1,255.3 by April 1977. Local food costs accounted for most of the increase, jumping from 312.1 in 1973 to 1,950.3 in mid-1977. Rents which are controlled by the Rent Control Division of the Ministry of Works and Housing remained constant throughout the period.* The greatest increases in the consumer price index have come since April 1976. Local food, the largest contributor, rose by 143.3 percent during a one-year period.

Home Ownership

Home ownership in the urban areas of Ghana is rare. In Accra less than 10 percent of the respondents to the 1973 housing survey owned their own homes. Only in Tamale were more than 40 percent homeowners. There is, however, a larger proportion of homeowners in the low-income urban neighborhoods.

In Accra, 94 percent of the persons interviewed were tenants, while in Nima only 77 percent rented. Similar comparisons have also been found in Sekondi-Takaradi and Kumasi. These differences are largely because of public and private sector policies of providing housing for upper-income workers and the current high cost of construction.

In Nima, Kwesimintim, Anloga, and Tamale Central, the majority of housing is made by traditional mud walling techniques. Although they are quite old, most of them are still in fairly good condition. In upper-income areas, housing standards are much higher with costs that many middle- and upper-income families cannot meet.

In "zongos" made up of Muslims (Moshie Zongo and Nima are examples) home ownership is a strong status symbol, probably much stronger than among urban groups. The potential Muslim homeowner views a house as a secondary means of his income. There is often a patron/client relationship, with homeowners introducing new migrants into the community and

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*There may have actually been some rent increases. The proportion of income spent on rent in Nima has not changed substantially since 1973, in spite of a large increase in incomes.

thereby assuring them as potential income sources. Homeowners try to reinvest income into as many houses as possible.*

Access to Credit

At the present time none of the settlements has access to formal credit. However, with the possible exception of Nima and Ashaimen which have bad reputations, commercial banks will enter low-income areas. The National Credit and Savings Bank has plans to set up small facilities in all of the areas.

The need for credit facilities is well recognized by small-scale businessmen in several settlements. Outside Nima and Ashaimen, many have approached commercial banks and have received credit.** One third of the petty traders rely on credit for initial investment as well as for operating expenses.

In most settlements informal credit facilities exist. Interest rates are higher than in the formal sector, but details are not available about their operation.

Access to Urban Infrastructure

Water

The provision of piped water varies greatly from settlement to settlement. In Tamale Central, probably due to its advantageous location, 61 percent of the households have piped water in their houses, another 38 percent have access to public standpipes, and only one percent rely on other households for water and higher rates. By comparison, practically all houses in Tema proper have pipe-borne water supplies. In Moshie Zongo and Anloga a large portion of the houses rely on wells. In Moshie Zongo the major well is probably polluted because it is below a garbage dump and a public latrine.

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*Changing Social Structure in Ghana: Essays in the Comparative Sociology of a New State and Old Tradition. Edited with an introduction by Jack Goody. (Economics in Multi-Ethnic Communities, Enid Schildkrout). London: International African Institute, 1975.

**Loan information informally supplied by commercial banks.

In Accra, the only city for which reliable statistics are available, 43 percent of houses are provided with piped water and an additional 40 percent have access to public standpipes. Details about the remaining 17 percent are not available, although there are a large number of illegal connections in settlements such as Nima.

Sanitation

With the exception of Tema and portions of Accra there are four types of sanitation systems: septic tanks constructed by homeowners, public latrines serviced by local authorities, night soil collection by public authorities, and utilization of open spaces. The majority of low-income settlements rely on the last three methods. Of the three, night soil collection is probably the most sanitary for the users. Public latrines, usually of the aqua privy type, are less prefered because they are not serviced often enough. This is particularly the case in Nima where public latrines designed to serve about 3,000 people are used by an estimated 87 percent of the residents. Environmental hazzards created by using open spaces and nearby water courses for human waste disposal are especially severe in Nima.

Lighting

The majority of urban low-income households rely on kerosene lamps for lighting. Only in Kwesimintim do 52 percent of the households have electricity.

Solid Waste Disposal

Local governments are responsible for solid waste disposal, but most do not have the capacity to effectively execute their responsibilities. Most solid waste is dumped at the edge of the settlements. These dumps are frequently environmental hazzards, as in the case in Kwesimintim, Moshie Zongo and Nima.

Social or Cultural Groups

Low-income urban areas in Ghana can be characterized in several ways.

1. They may have strong traditional or cultural rulers and a great deal of cultural affinity (such as Kwesimintim in Sekondi-Takaradi; Teshie and Osu in Accra; or Tamale Central in Tamale). In these cases tradional rulers representing either the local stool or skin have jurisdiction over the area.

2. They may have mixed ethnic backgrounds (such as in Ashaiman where there are no traditional rulers but where residents tend to congregate according to tribal or clan affiliation).

3. They may have zongos (such as in Moshie Zongo where residents are primarily Muslim migrants, frequently of Hausa origin). In these areas traditional community rulers may have been established, but actual ownership of the area is by another ethnic group. Moshie Zongo, for example, is owned by the Ashanti Stool and administered by the Tafo Stool.

4. Areas may have been settled almost exclusively by migrants from one tribal group (such as Anloga in Kumasi). That area has been settled mainly by Ewe craftmen from the Volta Region, but the land is under the administration of one of the Ashanti Stools.

Chapter IV

SHELTER POLICY AND INSTITUTIONS

Shelter Sector Policy and Programs

The Ministry of Works and Housing has been the main executing agency for urban shelter policy; however, the execution of shelter policy in Ghana involved almost all administrative units of government. Comprehensive shelter policies have never been designed to coordinate the efforts of all central and local government agencies. Strategies have recognized existing conditions and explored a wide variety of solutions. As early as the creation of the Tema Development Corporation in 1952, new approaches to housing programs have been undertaken. While the programs have seldom reached their targets and have usually been out of the reach of low-income groups, they have provided a wide base of experience.

Since independence, official policy has supported housing and infrastructure development to improve shelter in both urban and rural Ghana. In 1955 the Ghana Housing Corporation (now the State Housing Corporation) was established as the main state agency to provide housing on a large scale. Since the independence, housing policies have been included in development plans.

Early History

Nine percent of planned expenditure of the 1959-1964 Second Development Plan was earmarked for public sector housing programs. However, the total plan was eventually recognized as too ambitious and was reduced by 53 percent. Housing expenditure was reduced from GL 17 million to GL 7.1 million.*

The Seven-Year Development Plan (1963-1970) was more comprehensive than previous plans. It provided a national program for both public and private sectors. Of the projected

*The Ghana pound was then at par with the U.K. pound.

Chapter IV

SHELTER POLICY AND INSTITUTIONS

Shelter Sector Policy and Programs

The Ministry of Works and Housing has been the main executing agency for urban shelter policy; however, the execution of shelter policy in Ghana involved almost all administrative units of government. Comprehensive shelter policies have never been designed to coordinate the efforts of all central and local government agencies. Strategies have recognized existing conditions and explored a wide variety of solutions. As early as the creation of the Tema Development Corporation in 1952, new approaches to housing programs have been undertaken. While the programs have seldom reached their targets and have usually been out of the reach of low-income groups, they have provided a wide base of experience.

Since independence, official policy has supported housing and infrastructure development to improve shelter in both urban and rural Ghana. In 1955 the Ghana Housing Corporation (now the State Housing Corporation) was established as the main state agency to provide housing on a large scale. Since the independence, housing policies have been included in development plans.

Early History

Nine percent of planned expenditure of the 1959-1964 Second Development Plan was earmarked for public sector housing programs. However, the total plan was eventually recognized as too ambitious and was reduced by 53 percent. Housing expenditure was reduced from GL 17 million to GL 7.1 million.*

The Seven-Year Development Plan (1963-1970) was more comprehensive than previous plans. It provided a national program for both public and private sectors. Of the projected

*The Ghana pound was then at par with the U.K. pound.

total investment for housing GL 76.2 million, the private sector was expected to finance GL 56.2 million, in both urban and rural areas. The remainder was to come from the public sector. Infrastructure was recognized as the continuing responsibility of the public sector to be entirely financed by government.* Over the Seven-Year Plan period, 60,000 houses were to be built in both public and private sectors, approximately 8,570 units per year.**

The Two-Year Development Plan (mid-1968 to mid-1970) recognized the public sector's inability to produce adequate amounts of housing. It encouraged increased private sector participation by rationalizing the incidence of taxation to homeowners and eliminating bottlenecks in the construction industry. This was the first official recognition of the impact of government policies on private sector development. This plan favored development of small-scale building industries, encouraged low-cost housing research, and urged the removal of subsidies from housing produced by the State Housing Corporation and the Tema Development Corporation. Both state housing agencies were called upon to build 4,000 housing units a year, mainly to meet low-income housing needs.***

During the two-year plan period, the State Housing Corporation only produced 764 housing units while the Tema Development Corporation built 1,012 units.**** Although far short of the 8,000 units programmed in the plan, the two agencies did produce about four percent of all housing during that period.

The One-Year Development Plan (1970/71) recognized that budgetary shortfalls had caused the poor performance of public sector housing agencies, and that the central government could not fully finance all housing needs. It therefore proposed removal of housing subsidies and allowed rents to rise to economic levels. It also encouraged private home

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*Economic Development Planning in Ghana, p. 34.

**Seven-Year Development Plan. Accra: Government Printing Office, 1963.

***The Two-Year Plan (mid-1968 to mid-1970): From Stabilization to Development. Accra: Government Printing Office, 1968.

****One-Year Development Plan (July 1970/71). Accra: Government Printing Office, 1970.

ownership by stimulating private sector savings for housing investment. It reorganized the First Ghana Building Society to make it more attractive to private investors, encouraged the State Insurance Corporation to grant mortgages to its customers, and proposed that the two state housing agencies operate on a fully commercial basis.*

As a result of such encouragement, by the end of December 1974, the State Insurance Corporation had obligated much of its mortgage loan scheme.** However, the two housing corporations still rely heavily on subsidies for their operations.

Recent Policies

When the present government came to power in January 1972, it made low-cost housing development its second priority after agriculture. It allocated money for low-cost housing from "budgetary savings" and a low-cost housing committee was created in the Ministry of Works and Housing to implement the program through regional organizations (regional commissioners). Low-cost housing units were to range in cost between ¢ 1,000 and ¢ 4,000 and to average ¢ 3,000. Housing was to be rented out by public corporations and allocated through regional government agencies. Previous plans had unsuccessfully called for an increasing reliance on indigenous resources in the production of housing; the new government called for greater use of local building materials.

Under the low-cost housing program, 5,532 units were built by 1976 with an expenditure of ¢ 58.2 million, an average of 1,844 units per year. Total housing production by the two public housing corporations totaled 6,236 units. Thus, public sector housing construction totaled 11,768, or almost 4,000 housing units per year.***

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*The One-Year Development Plan.

**Ghana 1977: An Official Handbook. Accra: New Times Corporation, 1977, p. 474.

***Five-Year Development Plan, 1975-1980, Part II. Accra: Ministry of Economic Planning, January 1977, pp. 412-413.

Construction estimates indicate that annual total housing production was about 31,000 units per year. Roughly 13 percent of that annual production was accounted for by the public sector; nevertheless, the programs have had an appreciable impact on the supply of housing.

In addition to the low-cost housing program, the NRC recognized the need for an institution to finance housing and construction directly. The Bank for Housing and Construction (BHC) was established November 30, 1972. Operations began December 1973. Its primary objectives were to finance and implement housing schemes, to encourage and facilitate the participation of domestic and foreign capital in those schemes, and to encourage the development of an industrial base to support those schemes. As of 1976, the BHC had approved 276 long- and medium-term mortgage loans averaging ¢ 23,000. Though obviously only meeting upper-income markets, BHC expresses a growing interest in lower-income housing markets.

As a result of general dissatisfaction with the low-cost housing program -- most of the units were too costly, subsidies were heavy, and construction prices continued to increase during the program -- emphasis has shifted away from providing fully developed housing. The Five-Year Plan (1975-1980) recognizes that there had been "no consistent direction in housing programs for many years" and that "there was no comprehensive housing policy yet in operation."* It stated that the ultimate goal of the country's housing policy was to provide decent housing at a cost affordable by all Ghanaians and that this goal could only be achieved through programs and policies which encourage private enterprise.

Specifically, the Five-Year Plan outlined the following objectives:

> The reduction of building construction and infrastructure costs.
>
> A greater emphasis on low-income housing (as opposed to low-cost housing) in both rural and urban areas through sites and services and urban upgrading schemes, rural and urban cooperative schemes, and self-help methods.

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*Five-Year Development Plan (1975-1980), Part II. Accra: Ministry of Economic Planning, January 1977, p. 415.

Accelerated development of the local building materials industry to reduce the construction industry's dependence on imports.

Recognition that the government's role should emphasize the provision of infrastructure rather than the direct construction of housing.

Improvement of housing standards in both urban and rural areas by promoting the orderly growths of human settlements through effective planning and growth.*

Several strategies were developed to implement those goals. The most important was establishment of the National Mortgage, Financing and Guarantee Scheme of the Bank of Ghana (S.M.C.D. 23, 1976). It became effective in August 1977 and has the following objectives:

Increased financing of home construction and renovation by private individuals.

Financing of house construction by organizations engaged in selling or renting housing to private individuals.

Indemification by the Bank of Ghana for losses from defaults by participating financial institutions.

Establishment of a secondary mortgage market by the Bank of Ghana.

The plan also called for: purchase of urban land by government to ensure the stability of land tenure and control land costs; establishment of a National Housing Coordinating Committee under the Housing Division of the Ministry of Works and Housing; decentralization of planning functions to reflect new local government capabilities; encouragement of rural housing; tax and loan incentives for building materials industries; and termination of the low-cost housing program started in 1972.

