ARCHIVE REVIVAL ORIGINALLY 2019 · REWRITTEN 2026 · PIECE 1 OF 10

The Commissioning Trap: How Many Times Will Ghana Mistake a Ribbon-Cutting for a Nation-Building Strategy?

Derrydean Dadzie • Manufacturing, industrial policy, and the seventy-year record

A nation's capacity is measured less by how many factories it opens than by how many are still running once the cameras have moved on to the next one.

In 2019 I argued that manufacturing alone could not resolve Ghana's economic challenges, and that the country's instinct to answer every development question with a factory was mistaking the visible for the viable. The argument rested on a phrase I still use: he who pays the piper calls the tune. When Ghana courts foreign capital or borrowed capital to build industrial capacity without insisting on genuine local anchoring from the outset, the financing structure ends up dictating the economics long after the ribbon has been cut, and the state is left holding a factory rather than an industry.

I wrote that sentence as though I were describing a contemporary failure. Read against the longer record, it describes something closer to a national reflex, one that predates the programme I originally had in mind by half a century and has now outlived four distinct governments of markedly different ideological character.

There are two easy explanations for a reflex like that, and neither survives close inspection on its own. One is that each government genuinely misjudged the timing, launching an ambitious agenda before the groundwork beneath it was ready. The other is less charitable, holding that a big, nameable project is simply irresistible to anyone who has to face voters or justify a mandate, valuable for the ribbon it lets you cut regardless of what happens to the factory or the farm afterwards. The seventy-year record makes a case for something closer to a synthesis of both, and more troubling than either, an institutional habit that has now survived a one-party state, a military government, a creditor-driven liberalisation, and a fully accountable multiparty democracy, which suggests the fault lies less in who happened to be governing at the time than in a structural blind spot every kind of Ghanaian government has shared.

A pattern older than any one government

Ghana's first attempt at building this kind of capacity began at independence itself. The Nkrumah government of the late 1950s and 1960s pursued a programme of state-led industrialisation that, judged on its own ambitions, produced genuine achievements, among them the Tema harbour and its surrounding industrial estate, the Akosombo dam and the aluminium smelting capacity it was built to feed, a network of state enterprises under what later consolidated into the Ghana Industrial Holding Corporation, and real investment in technical education to staff all of it. This was not a modest undertaking, and it should not be remembered as one. But the industrial trajectory stalled before the decade was out, undone by a combination that would recur with almost eerie fidelity in every subsequent episode, an external shock, the collapse in world cocoa prices that had financed much of the programme, meeting a domestic financing and management structure that had not been built to absorb it, while the political convulsion of the 1966 coup arrived before either could be corrected. The country was left with buildings whose founding rationale had fallen silent along with the market that once justified them.

The next attempt did not call itself industrial policy at all. Operation Feed Yourself, launched in 1972 under the Acheampong government, was framed as agricultural self-reliance, an explicit rejection of the aid dependence associated with the preceding civilian administration, and it set out ambitious, specific targets, six per cent annual agricultural growth against a prior rate of under three, hundreds of thousands of new farmers, a near doubling of agricultural output within two decades. In its first years it produced exactly the kind of visible success a government wants photographed, expanded cultivation, genuine public enthusiasm, a real short-term lift in domestic food production. What followed instead should sound familiar by now. Subsidies intended for smallholders were disproportionately captured by larger, better-connected farmers, some of whom used the support for purposes that had little to do with production. Roads that had never been built could not move the harvest to market. Storage that had never been built let a share of it spoil before it got there. Price controls kept food artificially cheap for the urban consumer while making it unprofitable for the rural producer, so land that had briefly grown food for the domestic table pivoted, quite rationally, back toward export crops instead. Ghana's budget deficit rose more than fourfold between 1972 and 1977 financing an increasingly improvident programme, and by 1977 the government that had launched itself on the promise of feeding the country without outside help was importing food aid to cover the shortfall. A policy conceived to escape dependence had manufactured a harsher version of the very dependence it was meant to end.

Then came the correction, and the correction produced its own casualties. From 1983 the government, under IMF and World Bank structural adjustment conditions, began dismantling much of the state enterprise sector that the two preceding episodes had built. By the time the divestiture programme wound down in the late 1990s, well over a hundred state-owned enterprises had been sold, restructured, or simply closed, GIHOC's constituent factories, Tema Steel, Nsawam Cannery, and others among them. Some of this was overdue, and some of the capacity genuinely was not viable. But an entire generation of Ghanaian industrial capacity, some of it dating back to the original Nkrumah-era investment, was liquidated inside little more than a decade, on terms set largely by the same class of external financing relationship, foreign creditors dictating the pace and shape of domestic restructuring, that I would later come to think of as the underlying mechanism at fault in 2019.

