Growth in Ghana

A macroeconometric model simulation integrating agriculture

DANIEL BRUCE SARPONG
Formerly Kitan Kai Special Researcher
School of Economics
Nagoya University

Ashgate
Aldershot • Brookfield USA • Singapore • Sydney

Contents

List of tables vii

List of figures xi

Foreword
K. Yerfi Fosu, IFROMEOFAIDE and University of Ghana xii

Preface and acknowledgements xv

1 **Introduction** 1

2 **Growth strategy in Japan and Malaysia - a review** 8
2.1 Japan (1954-1970) 9
2.2 Malaysia 15
2.3 Summary of growth strategy 21

3 **The Ghanaian economy: Structure and performance** 24
3.1 The political economic setting in Ghana 24
3.2 Post-independence economic structure 34
3.3 Growth performance of the economy 52
3.4 Summary and conclusion 77

4 **Modeling the Ghanaian economy** 82
4.1 Macro models for developing economies 83
4.2 Macroeconometric models on Ghana 84
4.3 The theoretical structure of current model 91
4.4 Basic blocks of the model and quality of data 111

5	**Econometric results**		117
	5.1	Econometric estimation methods	117
	5.2	List of variables and estimated equations	118
	5.3	Discussion of econometric results	140
6	**Model validation and policy simulations**		157
	6.1	Simulation techniques and model evaluation	158
	6.2	Goodness-of-fit measures employed in model evaluation	159
	6.3	Validating the model	159
	6.4	Forecast simulations of the model, 1988-1997	175
	6.5	Appraising the model's projections: forecast vs actual data	182
	6.6	Forecast simulation experiments	183
	6.7	Summary of principal findings	195
	6.8	East Asian experiences in agricultural development	196
	6.9	Some considerations for domestic agricultural policy	199
7	**Conclusion**		204
	7.1	Summary and main findings	204
	7.2	Recommendations for future research	210
	Bibliography		212
	Index		224