Budgetary allocations for low-cost housing dropped from a high of ₵ 9.3 million in 1972/73 to only ₵ 3.0 million in

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*Five-Year Development Plan, pp. 415-416.

1977/78. The current allocation is only intended to complete housing projects already started. Spending since 1975/76 has included provisions for sites and services schemes and urban upgrading in the slums of Accra.

During the plan period, total expenditure on public sector programs was expected to reach ₵ 290.4 million (1975/76 prices) and involve the State Housing Corporation, the Tema Development Corporation, the Department of Rural Development, and the Department of Town and Country Planning.

The State Housing Corporation is expected to build 9,900 housing units over the plan period (1,950 high-income houses projected to cost ₵ 43.2 million and 7,850 low-income houses projected to cost ₵ 60.8 million). As a departure from past practice, however, the government would finance only low-income housing. Once the Bank of Ghana's National Mortgage Financing and Guarantee Scheme is fully operational, it will finance both low- and high-income housing. The government will allocate an additional ₵ 14.6 million for infrastructure.

The programs of the Tema Development Corporation will be similar to those of the SHC. The TDC will build 1,000 units in addition to the 5,000 houses (50 percent of which are destined for low-income earners) that public and private employers in Tema are expected to build. The government will finance only low-income housing.

The Department of Rural Development will execute the plan's rural housing programs. During the period, an estimated 10,740 self-help cooperative housing units will be built that are projected to cost ₵ 48.3 million. A total of ₵ 12.0 million will be allocated for 10,000 roofing loans and wall protection loans.

Sites and Services

A total of ₵ 11 million was allocated for sites and services and slum upgrading through the Ministry of Works and Housing, in cooperation with the World Bank. Under the original terms of the program, 6,000 serviced plots were to be developed in Accra, Tema, Sekoundi-Takaradi, Kumasi, and Tamale. Two forms of loans were to be provided to project beneficiaries: 1) loans to cover the cost of plots and; 2) building materials and loans for skilled labor to cover the cost of building single rooms. The loans were to carry interest of 10 percent for 10 to 15 years.

Programs for Public Servants

Two programs assist public servants: public-assisted housing programs; and the public servants housing loan scheme. The first is a rent subsidy program for upper-income public servants. It has been in existence since Ghana's independence and provides government-owned housing for public servants or subsidizes rents for housing rented from the private sector. Upper-level civil servants generally pay 10 percent of their incomes toward rent; the remainder is provided by the employing agency. The public servants housing loan scheme, established in 1975, assists civil servants in buying housing. Loans are granted to public servants not in excess of five times an applicant's annual gross salary at two-and-a-half percent interest for periods not exceeding 30 years.*

Roof Loan Scheme

Because the roof of a house is the single most costly item, the rural roof loan scheme was initiated in 1955. Its primary objective was to provide loans to members of approved village housing societies for building materials. The maximum loan granted is ¢ 800 to ¢ 4,000 to a single village society for five years, with a one-year moratorium and 10 percent interest. As of 1972, 13,726 loans had been granted totaling ¢ 2.26 million. The scheme has always been plagued by high default rates, approximately one in three loans have been reported in arrears.

Wall Protection Loan Scheme

Since the life of mud houses can be greatly increased by providing them with suitable plaster, the government established a loan scheme with the terms similar to the roof loan scheme to assist rural homeowners in renovating their houses. There were roughly 100 beneficiaries of the scheme as of 1976.

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*The program is under the Ministry of Works and Housing, although the funds come from the Bank for Housing and Construction.

Rural Cooperative Housing Scheme

A third rural housing finance scheme incorporating the concepts of aided self-help was established in 1974 to provide technical assistance and building materials to semi-rural communities. Under the terms of the scheme, a minimum of 20 applicants having 20 acres of freehold land could form a society and receive building materials loans from the Department of Rural Development, if they provided at least ¢ 200 as a guarantee and supplied communal labor. By 1975, 400 houses had been completed under the program and 600 were under construction.

Shelter Sector Management

The shelter delivery system is administered by 10 ministries. These are Works and Housing; Finance; Trades and Tourism; Industry; Lands and Mineral Resources; Economic Planning; Labor, Social Welfare and Cooperatives; Education and Culture; Health; and Local Government. Each of these ministries is administered by a commissioner appointed by central government. Except when ministries contact each other to collaborate on particular problems, there is shelter policy coordination only at the ministerial level.*

The main functions of each ministry which are related to shelter provision are listed below. More detailed descriptions of primary shelter sector institutions are provided in Annex I. Details of the principal government agencies involved in the shelter sector are shown in Annex II.

Ministry of Works and Housing

Overall responsibility for formulating shelter policies, monitoring public and private sector agencies involved in

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*The Five-Year Development Plan calls for the establishment of a committee to coordinate all aspects of housing policy. This committee is supposed to bring together various agencies, at the ministerial and lower levels, to develop comprehensive shelter policies.

the construction of shelter, and developing shelter programs rests with this ministry. The ministry has administrative responsibility for the following organizations which both develop and implement the ministry's policies.

Ghana Highway Authority	Responsible for setting standards; monitoring contractors and consultants; planning, designing, and supervising government projects; and contract monitoring and execution.
Public Works Department	
Architectural and Engineering Services Corporation	
Town and Country Planning Department	Responsible for formulating planning standards and planning human settlements.
State Housing Corporation	Public sector executive shelter development agencies.
Tema Development Corporation	
Electricity Corporation of Ghana	Responsible for providing infrastructure and designing, constructing and maintaining those services.
Ghana Water and Sewerage Corporation	
State Construction Corporation	Construction of government projects.
Rent Control Division	Responsible for monitoring public and private sector rents, and the provision of both rental and sales units for public servants.
Public Servants Housing Loan Scheme Board	
Prefabricated Large Panel Products Limited	Industrialized building system.

Ministry of Finance

This ministry is responsible for overall financial policy. It develops policy for credit, investment, banking, and currency matters. It exercises responsibility over the following organizations which deal with shelter provision:

Bank of Ghana	Involved in providing finance for public and private construction projects, the development and operation of building materials industries and contractors, private housing supply, and providing exchange for the above, sponsoring housing estate developments.
Bank for Housing and Construction	
National Investment Bank	
National Savings and Credit Bank	
Ghana Commercial Bank	
First Ghana Building Society	
Ghana Supply Commission	
State Insurance Corporation	
Social Security and National Insurance Trust	
Private Commercial Banks	

Ministry of Trades and Tourism

This ministry promotes and regulates internal and external trade. It affects shelter through the regulation of internal trade (distribution and price controls) and the regulation of external trade through the issuance of import licenses. The ministry also has responsibility for the following organizations which affect the provision of shelter:

The Ghana National Trading Corporation	Responsible for distribution of supplies; building materials, vehicles and parts.
The Ghana Timber Marketing Board	Responsible for the management and sale of timber on both domestic and foreign markets.

Ministry of Industry

This ministry has responsibility for the formulation of industrial policy, the preparation of national industrial development plans, the promotion and appraisal of industrial projects and the control and regulation of both public and private sector industrial enterprises. The ministry regulates the development of industrial enterprise. It processes applications for industrial import licenses. The following organizations are directly under its jurisdiction:

The Ghana Standards Board	Responsible for the development and regulation of industrial standards; also involved in the development of building standards.
Ghana Industrial Holding Corporation	Produces fired clay bricks and tiles, electronic equipment; glass products, paint and stone.
Ghana Cement Works Limited	Produces cement.
Ghana Aluminum Products Limited	Produces aluminum roofing sheets.
Small-Scale Industries Unit	Responsible for assisting small-scale industries.

Ministry of Lands and Mineral Resources

This ministry had administrative responsibility for the following organizations which administer and regulate land and natural resources:

Land Department	Responsible for the administration and regulation of land development as well as monitoring and registering public and private land transactions.

Survey Department	Responsible for national surveys and mapping as well as monitoring surveyors.
Gliksten West Africa Limited	Production of timber products.
African Timber and Plywood Company Limited	
Takoradi Veneer and Lumber Company	
Mim Timber Company Limited	

Ministry of Economic Planning

This ministry is responsible for national economic policies and regional planning. It exercises oversight over the following organizations:

Planning Division	Responsibility includes regional resource and development planning and the administration of regional development corporations.
Central Bureau of Statistics	Produces statistics on social and economic matters.
Council for Scientific and Industrial Research	Advises government on scientific and technological matters, coordinates research and disseminates research and technical information.
Building and Road Research Institute	Researches building and road construction methods and maintenance; promotes the development of indigenous materials; provides urban and rural transportation studies; develops

	building materials; performs environmental and social research related to shelter.
Forest Products Research Institute	Research related to timber and associated building products.
Environmental Protection Council	Provides advice on environmental matters, researches environmental quality, coordinates organizations concerned with environment, responsible for environmental education.

Ministry of Labor, Social Welfare and Cooperatives

This ministry is concerned with programs for social and economic advancement, development of cooperatives, and the production of labor legislation. It administers the following agencies which provide inputs for shelter development:

Labor Department	Responsible for enforcement of labor legislation, establishing minimum wages.
Department of Social Welfare and Community Development	Responsible for social welfare and community development programs in urban and rural sectors.
Department of Rural Development	
Department of Cooperatives	
National Vocational Training Institute	Responsible for training programs establishing training standards for artisians.
Management Development and Productivity Institute	

Ministry of Education and Culture

Overall responsibility for formulating educational policies and executing those policies. In addition, administers the following bodies which are involved in various aspects of shelter development:

University of Science and Technology	
Faculty of Architecture	Trains shelter sector professionals.
Faculty of Engineering	
Department of Housing and Planning Research	Researches urban and rural low-income housing, the development of indigenous materials, training of middle-level technicians.
Technology Consultancy Center	Engages in the development of appropriate technologies and assisting small-scale industries.

Ministry of Health

The provision of integrated rural and urban health services is the responsibility of the Ministry of Health. In addition to maintaining health services throughout Ghana, it also administers these shelter-related organizations:

Environmental Health	Provides sanitary control of the physical environment.
Sanitary Engineering	Ensures that public health requirements are met in all engineering projects; water supplies, sewerage disposal, housing town planning; provides public health engineering services.

Sanitation Services	Consists of the organization and operation of refuse and night soil collection and disposal, public cleansing and control of mosquitoes where local authorities do not perform these activities.
Sanitary Inspection	Enforces public health regulations and promotes proper sanitation practices, inspects housing, markets, public places, and food processing facilities.

Ministry of Local Government

This ministry is the central government authority responsible for planning and control of the activities of local authorities, the bodies at the local level charged with providing basic amenities and overall development of their areas.

Housing Finance and Development Institutions

Since independence, Ghana has undertaken a wide range of housing finance policies to encourage both public and private sector participation. The first major attempt at private sector housing finance was the establishment of the First Ghana Building Society in 1955. The Building Societies Ordinance (November 30, 1955) established the society and was intended to encourage private savings for housing and to develop mortgage financing for housing. The first decree specifically dealt with mortgage financing (the Mortgage Decree of 1972).

Prior to 1972, housing finance policy had involved direct government financing of completed housing estates developed by the State Housing Corporation and the Tema Development Corporation. Until recently these corporations relied primarily on budgetary support from the government for their programs. The corporations also received subsidized interest loans and passed them on to the beneficiaries

of their projects. The Tema Development Corporation also relies on cross-subsidization of housing from its industrial clients. Both corporations receive land at no cost from the Lands Department. The State Housing Corporation provides beneficiaries with heavily subsidized infrastructure. The foreign exchange component of building material costs has also been subsidized because of Ghana's overvalued currency.

Commercial banks have not entered the housing mortgage market because of the lack of guarantees. Prior to the enactment of the National Mortgage, Financing and Guarantee Scheme of the Bank of Ghana (1976), the only protection against defaults was the Mortgage Protection Assurance Policy issued through commerical insurance companies which borrowers were required to carry on their loans. Foreclosure procedures were complex due to the lack of bankruptcy legislation and to intricate inheritance patterns.*

The Bank for Housing and Construction was chartered in 1973, to finance mortgage loans. As a young banking institution, however, its mortgage loans have totaled only about eight percent of its total loan portfolio, and have all been to middle- and upper-income groups.**

Recent government policy is to finance only infrastructure in urban shelter development and to encourage greater private sector participation in housing. The Bank of Ghana established the National, Mortgage, Financing and Guarantee Scheme in 1976 (it became operational in August 1977), to encourage the entry of commercial banks into mortgage markets and to provide them with a second mortgage market.

A review of current organizations operating in shelter sector development and finance is presented in Table 35. Most of the organizations have only been able to serve higher-income groups and have limited impacts on total housing requirements. The annual housing construction rate is estimated at about 30,000 units. Their interest rates and terms to beneficiaries do not vary greatly. Loans currently average about 10 percent interest with repayment periods of up to 25 years.

Economic Survey (Ghana), various issues.
Annual Report, Bank for Housing and Construction.