What the most recent experiment produced

The One District One Factory programme launched in 2017 as the flagship answer to exactly the question this seventy-year pattern keeps posing, how does Ghana build an industrial base that outlasts the government that commissions it. By its own tally, the programme was a considerable achievement. Officials cited 126 factories fully operational and roughly 160,000 jobs created by late 2023, a figure that had grown, in the government's own final reckoning, to 321 factories and 170,000 jobs by the time the programme's original custodians left office. Those are not trivial numbers for any industrial policy anywhere on the continent, and I want to be precise about crediting them before turning to what an independent audit found sitting underneath them.

That audit, published in December 2025, examined the operating reality behind the count rather than the count itself, and the two told different stories. Looking at six agro-processing factories alone, the analysis estimated that plants running at twenty to forty per cent of capacity, or not running at all, had cost the country between two point six and two point nine billion dollars a year in lost revenue, upward of forty-five thousand direct jobs forgone against what fuller utilisation would have supported, and more than a billion dollars a year in foreign exchange damage. The causes were structural rather than mysterious. Machinery imports carried a full stack of duties, VAT, and levies that a genuinely pro-manufacturing tax code would have waived at the border. A twenty per cent excise tax on natural fruit juice, applied without regard for which side of the import line a bottle sat on, made the domestically processed product costlier than the foreign alternative it was meant to displace, and crashed local demand almost overnight. Loans were priced at twenty-two to forty-seven per cent interest and structured over five to seven years against machinery built to run for twenty or thirty, which meant repayments came due before a single plant had finished stabilising, let alone turning a profit. And almost nothing was spent on the agricultural estates, farmer financing, or supply contracts, the unglamorous husbandry of raw material, that would have kept the plants fed once the cameras had gone home.

Both sets of numbers can be true at once, and I think that is the more interesting finding than either taken alone. A programme can commission over three hundred buildings and create real, countable employment, while a meaningful share of those same buildings quietly fail the far harder test of running at the capacity their financing assumed. This is the fourth time in Ghana's independent history that this exact mechanism has produced this exact outcome, which is what earns it a name rather than a footnote: the Commissioning Trap, a policy that measures its own success at the ribbon-cutting rather than at the plant gate, treating the existence of a building as the achievement rather than the beginning of one. A commissioning ceremony photographs well, in 1958 as in 2023. A functioning supply chain does not, and consequently it gets starved of the unglamorous inputs, tax design, financing tenor, raw material security, that determine whether the building still produces anything five years later.

