

Africa Report by Douglas DeGroot

Ghana coup opens door for IMF

With assistance from Libya, the new Rawlings government is poised for devaluation and other austerity measures.

A coup by lower-level figures in the Ghana military, with former Ghana Air Force pilot Jerry Rawlings as its leading public figure, toppled Ghana President Hilla Limann and his People's National Party (PNP) on Dec. 31.

Depicting his move as a blow against corruption, Rawlings in radio broadcasts following the coup said "The alternative that now lies open before us is one of you, the people taking over the destiny of this country, your own destiny and shaping the society along the lines that you desire, making possible what has been denied to you all these years." The coup was widely welcomed by a population completely frustrated by the PNP's squabbling and inability to get the economy moving.

The coup came after a protracted fight over economic policy within the ruling PNP. The International Monetary Fund (IMF) was demanding that the Ghanaian cedi be devalued, and various other subsidies be eliminated, before any credit would be extended to resuscitate the collapsing economy.

Out of desperation Limann and his circle in the PNP, according to African sources, finally decided that no alternatives existed; they agreed to go with at least part of the IMF demand—the much-detested devaluation—if in return quick World Bank loans could be provided in order to get something going in the economy and demonstrate to

the population that some benefits would accompany the devaluation. Limann sent his Minister of Transport and Communication to Washington to make sure that World Bank loans for roads and other projects would be immediately forthcoming if he devalued. Two previous devaluations of the cedi were followed by military coup.

The old guard in the PNP, who date from the period of Kwame Nkrumah, Ghana's first president, without being strongly committed to Nkrumah's nation-building morality, opposed the devaluation because they were afraid that the PNP would lose the next elections as a result, and they would be deprived of the benefits of their positions in the ruling PNP. Limann had been a diplomat, an unknown, and did not have the soiled image of a Ghanaian politician before he became president. But his uninspiring leadership convinced the old guard they would need a new presidential candidate.

At the same time the youth wing of the PNP, led by those who were part of the youth organizations during Nkrumah's period, and are still strongly committed to Nkrumah's goals, also attacked the IMF demands, but from a more political standpoint. The youth group went after "the IMF, the World Bank, and other foreign financial interests," stating: "We of the youth wing of the PNP are aware that devaluations have always been part

of package deals normally presented by Western financial interests to Third World countries with promises of huge credit grants. The object has always been not the solution of the receiving country's economic problems but the reduction of the country to a beggar state."

By mid-December the fight in the PNP was still so intense that Limann again had to put off the PNP's three-day conference or be forced by the old guard to give up his chance to become the presidential candidate in the 1983 elections. It was unclear at that point if Limann retained enough control to carry out even one aspect of the IMF package, the devaluation.

The first thing Rawlings is being pressured to do is devalue the cedi. The London *Financial Times*, and the British weekly *West Africa*, are urging that Rawlings "use that popular support to take the tough measures the economy requires."

This is the second such "anti-corruption" coup that Rawlings, whose father is Scottish, has run in Ghana. On June 2, 1979, he was released from prison by co-conspirators to become the leader of a takeover against the then-military government. He had several high-ranking people executed including three former heads of state, on charges of corruption. He has now announced that people's tribunals will again be held.

In 1979, a Nigerian oil boycott forced Rawlings to stick to his promise to give power over to a civilian government. This time, the first government to recognize Rawlings was that of Muammar Qaddafi, who has offered Rawlings oil, removing any Nigerian leverage and ensuring Rawlings's consolidation of power.