TABLE 35

SHELTER SECTOR INSTITUTIONS AND PROGRAMS: GHANA

Organization or Program	Ministry or Sponsoring Agency	Date Established	Units or Loans Produced Total	Units or Loans Produced Annual	Funds Allocated	Average Cost per Unit	Source of Financing	Volume of Financing (¢ Million)	Terms to Beneficiaries Period/Interest/Deposit Years	%		Target Groups	Subsidies	Remarks
DEVELOPMENTAL AGENCIES														
State Housing Corporation	MOH	1955		1,500 (1976)		¢11,500 (1977)	GOG Others	14.9 (1975/76)	25	9%	15%	Middle Upper	Land, Infrastructure Regional Costs	
Tema Development Corporation	MOH	1952	16,779	300 (1975/76)		¢ 6,000 (1975)	GOG Commercial Loans & Revenues Collected	12.5 others 8.5 GOG 21.4 (1975/76)	30	5-9%	5-20% for Houses costing more than ¢3,000	Upper-Lower, Middle Upper	Rent Subsidies between 30-50%	30% of houses sold hire/purchase
Ghana Urban Development Agency	MOH	(1978)				¢ 1,600	IDA credit GOG	57.5 (1978/81)	10-15	10%	7-16%	Lower		Agency proposed to execute sites & services schemes
FINANCIAL INTERMEDIARIES														
Bank for Housing and Construction	MOF	1973	276 (1976)			¢23,000	Savings Commercial Loans Shareholders	3.0 (1976/77) Medium & Long term mortgages Total 13.6 (1975)	up to 20yrs must save with bank at least	10% (1977)	10%	Upper		Savings-7½-8% interest
First Ghana Building Society	MF	1956				¢12,300 (1974)	Savings Deposits	5.0 (1974) (Savings Deposits)	25 must save with society for 3 yrs	10%	80%	Middle Upper		Savings-5-5½%
State Insurance Corporation	MF	1962	¢8 million (1974)	87 loans	¢2.0 million	¢23,000 (1974)	Deposits	2.0 (1974)	15	5-7% (1974)		Middle Upper		Must be policy holder
Bank of Ghana National Mortgage, Financing, and Guarantee Scheme to commercial Banks	MF	1[illegible]					GOG		10-25	10%	5%			Must save with commercial bank for 3 years
Social Security and National Insurance Trust	MF	1965		2,000 (1977)	¢20 million	¢10,000 (1977)	Deposits	¢96						
Department of Rural Development	MLSW													
Roof Loan League		1955	15,000 loans (mid 1977)	1,000 loans (1974/75, 75/76)		¢ 2,400 (1977)	GOG & Repayments	¢1.6 (1974/75, 1975/76)	6	10%		Lower & Middle Rural	High default rate (33%)	Through village societies only, must have house
Wall Protection Loan Scheme		1972	200 (1977)				GOG & Repayments		6	10%		Lower & Middle Rural		as above
Rural Cooperative Housing Scheme		1974	1,000 (1975)	400 Houses (1974)	¢1.3 (1974)	4,500 (1975)	GOG	¢1.3 (1974) ¢4.3 (1975)		10%	¢300 deposit	Lower Middle Rural	Materials costs, technical skills	must have 10 applicants per community with 20 acres of free hold land
MINISTRY OR CENTRAL GOVERNMENT														
Ministry of Works and Housing														
Low Cost Housing Program		1972	5,532 (1976)		¢58.2 (1976)	¢10,520	GOG	¢10 (1972/73)	varies by region many bought by public and private corporations			Upper Lower, Middle	Rent Subsidies, Material costs, land, infrastructure	Usually implemented by regional organizations
Sites & Services (See Ghana Urban Development Agency)														
Public Servants Loan Scheme		1975			¢11 (1975/76)		CJG	¢5 (1975/76)	30	2½%		Middle Upper	Interest	Must be senior level public servant, loan less than 5 times gross annual salary
Public Assisted Housing		Independence					GOG	¢4 (1977/78)				Middle Upper	Rent, Maintenance, Labour, Materials	Must be senior level public servant, rent is 10% of annual salary
National Savings and Credit Bank		1972								13%				

SOURCE: PADCO analysis.

The most common means of housing finance is through informal saving of building materials by owners. A potential owner typically acquires either leasehold or freehold tenure from the traditional owners. Except in dense urban areas, land can be obtained relatively inexpensively, often by paying traditional drinks money or by paying annual rents to traditional owners. The holder is required to develop the plot within a fixed period, usually five years. To maintain their leases, temporary structures, walled enclosures, or simple collections of building materials are erected over several years. The gradual saving of building materials is common among all income groups. It is also common for owners to construct houses over a long period.

Occupancy of unfinished houses by low-income groups is a common practice because of the lack of alternative housing and the lack of financing for home completion.

Land Tenure

There are four major categories of urban land tenure in Ghana: 1) private or family land; 2) stool/skin land; 3) stool/skin land vested in the state; and 4) government land. Only in the latter case can the land be said to be actually owned. In all other cases the land is held in trust by the community as represented by traditional rulers. While the land cannot be sold, its use can be transferred to individuals or family groups in the form of leasehold or freehold.

Family land is land which has been granted to a family group, usually as a freehold. The group possesses the rights, and the land cannot be disposed of without the permission of the entire family group. Traditionally, the family group includes both living and nonliving members, which makes transactions involving family land almost impossible. Private land is land over which rights of use have been granted to individuals by either traditional authorities or government bodies. It can be held as either freehold or leasehold and can freely be disposed of at the will of the owner.

Stool or skin land (the determination is both ethnic and regional)* is held in trust by traditional rulers for the

*Stool land is the terminology for land held in trust by traditional rulers of the southern tribes, and is said to be held by the person occupying the stool having authority over the area. The term skin land designates land held in trust by northern tribes as represented by the skin, the symbol of authority over a particular area.

community. The traditional ruler can transfer use rights to individuals or family groups, but maintains actual ownership of the land for the community.

When the right to control and administer tribal land (stool or skin land) has been assumed by the government, it is considered vested in the state. The actual ownership of the land remains with the tribal group, and traditional rulers still maintain rights to any traditional payments for use of the land's rights when it is vested with the government. However, the actual use of the land has passed to the government which may determine how it is to be developed and who is permitted to occupy it.

In the final case, government land, the ownership of the land has passed to the government which may transfer the land to other users, either through leasehold or freehold, or maintain the land for its own uses. As is the case with tribal lands, the government does not transfer the ownership of the land to other uses.*

One other informal form of land tenure exists in urban Muslim comunities, particularly in Kumasi, where different portions of a house can be inherited by different persons. The heirs receive full possession and rights to that portion of the house and can dispense with it at will.

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*Three primary statutes of the government control government acquisition and programming of land: a) the Administration of Lands Act 1962 (Act 123) which regulates the control and administration of stool lands; b) the States Lands Act, 1962 (Act 125) which empowers the republic to acquire land for public purposes by an Executive Instrument (on publication) of the instrument, the land involved becomes vetsted land without further encumbrances subject to the payment of compensation); and c) the Public Conveyance Act 1965 (Act 302), and the Conveyancing Decree 1973 -- NRC Decree 175 which provides for the need of recording at District Courts grants of land or interests in land made at customary law.

The detail and mode of operation of these and other relevant statutes are not available, nor are more precise definitions of land tenure terminology.

In most urban areas land tenure is extremely complex, as a result of inheritance of land rights by different members of families and the frequent practice by traditional rulers of granting land-use rights to the same parcel of land to several persons. Furthermore, most urban land is not surveyed, and most tenure rights and agreements are not filed with the Land's Department, making land development complicated and the provision of infrastructure to existing settlements difficult. Many local authorities refuse to provide urban services in communities where land tenure is unclear.

Chapter V

CONSTRUCTION AND BUILDING MATERIALS INDUSTRIES

Construction Contractors

As of February 1977, 80 civil works and 329 building works contractors were registered as qualified for government work with the Quantity Surveying Branch of the Architectural and Engineering Services Corporation (Table 36).* Building contractors are registered in four categories by capacity to execute projects. A summary of those registration classes is presented here.

Grade I Building Contractors

In 1977 16 contractors qualified under this class. Each was required to have a capacity of not less than ¢ 1 million (US$ 870,000) and have liquid cash assets of ¢ 50,000 (US$ 43,500). All but one of the 16 contractors have their main offices in Accra. Most of them also have regional offices. Fully staffed, these contractors employ more than 1,500 workers. Grade I building contractors have construction capacities exceeding ¢ 10 million per annum and have a full complement of building skills available to them. Although there are no foreign contractors in Ghana, several Grade I contractors are partially owned and managed by expatriates.

Grade II Building Contractors

About 12 percent (39) of the registered building contractors qualified in this group by having performed at least ¢ 600,000 (US$ 520,000) worth of construction work over the last five years and having ¢ 35,000 (US$ 30,400) in liquid

*The Public Works Department also registers and maintains records on contractors and consultants.

assets. Over half of these contractors have their main offices in Accra. Grade II contractors have minimum capacities of ¢ 300,000 and are qualified to tender for government contracts of ¢ 300,000 to ¢ 500,000. Their management and ownership is mainly domestic.

TABLE 36

Registered Civil Works and Building Works Contractors as of February 1977

Grade	Civil Works					Building Works				
	I	II	III	IV	Total	I	II	III	IV	Total
Accra	4	17	13	11		15	27	69	72	
Tema	1	1	1	1		--	3	4	5	
Sekondi-Takaradi	--	--	1	1		--	1	4	3	
Kumasi	1	1	3	2		1	1	12	19	
Tamale	--	--	--	--		--	--	6	10	
Others	1	2	7	12		--	7	33	37	
Total	8	21	25	27	81	16	39	128	146	329
Percent of Total	9.9	25.9	30.9	33.3		4.9	11.9	38.9	44.4	

SOURCE: Architectural and Engineering Services Corporation, Accra. AESC. Form, Roc 7A.

Grade III Building Contractors

Of all registered building contractors, 138 (39 percent) qualified as Grade III, by having completed ¢ 300,000 (US$ 261,000) worth of construction during the last five years and by having ¢ 20,000 (US$ 17,000) in liquid or fixed assets. Grade III contractors are qualified to tender for government construction projects from ¢ 100,000 to ¢ 300,000. Of this group, 21 percent are located in Accra. The minimum staff requirements to qualify in this group are: a works foreman, one surveyor, and two artisans with five years experience in masonry, carpentry, or jointry.

Grade IV Building Contractors

The minimum requirements to qualify for Grade IV contractor registration are: ¢ 5,000 (US$ 4,300) in liquid assets, one artisan with three years experience in carpentry or masonry, one concrete mixer, and one tipper truck or one

pickup. Grade IV contractors can tender for a maximum of ₵ 100,000. As of February 1977, 146 building contractors had met these minimum qualifications and were registered. This represented 44 percent of all Ghanaian contractors. Almost 50 percent of these contractors operate entirely in Accra.

Since late 1973 the maximum value for which each class of contractors can tender has increased between 100 and 300 percent, the lower works classes having increased the most. These increases are, in part, a recognition of the increased sophistication of formal sector contractors. However, they are mainly a result of price increases in construction -- the construction price index has increased an estimated 160 percent since 1973.

Small-Scale Contractors, and Sectoral Linkages

Table 37 provides an estimate of the number of employees in small-scale construction employment. Some 72 percent of small-scale construction employment is in firms with nine or less workers.

Formal sector construction firms often provide training for informal industries. Many daily employees have small-scale construction activities of their own when they are not employed in the formal sector. Over 75 percent of the labor force had some informal sector experience.* Thus, while formal sector firms may not actively engage in low-income shelter construction, linkages between them and the informal sector are strong.

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*Sethuraman, S.V., "Jobs and Skills Programme for Africa: Report on the Employment Mission to Ghana" and "Development of the Informal Sector." Geneva: International Labor Office, Revised draft, February 15, 1977.

Table 37

Small Business Survey: Summary of Workers by Employment Category and Firm Size, 1970

	Firms with Non-Family Workers			Informal (Owner only)	
	Medium (10-29)	Small (1-9)	Traditional (Some non-wage workers)	(Houses, Market stalls)	Total Number
Manufacturing	27.5%	17.4%	38.8%	16.4%	100.0%*
Construction only					
Accra	3,558	2,251	5,020	2,122	12,939**
Kumasi	1,843	1,166	2,601	1,099	6,703**
Sekondi-Takaradi	871	551	1,229	519	3,166**
Tema	2,077	1,314	2,930	1,238	7,551**

SOURCE: *Steel, Small-Scale Industries in Ghana and *Steel's Survey and Employment Statistics from 1971 Supplemental Inquiry and 1972 Labor Statistics.

Low-Income Housing Construction Types

The construction of nonpermanent buildings in 1974 was estimated at ₵ 21.4 million, about 12 percent of the total value of new construction.* Nonpermanent buildings probably include most new construction in the informal sector. This low-income housing can be classified into three categories:

Constructed from salvage materials.

Constructed from traditional materials and technologies.

Constructed from conventional building materials and technologies.

*The Economic Survey of Ghana, 1972-1974.

Construction from Salvage Materials

Many low-income housing units use salvage materials. Ashaimen in Tema shows the most extensive use of salvage materials. Wood packing crates from the port are used for sheathing of timber framed structures. These houses are fairly durable but are subject to damage from termites and exposure to the elements. Inhabitants do not regard them as permanent structures; maintenance is minimal.

Construction with Traditional Building Materials and Technologies

An estimated 53.6 percent of the existing urban housing stock is built of mud block or a similar material called swish. The Ghanaian version of swish or atekepame is built by itinerant builders, usually from neighboring countries. Compacted laterite is formed into balls and laid up in smoothed layers of about one-and-a-half feet. If the clay-sand contents of the laterite are of optimum proportions, a swish house can last 25 years or longer with proper weather-proofing plasters.

The main problems associated with this technology are erosion resulting from poor construction and a lack of skilled builders. Erosion can occur when laterite is taken directly from the street adjacent to the house and holes are filled with poorly compacted material. The fill eventually erodes and undermines the foundations. The technology was introduced in Ghana in the mid-1880s, but has never been truly Ghanaian. Since the Aliens Compliance Act of 1969, the number of swish builders have decreased substantially. The technology itself, unless it uses stabilizing materials, is no longer considered an alternative to more costly construction and is not used for new urban construction.