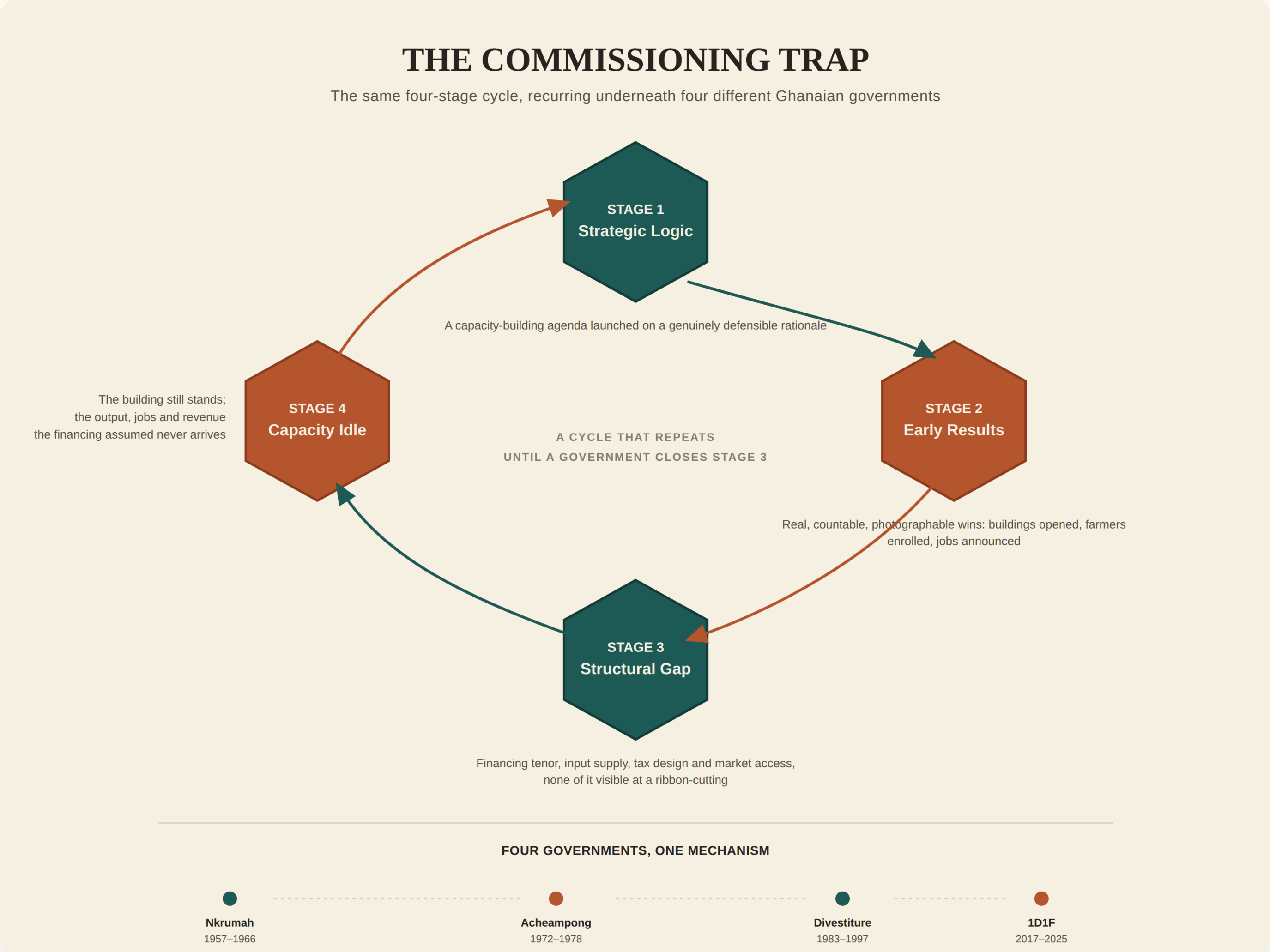

Fig. 1 — The Commissioning Trap: the same four-stage cycle, recurring underneath four different Ghanaian governments.

What decades of hindsight corrects

Four governments, four distinct ideological orientations, one one-party developmental state, one self-styled military government of national reconstruction, one liberalising civilian administration answering to multilateral creditors, and one operating under a fully multiparty, internationally recognised democratic dispensation answerable to voters rather than to a single ruling apparatus, and the same failure recurring underneath each of them. Every one of these four programmes made real strategic sense at the point it was launched, and every one of them produced results substantial enough to photograph, factories opened, farmers enrolled, jobs counted. What undid each of them afterwards was rarely a single scandal or a single wrong decision, but something slower and far less visible, how the money behind the programme was structured, whether the inputs it depended on kept arriving, and whether a market on the other side of the gate was large enough and willing enough to buy what it produced, none of which shows up at a ribbon-cutting, even though all of it decides whether the building or the field is still working five years later.

In 2019 I framed the alternative as a services-led path, and specifically pointed to software, arguing that Ghana had a comparative advantage there that manufacturing-first thinking was leaving on the table. I made that argument from inside a software company where I had previously solved a narrow, unglamorous problem, getting community health nurses access to pregnant mothers' records on a mobile phone, so I will admit it was partly a rationalisation of where I already stood. It has nonetheless held up better than I had any right to expect. Ghana's mobile money ecosystem, built by exactly the kind of local software and telecom capacity I was pointing to, now moves a volume of transactions that dwarfs anything the formal banking sector processes, and it did so with a fraction of the capital intensity, tax exposure, and financing risk that constrained the factories, in any era. Nobody had to build the equivalent of a fruit processing plant to make that happen; they had to build interoperable rails and get the regulatory settings right, a considerably cheaper and more forgiving way to fail, iterate, and eventually succeed.

The version of the 2019 argument that survives contact with seventy years of hindsight has less to do with manufacturing against services as competing bets on which sector is inherently superior, and more to do with a precondition that applies to either, and that has now been tested under a one-party state, a military government, a structural-adjustment administration, and a multiparty democracy without once being satisfied; a sector, manufacturing very much included, only becomes a viable national strategy once a government has done the unglamorous work of derisking it, getting the tax code to actually favour the thing it claims to be building, matching financing tenor to the asset's real productive life, and securing the inputs before securing the ribbon-cutting date. Ghana had comparative advantage in software and services partly because none of those preconditions were as expensive or as politically inconvenient to get right in that sector as they were in agro-processing, textiles, or steel. Nothing here argues that Ghana should abandon manufacturing; it argues against choosing any sector for how well it photographs, then discovering five, or fifteen, or fifty years later that nobody derisked the parts a ministerial speech was never going to mention.