Conventional Technologies

Sandcrete construction -- lower-grade concrete blocks made with sand and about 25 percent cement by volume -- is the major building material used in most new construction. It is the most expensive and the most permanent building material. Blocks vary widely in quality, because the proportion of cement used is often reduced. Interior and exterior surfaces are, therefore, usually plastered. Most

sandcrete blocks are manufactured by simple machines in small factories. There are two or three mechanized block factories in Ghana that produce hollow core blocks with a higher level of finish, but they are not used in low-income housing.

Landcrete -- laterite stabilized with four to eight percent cement by volume -- is a lower cost variation of sandcrete. As with sandcrete, its most expensive component is the cement.

Roofing for all construction types is of similar timber rafters or purlins covered by galvanized iron or corrugated asbestos-cement roofing sheets. Galvanized iron is the most frequently used roofing material. In low-income areas they are often in a state of poor repair. Asbestos-cement and aluminum roofing sheets are also available but are more costly, and often in short supply.

The 1970 census shows that roughly 50 percent of urban housing was of sandcrete or landcrete block, 43 percent was of swish, and the remainder was of salvage materials. Roughly 87 percent of all urban housing used metal or asbestos-cement roofing sheets (Table 38).

TABLE 38

Building Materials Used in Urban Housing, 1970 and 1960
(in percent)

	All Types of Materials	Sandcrete Blocks	Landcrete	Swish	Salvage
1970	100	50.0	50.0	43.0	7.0
1960	100	37.8	3.5	53.6	5.1

SOURCE: 1970 Population Census, 1960 Post Enumeration Survey.

Production of Building Materials

The Ministry of Industries keeps statistics on formal sector building material manufacturers of both primary and secondary materials. This accounts for most building material production in Ghana, with the exception of mud technologies and very small quarry operations. The ministry listed 75 formal sector firms engaged in building material production at the end of 1976. Ten of those firms produce most building materials: cement (one firm is a collaborative between the Government of Ghana and a Norway firm), roofing sheets (eight firms), and reinforcement (two firms). Lumber is

produced locally by about 25 firms. Quarry materials are produced by about six large firms.*

An additional 197 small-scale firms, about four percent of informal sector firms in Accra, produce building materials such as concrete products, wood products, and metal products. These firms provide about 10 percent of total employment in the informal sector.** They provide secondary building materials used in low-income housing.

Small-scale building materials manufacturers are found in similar numbers throughout urban Ghana (Table 39). There are about 325 small furniture and wood product manufacturers producing building materials in Kumasi. Similarly, Tema probably has about 175 wood product firms. All these firms rely on large-scale manufacturers for primary building materials. Table 40 shows the total building materials firms in the formal sector and the estimated value of imported components.

Major building materials have a very high reliance on imported raw or semi-finished materials: cement, 71 percent; locally produced steel rods, 37 percent; asbestos-cement roofing, 91 percent; aluminum roofing sheets, 64 percent; and galvanized iron roofing sheets, 67 percent.*** These materials account for about 80 percent of total building materials costs.**** The total import component of the building industry is about 50 percent of total costs.*****

In spite of the heavy reliance on imports, and although the annual value of imports of raw or semi-finsihed materials

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*Industrial Statistics, Ministry of Industries, 1976.

**Steel.

***Industrial Statistics, Ministry of Industries, 1976.

****The category includes materials which are mixed with imported materials such as sand which cannot be used without imported materials.

*****National Housing Estimates, Building and Road Research Institute, Kumasi, Ghana, 1975, p. 15.

TABLE 39

Estimated Small-Scale Industries in Urban Areas,
(Firms per 1,000 Population)

	Large Cities*	Medium Cities	Small Cities	Percent of Total
Garment workers	4.27	4.47	2.09	44%
Furniture and wood products	0.98	0.90	0.26	9
Bakery	0.46	0.59	0.65	7
Grain milling and food processing	0.43	0.78	0.26	5
Metal products	0.21	0.31	0.26	3
Motor vehicle repair	0.48	0.63	0.13	5
Others	3.20	1.97	0.91	27
Total	10.03	9.65	4.56	100%

NOTE: *Accra, Kumasi, Sekondi-Takaradi, Tamale, and Cape Coast.
SOURCE: Small-Scale Industry Development in Ghana. Prepared for Government of Ghana by Checchi and Company, April 1977, Annexx, pp. 7-10.

has steadily increased,* the actual quantities of imported materials have remained roughly constant.**

Construction capacity is closely linked to annual cement production. Building products containing cement account for between 30 and 60 percent of the total expenditure on building construction. The annual production of cement measured in per capita consumption has averaged 0.05 tons, about 500,000 tons per year. To maintain this level of cement consumption, imports of gypsum and cement clinker have risen from ₵ 5.7 million in 1970 to ₵ 18.7 million in 1976.*** However, the volume of cement production only rose 19 percent, from 428,000 tons in 1970 to 511,000 tons

*Economic Survey, p. 37.
**Housing Statistics, Vol. 1, No. 3. Building and Road Research Institute, Kumasi, Ghana, July 1975. External Trade Statistics of Ghana, Central Bureau of Statistics, Accra, December 1975.
***Industrial Statistics, Ministry of Industries.

TABLE 40

Production, Sales and Import Components of Selected Ghanaian Building Materials Manufacturers

Types of Products	Number	Imported Value*
Cement	1	71.0%
Roofing Sheets (Iron)	6	67.0%
Aluminum Roofing Sheets	1	64.0%
Asbestos Roofing Sheets	1	90.8%
Cement Flat Sheets	1	
Cement Blocks	6	
Iron Rods	1	40.4%
Steel Rods	1	37.3%
Paints	6	
Nails	4	94.8%
Roofing Nails	1	
Locks	3	n.a.
Hinges	6	n.a.
Lumber	25	--
Plywood	6	--
Louvre Flames	3	--
Sliding Doors	2	--
Quarry	6	--
Bricks	1	--

NOTE: *Imported value was calculated by dividing total imports by total sales values. For product lines where more than one category of material was produced, the Ministry is unable to produce the exact import value per product.

SOURCE: Trade Statistics, Ministry of Industries, Accra.

in 1976, barely keeping pace with the 20 percent increase in population during the same period (Table 41).*

Bank Proposals for Developing Building Materials

The continued shortages of building materials is recognized as a serious problem. Several development banks have made investment proposals to ease the situation. Table 42 shows the location and scope of several of these projects.

*By comparison, cement consumption is 0.041 tons per capita in Asia; 0.1008 tons in South America; and 0.42 tons in Europe.

TABLE 41

Per Capita Consumption of Cement

	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
Cement Consumed (thousand tons)	448	385	635	517	530	431	343	406	428	511	421	461	na	na	511
Population (millions)	7.1	7.2	7.4	7.6	7.8	8.0	8.2	8.4	8.6	8.8	9.0	9.3	9.6	10.1	10.4
Per Capita Consumption (tons)	0.06	0.05	0.08	0.07	0.07	0.05	0.04	0.05	0.05	0.06	0.05	0.049	--	--	.049

SOURCE: External Trade Statistics, 1969 Handbook of Statistics, Published by Central Bureau of Statistics, Accra, Ghana Cement Works, Accra, Ministry of Industries.

TABLE 42

BUILDING MATERIALS PROJECTS PROPOSED BY DEVELOPMENTAL ORGANIZATIONS IN GHANA

Type of Project	Capacity	Start Up Date	Sponsor	Location	Capital Costs	Remarks
Brick Factory	54 million	1980+	BHC, NIB	Accra Area	¢ 8 million	Will produce bricks for own Housing Estate
Brick Factory	15 million		BHC, NIB	Kumasi	¢ 3 million	Housing Estate Development
10 small regional structural clay tile factories	each 5 million		BHC		¢ 300,000	
Soil Bricks	10 rural projects each 1 million capacity		BHC		¢ 139,000 per factory	Uses chemicals to stabilise bricks quality of end product is questionable
Lime	30,000 tons		BHC	Buipe (Tamale Region)	¢ 5.8 million	Designed to provide Accra Factory with lime
Sand Lime Bricks	15 million		BHC	Accra Region	Estimates Range ¢1.5 million	
Brick Factory	6-8 million		BOG	Accra Region Cape Coast	Foreign Exchange Component ¢ 1.1 million per plant	Linked to Housing Project through Bank Subsidiary
Steel Works			BOG	(Tema)	¢ 300+ million	
Clay Tiles			BOG	Ashiaman		Feasibility and Land Acquisition not cleared with TDC
Quarries	50 tons/hour		BHC	Kumasi HO Cape Coast Bolgatanga Secondi		West German aid loan to Ghana
Timber Dépôts		Operational July 78	GTMB	Bolgatanga Tamale		Has plans to establish Dépôts in other regions
Cement Factory	100 tons/day		BOG BRRI	Upper Region	¢ 3.52 million	Pre-feasibility stage
Brick Factory	3.5 million p.a.	1976	BRRI	Kumasi	¢ 270,000	Residual Oil Fired Kilns (Research purposes only)
	3.5 million p.a.		BOG/BRRI/Regional Commission	Tamale	¢ 270,000	Construction started Lacks equipment
Steel Works	-	2 to 4 years	GIHOC	Kumasi Takoradi	Pre-feasibility Stage	Produce Flats and angles, some rods
Roofing Tiles	90,000	Operational	GIHOC	Accra		Convert Brick Factory to Tile only. Current Production sold to BOG

NOTES: BHC - Bank for Housing Construction
BOG - Bank of Ghana
GTMB - Ghana Timber Marketing Board
BRRI - Building and Road Research Institute
GIHOC - Ghana Industrial Holding Corporation
NIB - National Investment Bank

SOURCE: Various Organizations.

Most proposals call for a high level of capital investment and a preference for locations in the Accra region. Many proposals are tied to the requirements of specific housing estate developments; they therefore may not have much effect on the supply of building materials in urban centers.

Labor in Construction

Employment in construction amounted to 10.1 percent of all employment in both public and private enterprises having ten or more employees in 1974.* Construction employment as a proportion of total employment has been decreasing. In 1966 it accounted for 12.8 percent of industrial employment. During the same period, employment in private sector construction enterprises increased 44.5 percent. Public sector construction employment declined by 22.5 percent during the period (Table 43).

Table 43

Employment in Industrial Sectors

Sector	1971		1974		
	Public	Private	Total	Public	Private
Agriculture	13.9	5.2	12.2	15.4	3.8
Mining	3.9	11.8	6.7	4.5	12.1
Manufacturing	6.3	34.7	13.3	5.5	34.6
Construction	10.2	13.4	10.5	8.2	15.6
Commerce	6.8	13.1	8.5	6.0	13.9
Others	58.9	21.8	48.8	60.4	20.0

SOURCE: Economic Survey, 1972-1976, Central Bureau of Statistics, Accra 1977.

*While the very smallest contractors -- jobbers who do piecemeal work -- are not included in this category, very small unregistered contractors may be included. An operation that includes carpentry, masonry, plastering and concreting skills could easily have eight to 16 employees, even though it operates entirely in the informal sector and may not have the minimum equipment necessary for registration.

Wages and salaries showed continued increases during the 1972-1974 period; 5.8 percent (1971/72), 63.9 percent (1972/73), 62.5 percent (1973/74), and 40.2 percent (1974-1977). Increases in public sector construction wages were somewhat higher than for private sector construction (Table 44).

Labor productivity is low in building construction. Estimates based on the official rate structures used to estimate tenders for government contracts indicate that effective labor use may be as low as 35 percent of the total labor costs.* The remaining nonproductive element of labor costs is in part a result of employment policies by the Labor Department which make reduction in surplus labor forces during work stoppages or building material shortages difficult. As a result, contractors are forced to maintain large labor forces, even during slack periods.

In spite of some reductions in employment by larger contractors due to a greater reliance on capital equipment, the construction industry remains a good employment source for the urban poor. The average capital investment per worker to generate a 15-year construction job by a Grade IV building contractor is US$ 3,030 (1976 prices). This is below the estimated informal sector capital/labor investment of US$ 4,570 per 15-year job. Grade II contractors employing a minimum of 25 workers have capital/labor investment ratios per worker of US$ 3,290.

The predominance in the industry of semi- or unskilled labor is borne out by the heavy reliance (90.2 percent) on daily rated workers whose skills are less highly valued and subject to more frequent layoffs than monthly rated employees. By comparison, only 48.9 percent of all industrial employees were daily rated.**

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*Labor productivity was derived by comparing wages for skilled and unskilled labor with percentage costs supplied by AESC. Average productivity expected of construction labor was multiplied by average daily wages and then subtracted from the labor portion of contract costs. The difference of the two labor calculations was assumed to be the nonproductive element of labor costs. It should be noted that these nonproductive elements included social security (12.5 percent) as well as labor time not actually devoted to construction activities but charged to the project.

**Labor Statistics, p. 18.

TABLE 44

Percentage Change in Average Monthly Earnings per Employee in Establishments Employing 10 or More Persons

	All Sectors			Private Enterprises			Public Authority		
	1971/72	1972/73	1973/74	1971/72	1972/73	1973/74	1971/72	1972/73	1973/74
All Industries	6.7	13.5	38.2	14.1	1.2	29.8	4.5	17.1	51.6
Agriculture	0.0	8.5	61.1	-14.8	11.8	74.8	-6.5	4.5	44.1
Manufacturing	10.3	-20.5	75.7	8.4	-36.0	55.9	8.4	6.7	96.7
Construction	5.8	63.9	62.5	0.0	14.4	42.4	8.0	14.7	63.6

SOURCE: Central Bureau of Statistics, Accra, 1977.

Changes in Building Costs

The annual changes in the index of building costs is shown in Table 45 for the years 1970 through 1976. For that period the annual increase in building costs averaged 21 percent. These increases were primarily because of increases in key building materials, i.e., sand, stone, cement, timber, steel products, and roofing materials. Increases in labor costs showed relatively lower rates of average annual increase. Both imported materials and domestically produced materials exhibited large price increases throughout the 1970s (imported materials, 35.4 percent; domestic materials, 37.3 percent).*

Much of the apparent increase in construction from 1970 to 1974 is because of increases in the value of imports and domestic prices. During 1974, when the gross output due to construction increased 68.6 percent, the price index increased 34.7 percent, and the value of imported materials for construction increased 98.3 percent over 1973 values.** The real volume of construction imports changed very little.***

To illustrate the impact of cost increases on the ability of low-income earners to afford housing, the cost increases for a simple one-room house have been calculated. Table 46 illustrates cost increase components since 1967 for a house built of conventional building materials (sandcrete blocks, plaster, smoothed concrete floor slabs and asbestos-cement roofing sheets on hardwood purlins with no ceilings). Masonry, carpentry, and plastering skills supplemented with unskilled labor were the only building skills required. These estimates further assume that construction was by a small contractor (Grade IV or smaller) and that several houses were constructed in the same project.

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*Unofficial price increases for key building materials have been around 130 percent for the period mid-1976 to mid-1977. (Source: Unpublished Industrial Statistics, Ministry of Industries, 1977).

**Economic Survey, Central Bureau of Statistics, Accra, 1977, p. 37.

***Housing Statistics, Building and Road Research, Kumasi, 1975, pp. 1-14.

TABLE 45

Index of Prime Building Cost: 1963 = 100.0 Annual
Average of Monthly Index, Groupwise: 1970-1976

	Weight	1970	1971	% Change 1970-71	1972	% Change 1971-72	1973	% Change 1972-73	1974	% Change 1973-74	1975	% Change 1974-75	1976	% Change 1975-76	Average Annual % Change*
Unskilled labor	17.9	114.7	114.5	- .17	143.1	24.8	152.7	6.7	194.7	27.5	304.6	56.4	330.1	8.4	20.6
Skilled labor	26.2	112.9	111.4	- .13	121.8	9.3	132.7	8.8	163.3	23.2	218.5	33.8	245.4	12.3	14.8
Sand	2.2	140.9	125.4	-10.5	139.3	11.2	146.7	5.3	311.4	112.2	398.1	27.8	515.0	29.3	39.4
Stone	9.2	190.8	176.4	- 7.7	235.1	33.6	231.8	- 1.4	379.7	63.8	597.2	57.3	709.3	18.8	43.6
Timber	5.2	134.6	143.0	- 0.4	175.0	22.4	251.7	43.8	326.6	29.8	380.0	16.3	526.2	38.5	28.8
Cement	8.9	154.7	149.9	- 3.1	198.4	32.3	250.2	26.1	321.0	28.3	355.9	10.9	395.7	11.2	23.0
Steel Materials	5.4	228.1	238.8	4.7	285.8	19.7	362.3	26.8	634.1	75.0	1,158.4	82.7	1,140.7	- 0.15	34.8
Roofing Materials	5.4	120.1	215.4	79.5	164.8	-23.5	240.9	46.3	226.4	- 6.0	378.3	67.1	384.7	1.7	48.5
Miscellaneous	19.6	192.7	203.3	5.5	242.8	19.2	297.0	22.6	379.2	26.7	442.4	16.7	445.5	0.7	10.8
Total	100.0	148.0	153.9	4.0	180.8	17.5	212.0	17.4	285.8	34.7	396.6	38.8	432.2	13.4	21.0

NOTE: *1977 wage increases over 1976 wages for unskilled labor alone have shown a 73.9% jump. In the first two quarters of 1977 basic wages for unskilled labor was ¢ 2.30 per day. In the third quarter wages increased to ¢ 4.00 per day.

SOURCE: Central Bureau of Statistics, Accra (1977).

TABLE 46

COST COMPARISONS: SIMPLE ONE-ROOMED HOUSE, 1977, 1974, 1967

Year	Item	Materials ¢	%	Labor ¢	%	Overheads ¢	%	Profits (5%) ¢	%	Total Costs ¢	% of Total	Import Component %
1977 Materials: Sandcrete Asbestos Cement	A. Substructure 3" Cone Slab	39.55		11.25		13.90		3.01		63.20	7.7%	21.9%
	B. Superstructure Sandcrete Blocks/ Plaster	248.69		24.78		65.71		18.26		357.44	43.4%	43.6%
	C. Roofing Hardwood/Asbestos-Cement Roofing Sheets	210.40		15.25		33.70		12.95		272.00	33.0%	54.3%
	D. Doors & Windows	84.48		17.74		22.09		6.23		110 54	15 9%	9.7%
	F. Totals	583.12	(70.8%)	69.02	(8.4%)	135.10	(16.4%)	40.45	(4.9%)	823.18	100%	40.3%
1974 (same as above)	A. Substructure	30.54		5.20		9.66		2.28		47.87	10.2%	23.5%
	B. Superstructure	188.08		26.96		40.38		12.76		268.19	56.9%	46.4%
	C. Roofing	84.54		8.00		15.65		5.41		113.58	24.1%	51.0%
	D Doors & Windows	18.25		11.29		9.80		1.97		41.30	8.8%	.7%
	F Totals	321.39	(68.2%)	51 45	(11%)	75.49	(16.0%)	22.42	(4.8%)	470.94	100%	41.2%
1967 (same as above)	A. Substructure	13.29		3.09		4.41		1.04		21.82	9.5%	na
	B. Superstructure	82.96		18.53		16.87		5.90		123:86	53.8%	na
	C. Roofing	46.42		5.63		9 13		3.05		64.24	27.9%	na
	D. Doors & Windows	5.21		7.91		6.0?		.96		20.16	8.8%	na
	E. Totals	147.48	(64 1?)	35.15	(15.3?)	36 48	(15.8%)	10.95	(4.8%)	230.08	100%	na

NOTE: Large scale registered contractor costs for a similar house in Mid 1977

one room	¢ 1,240.40	Import Component
sanitary core	747.00	
Total	¢ 1,984.40	44.6%

SOURCE: Building cost statistics, interviews with building contractors, AESC rates, building and road research institute.

Since 1967, costs for this simple type of one-room house have increased 170.3 percent. The percentage of material costs to total costs has increased from 64.1 percent in 1967 to 70.8 percent in 1977. At the same time, labor costs as a percentage of total building costs has decreased (15.3 percent in 1967 to 8.4 percent in 1977).

For the two years for which import components could be calculated, the total import component remained about 40 percent of total building costs and was accounted for mainly by cement and asbestos-cement roofing sheets. Total profits and overheads remained about 20 percent of total building costs.

These costs do not represent costs if the project were undertaken by government and contracted at normal rates. The same house including a small sanitary core would have cost ₵ 984,400 in mid-1977, if built by a registered contractor with conventional materials. Its import components would have been 44.6 percent of the total building costs with the increase due mainly to imported sanitary fitting in the sanitary core.*

To illustrate the potential impact of import substitution, Table 47 presents the costs of the same one-room house (built by a small-scale contractor) using fired clay bricks, landcrete (local terminology for stabilized soil bricks), and timber. Both the brick and landcrete houses are about 15 percent lower in costs than sandcrete, because they require lower levels of imports.

Regional Cost and Supply Variations

The building costs quoted above are derived from Accra building costs. As the Accra metropolitan area is the primary source of both imported and manufactured building materials and the base for many building contractors, costs increase with distance from Accra. In Sekondi-Takaradi, building prices are about seven percent greater than for Accra, and Kumasi costs are about eight percent greater. Tamale building costs are about 15 percent greater than costs in Accra.**

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*Building Cost Estimates from Architectural and Engineering Services Corporation, 1977.

**Unpublished building cost data from the Architectural and Engineering Services Corporation, 1977.

TABLE 47

COST COMPARISONS SIMPLE ONE-ROOMED HOUSING USING INDIGENOUS BUILDING MATERIALS (1977 COSTS)

Year		Item	Materials	%	Labor	%	Overheads	%	Profits (5%)	%	Total	% of Total	Import Component %
1977 Brick Fired Clay Tiles	A.	Substructure 3" Concrete Slab	39.55		11.25		13.90		3.01		67.71	9.5%	22.9%
	B	Superstructure 4½" Brick Walls	224 97		29.95		47.67		15.31		317.72	44.5%	5.5%
	C	Roofing Fired Clay Tiles	145.67		15.80		27.61		9.45		198.50	27.8%	6.6%
	D	Jointry Wood Doors & Windows	84.48		17.74		22.09		6.22		130.51	18.2%	9.7%
	E.	Total	494.64	(69 2%)	74.74	(10.5%)	11.27	(15.6%)	33.81	(4.7%)	714.44	100%	8.1%
1977 Stabilized Soil (Sinderete)	A.	Substructure as above	39 55		11.25		13.90		3.01		63.20	8.8%	22.9%
	B	Superstructure Stabilized Soil Blocks	93 00		75 81		71.21		12.02		252.31	35.1%	22.7%
	C.	Roofing Asbestos-Cement	210.40		15 25		34.40		12.95		272.00	37.9%	54.3%
	D.	Jointry as above	84.48		17.74		22.09		6.23		130 52	18.2%	9.7%
	E.	Total	421 43	(59.5%)	120.05	(16 7)	140.60	(19.6%)	27.98	(3.9%)	718.03	100%	32.3%
1977 Timber Clay Tiles	A.	Substructure as above	39.55		11 25		13.90		3.01		67.71	6 0%	na
	B	Superstructure Timber Frame & Sheathing	415.15		29 50		69.12		25.69		539.47	47.5%	na
	C.	Roofing Clay Tiles	304.09		23.30		50.46		18.52		396.37	35.0%	na
	D	Jointry as above	84.48		17 74		22.09		6.21		130.52	11.5%	na
	E	Total	843 27	(74 4%)	81 79	(7 2%)	155 57	(13.7%)	51.4%	(4 7%)	1,134 07	100%	na

NOTE: 1) Market costs were used for building material and labor. Overheads reflect a rental rate paid to contractors for equipment brought to site, 10% of the combined costs of labor and materials to cover cost of running the contractor's office, and 50% of the labor costs to cover supervisor staff wages and contractor salaries. Profits are 5% of the combined costs of building material, labor and overheads. 2) The labor and overhead rates reflect assumptions that several similar house types were constructed at the same time by small contractors (Grade 4 or smaller). 3) Labor components of the stabilized soil house type include on-site processing of stabilized blocks while walling materials of other house types were purchased. 4) All costs quoted are Accra building costs, costs in other project cities are higher.

SOURCE: Building Cost Statistics, Interview with Building Contractors, AESC Rates, Building and Road Research Institute.

Over 71 percent of the supply of cement is consumed in four regions: Greater Accra, Western, Central, and Ashanti gions. The remainder is rather thinly spread over the rest of the country. This distribution pattern represents a per capita consumption of 0.090 tons in those four regions, compared with a national consumption of 0.059 tons (Table 48).

TABLE 48

Regional Cement Distribution, 1977*
(in tons)

Region	Actual	Percent	Reconstructed	Percent
All Regions	503.5	100%	503.5	100.0%
Greater Accra	221.0	44	221.0	44.0
Western	39.8	8	39.8	7.9
Central	36.9	7	36.9	7.3
Eastern	30.8	6	30.8	6.1
Volta	36.2	7	36.2	7.2
Ashanti	131.0	26	61.0	12.1
Brong-Ahafo	3.4	1	39.4	7.8
Northern	4.3	1	24.3	4.8
Upper	0.1	--	14.1	2.8

NOTE: *Modified to account for end uses of cement supply.
SOURCE: Cement Works, Headquarters, Accra, 1971.

The change in the number of building permits (although a poor measure of construction patterns, since most building owners do not seek official sanction) also indicates a heavy concentration of building in Accra (Table 49). The number of permits sought in Accra has increased by about 40 percent annually since 1970, while increases in other large cities have been marginal.

TABLE 49

Building Permits Granted in Accra,
Kumasi and Sekondi-Takaradi

City	1968	1969	1970	1971	1972	1973	1974	1975	1976
Accra	772	699	554	858	1,393	1,693	1,268	1,591	1,890
Kumasi	362	350	287	220	263	366	348	332	310
Sekondi-Takaradi	93	78	50	110	54	94	153	149	110

NOTE: No data are available on the rate of housing completions.
SOURCE: City Councils of the project.

Annex I

HOUSING FINANCE AND DEVELOPMENT INSTITUTIONS

Bank of Ghana

In addition to its functions as the central bank of Ghana, the Bank of Ghana is involved in shelter sector activities through three programs:

The Credit Guarantee Scheme to commercial banks for loans to small business.

The National Mortgage, Financing, and Guarantee Scheme to commercial banks for mortgage loans.

Investments in the shelter sector delivery system.

The Credit Guarantee Scheme

The Bank of Ghana has initiated a scheme that guarantees up to 80 percent of the value of loans to small businesses from commerical banks. Small businesses are defined as those with annual sales of less than ¢ 300,000 and capital assets valued at less than ¢ 100,000. Interest rates for banks participating in the scheme are fixed at 10.5 percent. This is lower than most current commercial loan rates (12.5 percent). From 1970 to July 31, 1976, the scheme issued guarantees totaling ¢ 140.6 million (an average of ¢ 23 million per annum). Of that amount ¢ 20.1 million (14 percent) were for small-scale manufacturing or service industry loans. The overall default rate has been low, less than 1.0 percent. However, individual banks have had arrears amounting to 30 or 40 percent of loans guaranteed under the scheme.* The scheme is an important source of credit for the small-scale building materials industry.