This is also where the argument connects to a different piece of my work, the Innovation Markets and Value Chain Map, developed with Professor Gordon Adomdza for the UK-Ghana Innovation Trust Corridor. The IMVCM breaks the distance between a research idea and a product in daily use into a fixed sequence of nodes, research intention, funding, development, intellectual property protection, prototyping, matching with investors, licensing, product and service development, conformity assessment, social and environmental verification, value-added intermediation, and go-to-market, and insists that each node carries two different populations rather than one, the stakeholders, meaning the institutions formally attached to that stage, and what the framework names the innovation economy actors, the people and firms who show up at that specific node to do commercial work and create value regardless of whether the institution above them is functioning well. A farming cooperative pricing supply competitively is an innovation economy actor at the raw material node in 2025, exactly as a smallholder under Operation Feed Yourself was, or was meant to be, in 1973. A financier who prices repayment risk to match a factory's real production cycle is one at the funding node, in any decade. Neither needs a ministry's involvement to exist, and neither, across four separate national attempts now, has reliably had one.

A factory, read this way, is what happens when a government builds the stakeholder, the plant, the ministry, the commissioning photograph, at one node and assumes the innovation economy actors at every surrounding node will simply materialise because the stakeholder now exists. They rarely do on their own, and the four episodes above are the record of exactly how rarely. The IMVCM's own diagram places a tick mark before each node, an approval gate meant to clear before the next node can properly begin. The lesson from this longer history is less about how many factories or farms any single government financed than about which gates got waved through alongside them, the raw material gate, the financing gate, the go-to-market gate, each needing a functioning market of its own rather than a single institutional sponsor standing in for one. This is the same discipline the Blueprint argues for at the level of digital infrastructure, building the open rail every layer can use rather than anointing one champion to carry the whole sector, applied here to the physical economy across seven decades; a chain is not made resilient by perfecting one node and leaving its neighbours, or its successors, to arrange themselves.

What any future flagship should do differently

Diagnosis is cheap if it stops at diagnosis, so here is the version of this argument, synthesised across all four episodes rather than the most recent one, that a minister, a development finance officer, or a district assembly could actually use before the next flagship gets its ribbon, whichever party, regime, or dispensation happens to be holding the scissors.

Price the tax code to the sector's stated ambition, not to general revenue targets, and check that duties on inputs and excise on competing imports are not invisibly working against the policy's own stated goal, as they did with fruit juice in the 2020s and, in a different form, with food pricing under Operation Feed Yourself in the 1970s.

Match financing structure, loan tenor, and moratorium periods to the asset's real productive life and to the economy's real exposure to external shocks, before disbursing anything, not after; this is the same mismatch that undid the Nkrumah-era programme when cocoa prices collapsed under financing that had assumed they would not, just as surely as it undoes a twenty-year machine financed on a five-year facility today.

Contract the raw material supply, farmer financing, aggregation, storage, before construction finishes, so the plant or the harvest has somewhere to go on the day it is ready rather than in the year after, the single gap that undid the 1970s and the 2020s versions of this policy alike, and that no amount of state ownership in the 1960s ever solved either.

Publish capacity utilisation, not just factory counts or farmer enrolment numbers, as the headline metric of any flagship programme's annual report, so that a building or a field running at a fraction of capacity cannot be counted the same way as one running near full output, and so that the next reckoning can distinguish capacity that failed on its own merits from capacity that was simply never given what it needed, a distinction nobody could make cleanly enough in 1983 to save what might have been saved.

Apply something like the IMVCM's gate logic formally, requiring a documented sign-off on the raw material, financing, and market-access nodes surrounding any flagship asset before the ribbon-cutting date is even scheduled, so the ceremony becomes the last step in a sequence rather than the first and only one anyone remembers, an approval architecture none of the four governments above ever quite built, and every one of them needed.

None of this is exotic. It is the difference between building a monument and building an industry, and Ghana has now paid, across four governments of genuinely different character spanning nearly seventy years, what a careful reading of the evidence puts at many billions of dollars to relearn a lesson that a structural argument, imperfectly stated, had already offered for free in 2019, and that the record had in fact been offering since 1966. The more useful question for whatever comes after the current flagship is not which government deserves credit or blame for its particular version of this mechanism, since every government since independence has now taken a turn, but whether its successor has actually internalised the pattern, tax structure and financing tenor set before the ribbon, raw material secured before the cameras arrive, or whether the country is simply waiting on its next photogenic flagship and its own post-mortem, five or fifteen years from now, written by whoever holds my pen next.

This essay is part of **Archive Revival**, a ten-piece project revisiting and rewriting earlier work with a decade of additional evidence, at derrydean.substack.com.