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*Small-Scale Industry Development in Ghana. Prepared for the Government of Ghana by Checchi and Company, April 1977, p. 13.

National Mortgage, Financing, and Guarantee Scheme

The National Mortgage, Financing and Guarantee Scheme (SMCD 23) was decreed in 1976 and was to become operational in August 1977. It is more immediately relevant to the shelter sector. Its objectives are:

> To promote the financing of the construction and renovation of dwellings by private individuals.
>
> To finance organizations, both public and private, engaged in building, selling, or renting housing to individuals.
>
> To provide a Bank of Ghana guarantee to financial institutions for defaults of loans granted under the scheme.
>
> To establish a secondary mortgage market by the Bank of Ghana to provide liquidity of financial institutions participating in the scheme.

To qualify for loans under the scheme beneficiaries must meet the following criteria: 1) be employed for at least three years prior to applying for a loan and be able to prove employment; 2) be able to provide at least five percent of total housing costs for which a loan is sought; 3) and have had an account with the financial institution from which the loan is being sought for at least three years.

An organization can qualify for a loan under the scheme by: being legally recognized under provisions of the decree; and providing not less than 10 percent of the total cost of the housing project.

Under the scheme the general terms to the beneficiaries are:

> Interest rates shall be two percent above the current annual interest paid on savings deposits. (There had been numerous complaints about fixed spread of the previous Credit Guarantee Scheme.)
>
> Security for the loan shall be provided through mortgage agreements between the beneficiary and the financial institution.
>
> The period of repayment shall not be less than 10 years and not more than 25 years, with an allowable grace period of nine months for construction.

The instrument provides an indemnity of 95 percent (90 percnet of total housing costs) of any loss incurred by a financial institution participating under the scheme. The scheme provides that a mortgagor shall be in default and that the property shall be subject to sale by the financial institution if the account remains in arrears longer than three months.

Due to the high liquidity requirements and a lack of effective mortgage legislation, commercial banks have been reluctant to enter the mortgage market. However, under provisions of the Bank of Ghana mortgage scheme, the bank can provide a secondary mortgage market for financial institutions that need to sell mortgages to maintain liquidity. Financial institutions can sell up to 50 percent of the total value of mortgages held under the scheme. The following is a list of the institutions able to participate in the scheme as of April 1976:

First Schedule: Financial Institutions*
- Ghana Commercial Bank
- Barclays Bank of Ghana Limited
- Standard Bank of Ghana Limited
- Bank for Housing and Construction
- National Credit and Savings Bank
- National Investment Bank
- Agricultural Development Bank
- Merchant Bank (Ghana) Limited
- First Ghana Building Society

Second Schedule: Construction Organizations**
- State Housing Corporation
- Tema Development Corporation

The scheme is the main instrument for inducing a shift from direct financing by government to the private sector. No statistics are yet available, but the government expects the scheme to operate in all income levels.

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*Institutions allowed to issue mortgages under the scheme.

**Institutions allowed to construct housing for sale, hire, or hire/purchase under the scheme.

Investment in Shelter Sector Delivery Systems

The Bank of Ghana has developed proposals for investing in primary and secondary building materials industries, both through lending and through acquiring equity interests in their operations. It follows a balanced policy of encouraging large-scale capital, intensive production -- such as its proposals to finance steel production -- and smaller-scaled more labor intensive operations such as simple brick factories.*

The Bank for Housing and Construction

The Bank for Housing and Construction (BHC) was established by decree on November 30, 1972 (amended in September 1973) and began business in December 1973. Basic data about its operations and ownership are shown in Table 50.

BHC's main objectives are: to finance and implement housing and engineering schemes in the public and private sectors; and to encourage and facilitate the participation of domestic and foreign capital in those schemes. It is authorized to make long- or medium-term loans with or without security; purchase and underwrite shares and securities; make equity investments; issue guarantees; borrow funds domestically and internationally; engage in research related to its activities; and to perform commercial banking functions such as accept deposits and provide commercial banking facilities.

As of mid-1975 authorized share capital was about ₵ 10 million while paid-in share capital totaled about ₵ 5.8 million. Current shareholders are the government and five public corporations, although BHC has the authority to issue shares to the general public.

BHC is governed by a Board of Directors comprised of 12 members, six of whom are appointed by the government, five by the shareholders, and the executive director. All top management personnel are Ghanaian. At the end of 1974, BHC had about 90 staff members, 34 of them were professionals. By 1978 it intends to recruit an additional 55 professionals.

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*Discussions with Bank of Ghana development officers.

TABLE 50

BHC Basic Data as of June 30, 1975

(thousands of cedis)

Ownership:	
Issued and paid-in share capital	
Government of Ghana (34.5%)	¢ 2,000
Public institutions (65.5%)	3,800
Total ownership	¢ 5,800
Resource Position:	
Sources	
Paid-in share capital	¢ 5,800
Profit and loss account	737
Bond issue	7,093
Total sources	¢ 13,630
Uses	
Hire-purchase (40% of outstanding)	¢ 7,131
Mortgage loans	2,797
Industrial loans	5,867
Equity investments	1,678
Fixed investments	318
Total uses	¢ 17,791
Available for disbursement	4,161
Approved not yet disbursed	11,978
	¢ 7,817
Operational Data:	
Total assets	¢ 63,617
Equity	6,537
Long-term debt	7,093
Term loans and equity portfolio	737
Rates and Charges (% per annum)	
Savings deposits	7-1/2%
Fixed deposits	
3 months	7-5/8%
6 months	7-7/8%
12 months	8%
Loans	
Short-term facilities	12-1/2%
Industrial loans	12-1/2%
Mortgage loans	10%
Hire-purchase	15%
Committment fee	1%
Guarantee fee	1%

SOURCE: BHC, September 1975.

Present policy stipulates that BHC may take as much as 100 percent equity participation, not less than 55 percent for the projects it promotes. Because of heavy managerial requirements for such equity participation, however, in actual practice BHC often has less than that amount of equity participation.

Due to its relative newness, BHC's past operations have focused on institution building; promoting and financing industrial, commercial, and residential buildings; providing working capital; and financing the purchase of equipment needed for local contractors and producers of building materials. Tables 51 and 52 show a breakdown of recent lending operations.

Housing finance has been limited to residential mortgage loans financed up to 90 percent of total estimated cost. The maximum housing loan is ¢ 50,000; the average size has been about ¢ 20,000. By the end of 1976, mortgage loan disbursements for 214 loans amounted to ¢ 4.83 million, averaging ¢ 22,570. Current mortgage loan terms to beneficiaries are at 10 percent interest with repayment periods of up to 20 years.

Financing contractor equipment is provided on a hire-purchase arrangement whereby applicants make a 25 percent down payment. The average loan size was about ¢ 50,000, with a maturity period of up to two years.

BHC's prefinancing of contracts awarded by the government to contractors unable to afford the heavy initial cash outlays provides up to 30 or 40 percent of contract amounts. The average loan of this type was about ¢ 50,000, usually for six months and renewable.*

By mid-1975, BHC had approved equity investments in eight projects, seven of which produce building and construction materials. The other is a plant-hire service company providing rental equipment to contractors.

BHC's commercial bank lending has been directed to meeting working capital needs of clients engaged in building and construction. Its total projected activities are presented in Table 53.

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*BHC is not precluded from prefinancing private sector contracts, but has not done so in the past.

TABLE 51

BHC Summary of Operations, June 30, 1975

(thousands of cedis)

	Approvals*		Disbursements	
	Number	Amount	Number	Amount
Short-Term:				
Prefinancing of contracts				
Roads	45	¢ 3,638	45	¢ 6,104
Buildings**	174	6,534	174	--
Subtotal	219	¢ 10,173	219	¢ 6,104
Hire-purchase***				
Trucks	150	¢ 7,166	150	¢ 7,166
Contractors' equipment	14	1,442	14	1,442
Subtotal	164	¢ 8,608	164	¢ 8,608
Total Short-Term	383	¢ 18,781	383	¢ 14,712
Medium and Long-Term:				
Mortgage loans	129	¢ 2,797	112	¢ 1,889
Industrial projects				
Loans, local currency	35	¢ 6,313	29	¢ 1,872
Equity	8	1,678	5	1,038
Subtotal	43	¢ 7,991	34	¢ 2,910
Total Medium and Long-Term	172	¢ 10,788	146	¢ 4,799
Grand Total	555	¢ 29,569	529	¢ 19,511

NOTES: *BHC does not distinguish between approvals and commitments as the time lag between the two is small.

**Includes ¢ 1.568 million as approvals for 80 contracts in respect of supplies of materials mostly building materials.

***Past hire-purchase had a term of up to two years.

SOURCE: BHC, September 1975.

TABLE 52

BHC Analysis of Industrial Loan Approvals, June 30, 1975

(thousands of cedis)

	Number	Percent	Amount	Percent
Size				
Under 50,000	13	37%	401	7%
50,000-200,000	17	48	1,468	23
200,001-500,000	2	6	640	10
500,001-1,000,000	2	6	1,404	22
Over 1,000,000	1	3	2,400	38
	35	100%	6,313	100%
New enterprise	22	63	3,999	63
Existing enterprise	13	37	2,314	37
Geographical Distribution				
Greater Accra Region	19	54	4,212	67
Central Region	--	--	--	--
Western Region	3	8	987	15
Brong Ahafo Region	2	6	128	2
Ashanti Region	7	20	748	12
Eastern Region	2	6	169	3
Volta Region	--	--	--	--
Northern Region	--	--	--	--
Upper Region	2	6	69	1
Industry				
Wood processing	3	9	198	3
Concrete products	8	23	1,320	21
Quarrying	5	14	1,317	18
Commercial Services	8	23	2,815	45
Hotels	5	14	461	7
Miscellaneous	6	17	382	6

SOURCE: BHC, September 1975.

TABLE 53

BHC Projected Balance Sheets, 1975-1978
(thousands of cedis)

	1974 (actual)	1978 (projected)
Liabilities and Equity		
Current Liabilities		
Deposits	18,792	128,100
Other Accounts	4,467	6,541
	23,259	134,641
Long-term Debt		
Local Currency		
First bond issue	3,182	10,000
Second bond issue	--	10,000
Foreign Currency		
IBRD	--	6,956
KFW	--	7,500
Others	--	6,396
	3,182	40,852
Equity		
Paid-in share capital	5,400	10,000
Profit and loan account	395	4,702
	5,795	14,702
Total liabilities and equity	32,236	190,195
Contingent liabilities	11,369	16,645
Assets		
Current assets		
Cash and balance with other banks	3,774	30,500
Government bonds and treasury bills	5,694	30,800
Other accounts	1,791	2,622
Commercial lending	11,172	66,401
	22,431	130,323
Special Loans and Advances		
Short-term		
Prefinancing, roads	369	2,606
Prefinancing, buildings	1,396	7,941
Hire-purchase, trucks	3,696	5,856
	5,461	16,403
Medium and long-term		
Contractors' equipment		
Foreign currency	--	6,551
Local currency	675	3,068
Mortgage loans	968	12,164

TABLE 53, continued

	1974 (actual)	1978 (projected)
Industrial loans		
Foreign currency	--	14,301
Local currency	716	4,163
	2,359	40,247
Provision for band and doubtful debts		(5,511)
Total special loans	7,820	51,139
Equity Investments	1,571	7,736
Fixed assets	321	938
Preliminary expenses	93	59
Total assets	32,236	190,195
Contingent liabilities	11,369	16,645
Long-term debt/equity	0.5	2.8
Debt/equity as per applied definition	0.4	2.1

SOURCE: BHC, November 1975.

Outstanding mortgage loans as of December 1976 were ¢ 4.83 million, projected to grow to ¢ 12.2 million by 1978. Its loans for housing might increase significantly if government's planned housing fund is deposited in BHC. Increased housing mortgage loans might increase BHC's debt/equity ratio to 15:1 on long-term mortgage loans. The current debt/equity ratio is about 3:1.

To meet the government's stated shelter objectives, BHC's emphasis will be to become more involved in low-income housing finance and to pay more attention to financing and promoting domestic road contractors. It also intends to expand financing of building materials industries. To extend its operations to lower-income groups, BHC intends to finance and develop two satellite towns near Accra and Kumasi, through a subsidiary, with assistance for both domestic and international agencies.

BHC will meet its long-term local currency needs through bond issues and increased equity. Its foreign currency resources are currently being met through loan facilities from the IBRD, KFW, and the Bank of Brazil.

First Ghana Building Society

The First Ghana Building Society was formed under the Building Society Ordinance No. 30 of 1955. It started business June 1956, as a private institution, although the government is its major shareholder and it receives financial support from the Bank of Ghana. It was established to encourage private savings and to assist members of the society to build or purchase housing with mortgage loans. To acheive its objectives, the society operates three forms of accounts:

> An ordinary share account which can be opened with an initial deposit of ¢ 2.00 with current interest yields of 5.0 percent per annum. The whole of the account can be withdrawn with one month's notice.
>
> A monthly savings account whereby participants deposit fixed monthly amounts for a period of five years. These accounts yield interest of 5.5 percent per annum.*

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*The unfavorable interest rates paid on deposits (maximum 5.5 percent) compared with commercial bank rates of 7.5 percent have made the society less popular than expected.

Deposit accounts which yield interest of 4.0 percent per annum.

In granting mortgage loans the society requires applicants to meet the following conditions:

The applicant must be gainfully employed, but no period of employment is required as a prerequisite for loans.

The monthly loan repayment must not exceed 50 percent of the applicant's regular monthly income.

The applicant must provide a down payment of at least 20 percent.

The applicant must have saved with the society for at least three years prior to the application and must have saved at least 5.0 percent of the amount required.

The maximum loan amount cannot exceed ¢ 50,000.

Currently the society's terms to beneficiaries on mortgage loans are similar to other institutions offering mortgage loans. Interest rates are 10 percent per annum with a repayment period of 25 years.

As a result of its savings policies and poor mangement, the society has not been able to attract many new depositors. Over the 1972-1974 period, savings increased by only ¢ 0.5 million per year. Commercial banks doubled their savings deposits during the same period from ¢ 153.6 million to ¢ 307.7 million.*

The society has currently mortgaged property valued at ¢ 10 million throughout Ghana. During the first quarter of 1974, it received 84 mortgage loan applications, of which 19 were approved, totaling ¢ 235,078 with an average loan of ¢ 12,373.**

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*Economic Survey (Ghana) 1972-74. Central Bureau of Statistics, Accra, 1977.

**Summary of Housing Activity: Housing Statistics. Building and Road Research Institute.

Other Financial Institutions

The three commercial banks -- the National Savings and Credit Bank, the National Investment Bank, the State Insurance Corporation -- and the Social Security and National Insurance Trust are all involved in aspects of shelter financing. Detailed information about each of these institutions and their shelter related operations are not available. However, they have traditionally participated through direct financing of mortgage loans, through loans to building materials industries, through loans to other financial and development institutions (such as the State Housing Corporation), and through equity subscriptions to organizations like the Bank for Housing and Construction. Interest rates and repayment periods are generally constant throughout the country as are interest rates paid on savings deposits.

The State Housing Corporation (SHC)

The State Housing Corporation was established in 1956 to construct low-cost housing for Ghanaians unable to obtain privately constructed housing. Its primary goals were to construct housing for rent or sale on a subsidized basis and to offer mortgage and hire purchase facilities.

The corporation is governed by a board of directors and looks to the Ministry of Works and Housing for direction and policy formulation. Since its inception, SHC had constructed 24,111 houses throughout Ghana (by August 1975). About 19 percent of those houses had been fully sold. Of the remainder 64.1 percent are being sold by hire purchase. SHC currently sells all of its houses with a 60 year leasehold on land. Current terms for hire purchase sale are for 25 years at 9.0 percent interest. Deposits of 15 percent of the sales price are required. To finance its construction programs, SHC borrows money from the central government, the insurance corporations and major banks. The most recent financing terms have been 7.0 to 8.0 percent for 15 to 30 years with a one year grace period. This provides SHC with a very narrow spread over its cost of money.

Several subsidies form a part of the selling price of the corporation's housing units. When SHC acquires land, the Lands Department transfers the land directly to SHC at no cost. Infrastructural development is also heavily subsidized. To illustrate the level of subsidy, total 1977 costs of water and services of a detached SHC house are estimated at ¢ 400, ¢ 0.05 per square foot. Recent estimates from sites

and services projects in Accra indicate a real cost of land and infrastructure to be between ₵ 0.48 and 0.68 per square foot, depending on plot size. Further subsidies are found in super structure costs. Regional cost variations due to distances from sources of building materials supplies, labor shortages, and shortages in equipment raise costs an estimated 14 to 19 percent from base costs in Accra. However, all SHC house types are sold at lower Accra prices which implies an additional subsidy of ₵ 2,070 to ₵ 3,887 per house. The elimination of all hidden subsidies could increase house costs as much as 32 percent. This would increase the lowest priced SHC house type to ₵ 18,310 from ₵ 14,000. At current interest rates the higher price would only be affordable by households with incomes in excess of ₵ 6,600, clearly above target group incomes.

SHC's annual production has varied, ranging from 1.0 to 8.0 percent of annual housing production. Plans have called for SCH to construct about 7.0 percent of the total, but it has only once achieved that goal. SHC's current output is about 1,500 units per year (Table 54). Shortages of materials and poor management have limited production increases.

The corporation offers a complete range of services including design and surveying, quantity surveying, complete construction capacities, financing, and estate management. Recently, SHC has added facilities for mortgage financing. Its financial management has been complicated as a result of the long periods funds are commited to hire-purchase financing, at uneconomically low interest rates.

Current construction employment is about 6,000, 50 percent skilled workers and 33 percent unskilled laborers. SHC has offices in all regional capitals and in some of the districts, but its greatest staffing strengths are in Accra and the Ashanti Region. Its capacities to carry out housing programs in other regions are less well developed. The staff is often underemployed.

Although its original mandate was to build low-cost housing, SHC has actually only been able to serve higher-income goups. The costs of its operations and its development standards prevent it from reaching lower-income groups. If it were to enter lower-income markets, SHC would have to consider lower standards and a revised organizational structure.

TABLE 54

SHC Annual Construction, 1968-1980

Year	Targeted Construction	Actual Number Constructed	Annual Increase in Housing Stock	Projected Construction Target as Proportion of Increase in Housing Stock	Actual Number SHC Houses as Proportion of Increase in Housing Stock
1968/69	2,000	} 764*	25,800***	7.7%	} 1.5%
1969/70	2,000		25,800	7.7%	
1970/71		na			
1971/72		na			
1972/73	2,000	1,264**	28,604****	7.0%	4.4%
1973/74	2,000	1,528	29,606	6.7%	5.2%
1974/75	2,000	1,380	30,642	6.4%	4.5%
1975/76		2,550	31,714		8.0%
1976/77		1,500	32,824		4.5%
1977/78	1,850		33,973	5.4%	
1978/79	1,950		35,162	5.5%	
1979/80	2,300		36,393	6.3%	

NOTE: Construction started during 1975/76 financial year; by 1976/77 1,600 had been allocated.

SOURCES: *One-Year Development Plan. **Five-Year Development Plan. ***1970 Census. ****Projections based on assumed increase in housing stock at 3.5 percent per annum.

TABLE 55

SHC Five-Year Development Program

Area	Total Units	Percent of Units To Cost an Average of ¢ 2,400	¢ Million		
			Construction Costs	Infrastructure Costs	Total Costs
Accra	3,000	80	43.2	13.2	56.1
Kumasi	600	80	8.6	2.6	11.2
Takaradi	600	80	8.6	2.6	11.2
Cape Coast	250	52	2.8	.8	3.6
Koforidua	250	52	2.8	.8	3.6
Ho	200	80	2.9	.9	3.7
Sunyani	200	80	2.9	.9	3.7
Bolgatanga	200	80	2.9	.9	3.7
Tamale	200	80	2.9	.9	3.7
Total	5,500	77	77.6	23.3	100.8

SOURCE: Five-Year Development Plan.

Tema Development Corporation (TDC)

The Tema Development Corporation was established in 1952. TDC has overall responsibility for the development of Tema, Ghana's first new town, planned to function as both a port and industrial center.*

The corporation is under the jurisdiction of the Commissioner of Works and Housing. It is the primary leaseholder for the township of Tema and can execute leasehold agreements. It has complete estate development facilities including planning, design, construction, financing, and estate management. It can finance its own operations outside of government. The corporation is managed by an executive director and a board of directors, appointed by the government.

Since its creation, 25 years ago, TDC has constructed 16,800 housing units, 60 percent low-income. Its annual construction rate has varied (Table 56).

Prior to 1970, TDC averaged 1,000 units per year. Since 1970 the corporation's output has been lower, averaging about 688 units per year between 1970 and 1974. In 1975/76 construction output dropped to 205 units per year. Until 1975 the corporation had projected a construction rate of 2,000 units per year (80 percent of which were to be low-income, or about seven percent of the new additions to the existing national housing stock). Its actual construction rate has been about two percent of the housing supply.** Production schedules have lagged because of rapid price escalations for building materials, labor wage increases, and procurement problems.

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*Takaradi was developed as the former Gold Coast Colony's first planned port facility in 1931.

**Tema's current growth rate based on 1960-1970 census data is 14 percent per annum (since 1976 about 13,770 persons per year). Based on an assumed occupancy rate of two persons per room and three habitable rooms per house, 2,300 new housing units are required per year to meet housing needs resulting from population growth. The current rate of the TDC population is about one-fourth of that amount.

TABLE 56

Tema Development Corporation*

Year	Targeted Construction	Actual Number Constructed	Annual Increase in Housing Stock	Projected Construction Target as a Proportion of Increase in Housing Stock	Actual Number TDC Houses as a Proportion of Annual Increase in Housing Stock
1952-1964		9,212**	28,500		3.0%
1968/69	2,000	1,012***	52,000	7.6%	1.9%
1969/70	2,000				
1970/71					
1971/72					
1972/73	2,000	688****	28,600	7.0%	2.4%
1973/74	2,000	688	29,600	6.7%	2.3%
1974/75	2,000	205	30,600	6.5%	0.7%
1975/76	1,000		31,700	3.1%	
1976/77	1,000		32,800	3.0%	
1977/78	1,000		34,000	2.9%	
1978/79	1,000		35,200	2.8%	
1979/80	1,000		36,400	2.7%	

SOURCES: *In 1970 the population of Tema equaled 1.2 percent of Ghana's total population and had a growth rate of 14 percent. **Five-Year Development Plan. ***One-Year Development Plan. ****Five-Year Development Plan.

TABLE 57

TDC Five-Year Development Program

Year	High and Middle Income Houses	Costs	Low Income Houses	Costs	Infra-structure Costs	Total Government Financing
1975/76	112	2.5	225	2.5	1.0	3.5
1976/77	200	5.0	800	5.2	1.2	6.4
1977/78	200	5.2	800	5.4	1.3	6.8
1978/79	200	5.5	800	5.6	1.5	7.1
1979/80	200	5.7	800	6.0	1.7	7.7
Total	912		3,425	24.7	6.7	33.4

SOURCE: Five-Year Development Plan.

About 30 percent of the housing units built by TDC are being sold on hire-purchase terms. The remainder are at subsidized rents of between 30 and 50 percent of economic rents.* Hire purchase units are sold with 99-year leaseholds. The terms to beneficiaries are 30 years with interest rates of 5.0 to 9.0 percent. Lower cost houses receive lower interest rates. Deposits of five percent of value are required for units costing less than ₵ 3,000 and 20 percent for units costing more than ₵ 3,000.**

The corporation estimates that about 90 percent of Tema's population benefits from housing subsidies. In addition to rent subsidies, land may also be subsidized. Information is not available on the degree to which building costs are subsidized.

Two sites and services schemes have been initiated by TDC. The first consists of serviced plots for high-income residential development which have been leased for periods of 60 to 90 years at annual rents of ₵ 28 to ₵ 140 per plot. About 150 plots have been allocated averaging 100 feet by 180 feet. In addition, TDC provided serviced plots in two low-income areas -- Ashaimen and the original Tema resettlement area, Tema Manhean.***

In conjunction with the Department of Housing and Planning Research of the University of Science and Technology, TDC has developed a cooperative housing scheme for low-income workers earning less than ₵ 1,000. There have been 28 one- to three-room units allocated with subsidized hire-purchase agreements with terms of 15 to 25 years.****

TDC's previous policy was to allocate 80 percent of the housing units it constructed to low-income groups. Since 1975, this has been changed to 50 percent, the remainder going to high-income housing. The corporation now borrows

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*Ghana 1977, p. 218.
**1974/75 Budget Proposals (Government of Ghana).
***Ghana 1977, p. 218.
****Osafo-Buabeng, O.K., "Low-Cost Housing and Squatter Settlements in Developing Countries with Particular Reference to Ghana," Afro-Asian Housing Conference 1977, Document No. 5 AAHC/11.

money from commercial sources to finance its building programs. Current interest rates are between 7.0 and 8.5 percent. While TDC still plans to produce about 2,000 units per year in Tema, it now encourages public and private employers to build for upper-income groups, so it can concentrate on low-income groups and on the provision of infrastructure.*

The Ghana Urban Development Agency (GUDA)

The Ministry of Works and Housing has proposed establishment of a new urban development agency which would be concerned with lower-income areas. It would implement proposed sites and services as well as upgrading schemes. The general objectives of the new agency would include:

> Developing urban housing projects to benefit the lower-income urban groups.
>
> Developing, implementing, and managing projects. Negotiate with other agencies in the public and private sectors, arrange financing for its projects both from domestic and international sources, provide assistance and financing for project beneficiaries, and issue long-term mortgage agreements with project beneficiaries.
>
> Undertaking improvements of the economic and social base of the low-income communities. Negotiate with other agencies to provide that assistance.
>
> Monitoring the general health and education services of the areas it develops.

The organization is expected to be responsible to the Commissioner of Works and Housing and to be divided into seven functional divisions: estate management; planning and architecture; engineering; finance; legal; internal audit; research; and programming. The management of the organization is to be a board of directors, headed by an executive chairman. It would operate on two levels, the national headquarters and regional-local levels. In its initial stages

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*Five-Year Development Plan, p. 428.

the new agency would be provided with technical assistance from international agencies to assist it in organizing and staffing its various departments and in preparing its financial, accounting, and management systems.

Annex II

PRINCIPAL GOVERNMENT AGENCIES INVOLVED IN THE SHELTER SECTOR

The Lands Department

The Lands Department is the primary government agency responsible for: 1) determing values of government agency estates; 2) controlling contributions by government to local authorities; 3) making payments of rents, grants, and annuities for government and its agencies; 4) maintaining lands records and representing the government on lands matters in court; and 5) administering stool and skin lands.

Government land policy is executed by the Lands Department under the following statutes:

The Administration of Lands Act of 1962 regulates the control and administration of stool lands in Ghana.

The State Lands Act gives government the right to acquire land for public purposes. After publishing an executive instrument regarding a parcel of land, it becomes vested in the state without encumbrances, subject to payment of compensation.

The Conveyancing Decree of 1973 (NRC Decree 175) requires land transactions made at customary law to be recorded with the District Court.

Agencies Involved With Planning, Design, and Standards

Four agencies are responsible to the Ministry of Works and Housing for planning, design and development of physical standards: 1) Town and Country Planning Department; 2) Public Works Department; 3) the Architectural and Engineering Services Corporation and 4) Ghana Highway Authority. Each of these agencies is discussed in the following paragraphs.

Town and Country Planning Department

Planning the growth and development of urban settlements is the responsibility of the Town and Country Planning Department, a service organization of the central government and district councils. Its primary responsibilities are:

The formulation of goals and standards for land use and development, particularly in rapidly urbanizing areas.

The design of plans and proposals to direct the growth and development of urban and rural settlements.

The coordination of various physical development proposals of different units of government.

The provision of physical planning services for public health and the well-being of these developments.

The Department is divided into six sections: general administration; development planning; redevelopment and conservation; development control; land surveying; and research.

The Public Works Department (PWD)

Under the 1973 reorganization of the old Public Works Department, design functions were transferred to the newly established Architectural and Engineering Services Corporation and the Ghana Highway Authority. The PWD is now responsible for maintaining records on construction industry contractors and consultants, representing the government and its agencies in negotiations between contractors and consultants, and planning, design and execution of works not suitable for paid consultants. It is also responsible for maintaining public properties and controlling construction at the regional and district levels. The department has three levels of operation: head office organization which operates at the national level; regional office organization serving regional administrations; and district offices where it services a broad range of planning and design functions at the local level.

The Architectural and Engineering Services Corporation

In 1973 the consultant division of the Public Works Department was formed into a new parastal corporation, the Architectural and Engineering Services Corporation (AESC) to provide the government with professional services ranging from architectural design, full engineering services including civil, hydrological and sanitary, quantity surveying and geotechnical and materials testing.

The corporation maintains registers of professional consultants, and is responsible for registation of contracts for both civil engineering and building works. Its responsibilities and objectives include:

> Providing the government with professional consulting services in the fields of engineering, architecture, urban and regional planning and development.
>
> Undertaking the investigation, survey, design, administration, and management of architectural and engineering works in both public and private sectors.
>
> Undertaking the testing of construction materials, surveying and mapping, valuation and appraisal of property.

The corporation is under the jursidiction of the Commissioner of Works and Housing and is governed by a board of directors and seven functional divisions.

Ghana Highway Authority (GHA)

The GHA was established in 1974 to provide major roads and highways throughout Ghana. It is a corporate body governed by a nine-member board of directors. Its primary functions are to design, plan, develop, and maintain public highways, ferries, and road networks and to develop standards for roads. The GHA is currently processing proposals to redevelop the major urban road networks of Accra, Kumasi, and Sekondi-Takarodi.

Agencies Involved In Shelter Sector Research

Two major organizations are involved in shelter research: the Building and Road Research Institute, and the Department of Housing and Planning Research of the University of Science and Technology. The recently established Environment Protection Council, though not strictly a research organization, also engages in limited shelter research.

The Building and Road Research Institute (BRRI)

The BRRI is a member of the Council for Scientific and Industrial Research responsible to the Ministry of Economic Planning. Its major objectives are: to reduce overall costs of construction and maintenance of buildings, to promote use of indigenous materials, and to examine the problems of road design, construction and maintainance in Ghana and the operation of vehicles on these roads.

The Institute is divided into seven divisions and had a professional and technical staff of 63 in 1975. BRRI has undertaken research on low-income housing development and the production of construction materials with appropriate technologies.

The Department of Housing and Planning Research

The Department is the main research branch of the Faculty of Architecture and Planning of the University of Science and Technology. Its emphasis has been research on the construction of urban and rural housing using indigenous materials and improvement of sanitation. It has conducted urban and village level research throughout Ghana and provides Ghanaian professionals with field research experience.

The Environmental Protection Council

The Environmental Protection Council was established in 1973 under the Ministry of Economic Planning, to provide advice to government on environmental policy, to coordinate the activities of all bodies concerned with environmental matters, to conduct research and analysis relating to the improvement and maintenance of ecological systems, to embark on environmental education programs and ensure that sound environmental policies are followed in planning and execution of development works.

Agencies Involved In The Provision of Urban Infrastructure

Urban infrastructure is generally the responsibility of the Ghana Electricity Corporation, the Ghana Water and Sewerage Corporation, and the city councils. General responsibility for the development of road standards rests with the Ghana Highway Authority, although (except for major roads) it has relinquished this authority to the city councils.

Ghana Water and Sewerage Corporation (GWSC)

The Ghana Water and Sewerage Corporation was established in September 1966 as a statutory corporation with a seven-member board of directors under the Ministry of Works and Housing.

GWSC is a decentralized organization with nine semiautonomous regional organizations headed by area managers and 41 district managers. Currently under the new policy of emphasizing local government, these regional managers report to regional and district councils for direction at local levels. Total GWSC staff strength is 4,300, of whom 330 are in senior positions.

Existing public water supply systems provide access to about 40 percent of Ghana's total population in urban communities. The GWSC has national responsibility for water supply and is taking over the last remaining municipal systems which are not under its supervision. GWSC maintains 170 individual water supply systems which are administered in the district and regional centers. While its primary concern has been water supply, it commissioned its first sewerage scheme in November 1973 to service the central portion of Accra. The only other sewerage system in operation is under the Tema Development Corporation.

GWSC proposes to extend its water supply network to include up to 60 percent of Ghana's urban population by 1980. This extension involves an investment of about ¢ 200 million, financed through the national budget and bilateral assistance. Between 80 and 90 percent of this proposed extension will serve communities with populations of less than 5,000 persons. In addition to continued extensions to the Accra sewerage network, a sewerage project in Kumasi is to be started but has run into financial difficulties and is still in the planning stage.

The existing water supply tariff is uniform for all urban and rural areas in Ghana. The Accra-Tema Metropolitan Organization of GWSC is the largest single source of revenue for the corporation. Details of its domestic supply network are outlined below.

Public standpipes -- the current number of standpipes has remained constant, serving about 40 percent (about 330,000 persons) of the Accra-Tema population. Current consumption is estimated at five gallons per capita per day.

Private connections -- an estimated 27,000 private connections serve about 43 percent of the urban metropolitan population. Almost 60 percent of the system is unmetered. Consumption is estimated at 13.5 gallons per capita per day.

Sewerage connections have been slower than expected, primarily because of the high cost of connections (estimated at ¢ 850 in 1974).

Ghana Electricity Corporation

Two organizations provide electric power in Ghana: the Volta River Autnority, which operates the hydroelectric facility at Akosombo and supplies large industrial customers; and the Ghana Electricity Corporation which supplies most urban and rural customers.

The Ghana Electricity Corporation was established in 1969 as a public statutory corporation governed by a seven-member board of directors and directly responsible to the Ministry of Works and Housing. Its operations are divided into ten regional units, the most important of which are in Accra and Tema. Current staffing strength is about 5,200.

As of December 31, 1974, ECG had a total of 138,000 customers. In 1974 consumption was 54 percent industrial, 27 percent residential, 17 percent commercial and two percent for other uses. About 100 towns in Ghana now have public power supply; all but one are served by ECG. Diesel generating plants are used, but power comes mainly from the Volta River Authority. About 11 to 12 percent of the total population live in households having power connections, but only 0.5 percent of the rural population has power connections.

Municipal Government

The city or municipal government is the major supplier of urban services outside the two public infrastructure corporations. Three metropolitan areas now have functioning city councils, city managers and municipal governments. The formal responsibilities of these bodies include the provision of health services under the direction of the Ministry of Health; provision of primary and secondary schools under the direction

of the Ministry of Education; provision of non-major roads and street drainage under the supervision of the Ghana Highway Authority; refuse collection; physical planning performed in conjunction with the Town and Country Planning Department; and Development Control.

Accra City Council

The Accra City Council has the wide range of formal responsibilities outlined above. However, in practice many of the important decisions about Accra's development are made in other agencies. The ACC is headed by an executive chairman who is appointed by the government. The senior administrative officer is the city manager. As of early 1976 the council employed a staff of 9,000, divided into seven departments: city manager's department; legal department; treasurer's department; city education department; health department; mechanical engineering department; and city engineer's department.

Property rates provide just over half of ACC's annual revenues, which amounted to ¢ 8.5 million during 1974/75. ACC's main expenditures are for primary education and heavily subsidized health services. The Ministry of Local Government estimates that Accra's property rates could produce revenues up to ¢ 10 million instead of the ¢ 2 million currently collected.

The main problems of municipal government have been poor tax collections, the inability of city councils to attract qualified staff, an inability to finance expansion of municipal services through means other than direct government budgeted expenditure, and the city council's weak role in the governing structure.

Annex III

RURAL-URBAN MIGRATION

During the 1973 housing survey conducted on behalf of the Low Cost Housing Committee, urban households were asked to state why they had migrated from rural areas to urban centers. As shown in Table 1 below, the lack of rural wage employment was the primary reason for urban migration.

TABLE 1

Responses to the Question 'What Made You Come to this Town Initially'

Response	Both Sexes	Males	Females
All responses	100.0	100.0	100.0
To look for job	41.1	44.5	24.5
To assume duty	13.3	12.7	16.3
Came on transfer	35.2	35.5	33.3
To stay with relatives	7.2	5.4	15.9
Came on holidays	0.1	0.1	0.3
Came to marry	1.0	0.1	5.1
Came to trade	0.9	0.5	2.7
Came for education	1.2	1.1	1.9

SOURCE: Owusu, D.J. A Housing Survey in Ghana. Building and Road Research Institute, December 1973, p. 17.

Forty-one percent stated that they had left rural villages seeking employment. Another 35.2 percent were inter-urban migrants who had come to their present location because their employers had transfered them from other towns. J.C. Caldwell in an earlier study of rural-urban migration found even more striking results: over 88 percent of the rural

*Owusu, D.J., A Housing Survey in Ghana. Building and Road Research Institute. December 1973, p. 17.

persons interviewed thought urban migration was due to the pull of better job opportunities, while 82 percent of the urban respondants surveyed explained rural-urban migration in terms of presumed improved economic characteristics of urban life (see Table 2).

TABLE 2

Responses to the Question, 'More People Are Going to the Big Towns (e.g. Accra, Kumasi) Now. Why Do You Think This Is So?'

Responses	Rural Survey Number	Rural Survey Percent*	Urban Survey Number	Urban Survey Percent
To obtain jobs, money, consumer goods	1,567	88	479	82
Preference for town life, preference for town husbands	166	9	48	8
To become 'civilized', sophisticated, for prestige	79	4	45	8
Desire to travel and enjoy new experiences	61	3	44	7
To gain education or training	60	3	44	7
To join immediate relatives	31	2	31	5
Problems of the village:				
Land Shortage	13	1	2	0
Poor rural facilities	36	2	13	2
Village or family difficulties	40	2	6	1
Trading purposes	124	7	71	12
Other	6	0	8	1
TOTAL: Responses	2,183#	121#	791#	133#
Respondent households	1,782		585	

NOTES: *Percentage of households giving response. #Adds to over 100 percent because of multiple responses.

SOURCE: Caldwell, J.C. African Rural-Urban Migration: The Movement to Ghana's Towns. London: C. Hurst and Company, 1968, p. 89.

Although the economic advantages are important for urban migrants, the high cost of housing and generally poorer social conditions in urban areas were the main complaints about urban life. The adjustments from a partially subsistence economy of even wealthy cocoa villages to the entirely monetary economy of urban areas is one of the major shocks for new urban arrivals. The need to pay for housing and local foodstuffs which in villages were available from relatives or nearby farms together with the lack of employment and the shortage of money are the major complaints about urban life. Caldwell found that these

problems -- lack of housing, cost of living and the cost of food -- were sited as the major causes of dismay with urban life by more than three-fifths of both the urban and rural respondants. If bad housing is included, these categories account for three-fourths of the complaints of urbanites surveyed and two-thirds of the complaints of the rural people.*

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*Caldwell, J.C., African Rural-Urban Migration: The Movement to Towns. London: C. Hurst and Company, 1968, pp. 89, 96-97.

TABLE 3

Responses to the Question, 'Tell Me Three or Four Things Which Sometimes Make Town Life (in Accra, Kumasi or Sekondi-Takoradi) Unpleasant?'

Responses	Rural Survey Number	Rural Survey Percent*	Urban Survey Number	Urban Survey Percent*
Economic:				
Shortage of money and employment	496	28	178	30
Cost of living	783	44	218	37
Cost of housing	782	44	200	34
Cost of food	385	22	84	14
Social:				
Thieves, burglars, criminals	465	26	32	6
Bad housing, slums, poor sanitation	212	12	160	27
General social evils	167	9	34	6
Shortage of women	27	2	1	0
Way of life:				
Traffic and accidents	352	20	57	10
Excessive noise	275	15	24	4
Life too fast, impersonal or unfriendly	207	12	60	10
Residual:				
All other complaints (many very specific)	84	5	88	15
TOTAL: Responses	4,235#	239#	1,136#	193#
Respondent households	1,782		585	

NOTES: *Percentage of all respondent households. #Adds to over 100 percent because of multiple responses.

SOURCE: Caldwell, J.C. African Rural-Urban Migration: The Movement to Ghana's Towns. London: C. Hurst and Company, 1968, p. 96.