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ECONOMIC REFORM AND CHANGING URBAN LANDSCAPE OF ACCRA:
THE CONVERSION OF RESIDENTIAL AREAS INTO COMMERCIAL AND
OFFICE SPACES

(Spine Title: The Changing Built Environment of Accra)

(Thesis Format: Monograph)

By

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Graduate Program in Geography

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of the requirements for the degree of
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ABSTRACT

Ghana's capital, Accra, experienced significant population, commercial, and spatial changes since the early 1980s, when the country implemented macroeconomic reforms. One of these changes is widespread land-use conversion, largely from residential to commercial units. This study examines the background and processes of conversion, major causal factors, their impact on the urban built environment and livelihood of actors involved. The study derives from 39 in-depth interviews with key informants. Strategic reports and documents are used to contextualize the interview results. The findings indicate residential property is being converted into commercial space due to a lack of affordable, formal commercial space and the desire to own enterprises to assist with daily subsistence. Many of these businesses are small scale, and the conversion is occurring with much informality. The implications of these conversions in terms of economic reforms, planning, and long-term sustainability of the city in a global marketplace are discussed.

Keywords: Economic Reforms, Urban Built Environment, Small Scale Enterprise, Residential units, Commercial Properties, Accra, Ghana,

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CHAPTER 1: INTRODUCTION

1.1 Overview of Research Issues

Since the early 1980s, virtually all countries in the Global South have undergone a major economic restructuring. In Asia, economic reform policies spread from Taiwan to Korea to Southeast Asia and on to China. In Latin and South America, it spread from Chile to Mexico and beyond. And in Africa, it swept virtually throughout the entire continent from Egypt to South Africa. In many ways, economic reform policies were in response to macro-economic instability and stagnation. The severe fiscal deficit in the 1970s, falling commodity prices, and failing public finance led to a near collapse of the economies of these countries and resulted in a major economic restructuring. Thus, the aims were to enhance economic growth, improve resource allocation, and increase economic efficiency, as well as prepare the economy of these countries against changes in the global market. To accomplish these aims, economic reform packages have been designed to move these countries from a command economy with central planning to a more decentralized transitional economy, where the allocation of resources is determined by a mix of market mechanisms and central state control. These economic reforms, intended to result in a liberalized economy, have typically been designed by the World Bank and the International Monetary Fund (IMF). Its basic tenets include minimalist government, privatization, free trade, free movement of people, and deregulation.

Since the start of macroeconomic reform, a number of cities within the Global South have received substantial investment; particularly the political and

administrative capitals. For example, in Ghana's capital, Accra, about 767 foreign-funded projects were licensed between 2001 and 2006, with a total investment of about US \$2.5 billion (GIPC, 2008). Similarly, after being designated a Coastal Open City by China in 1984, a policy designed to attract FDI, Shanghai's foreign direct investment (FDI) rapidly increased. In the period between 1979 and 1983, Shanghai registered only 17 foreign funded projects worth US\$17 million. By 2001, after implementing FDI attraction policies, the city had attracted a total of US\$35,374 million through 24,000 foreign projects (Wu & Radbone, 2005). Various other major cities have also attracted substantial new investments over the past two to three decades (World Bank, 2000, 2001). These cities have received FDI projects in real estate, industries, and telecommunication. Also, with the advent of economic reform, service and trade activities have intensified in these major cities to provide various commodities and services to satisfy the burgeoning population's increasing demands.

As a result of investments in these cities, there have been considerable changes with regard to the cities' economic structure and development. Indeed, major cities such as Beijing, Bangkok, Seoul, Mexico City, Santiago, São Paulo, Cairo, Accra, Lagos, and Johannesburg have all witnessed economic growth and physical spatial expansion since the start of the macroeconomic reform policies (Yeboah, 2003; Kombe, 2005; Setchell, 1995; Cohen, 2004; Barredo & Demicheli, 2003; Mitchell, 2009). Some of these cities have doubled, even quadrupled, in physical size in a relatively short period of time (Arku, 2009). This is most notable in Cairo, which, as Mitchell (1999: 29) noted, doubled in size in less than five years. Other cities, such as Lagos, expanded an average of 157 km² in just 16 years (Barredo & Demicheli,

2003: 299). Mundia and Aniya (2005: 2843) note that the recent economic reform in Nairobi “has led to the establishment of more industries, the boom of real estate and subsequently to the expansion of the city area.” Similar physical expansion has also been observed in such cities as Tunis, Casablanca, Cape Town, Johannesburg, Kampala, Dakar, Ouagadougou, and Accra (De Jong, Bagré, van Teeffelen, & van Deursen, 2000; Yeboah, 2000; Grant & Yankson, 2003; Weber & Puissant, 2003; Murray, 2004).

In part, the spatial expansion of these cities is due to the inability of the traditional Central Business Districts (CBD) to accommodate these new investment projects (Grant & Yankson, 2003). Consequently, majority of the new projects are located in the peripheral areas of the cities—a phenomenon that has contributed tremendously to the outward growth of the cities. In most cases export processing zones and special economic zones are constructed at the periphery of these cities to accommodate these investments (Grant & Yankson, 2003). Beyond spatial expansion, the macroeconomic reform programs have also led to the emergence of new urban elements such as new business districts, gentrified residential communities, and large peripheral residential communities and sub-centers in major metropolitan areas of these cities (Kuppinger, 2004; Grant & Nijman, 2004; Thuillier, 2005; Mycoo, 2006).

Several studies have investigated the urban effects caused by the national macroeconomic reform. These studies, among other issues, have focused on housing shortages (Dale-Johnson & Gabriel, 1995), emergence of large peripheral residential communities (Asiedu & Arku, 2009), city management (Rakodi, 2001; 2003), urban

sustainability (Barredo & Demicheli, 2003) and general urban structure (Yeboah, 2003).

One significant outcome of economic reform policies is widespread land-use conversion, mostly from residential into commercial and office accommodation, especially within central business districts (CBD). Even though several researchers have mentioned the conversion of residential units into commercial space, no coherent work has been done to investigate why it is happening and its impacts on the built environment.

1.2 Research Objectives

This research has four main objectives:

1. To explore the processes of conversion of residential areas to office and commercial spaces.
2. To explore the impacts of the residential to commercial conversion process on the livelihood of individuals who have converted their residential property or rented a converted property.
3. To examine any possible conflict with the existing land use plans.
4. To observe the impact of residential to commercial conversion on Accra's built environment.

1.3 Research Background

The focus of this research is on the effects of changes in the political economy and their manifestation in the city. More specifically, the study examines the

conversion of residential properties to commercial spaces in Accra, Ghana. In order to understand the conversion process occurring in Accra on a micro-level, this study uses qualitative in-depth interviewing, which will provide insight into *why*, *when* and *how* residential to commercial conversions are occurring. Using the neoliberal perspective, this research will attempt to link urban growth and the development of these conversions to the implementation of economic reforms. The direct impact of this research will be to make policy recommendations that can improve the quality of life for policymakers, converters, tenants, and neighbourhood residents.

1.4 Thesis Organization

This thesis consists of five chapters beginning with this Introduction. Chapter 2 provides a literature review that examines neoliberal thought around economic reform programs and the implementation of FDI, urban growth management theories, the role of small business and other literature relevant to the research. Chapter 3 details the methods used in this study and the rationale for their choice. Chapter 4 presents a discussion of the major findings. The thesis then concludes with a discussion and explores the findings in relation to the theoretical underpinnings of the study. The final chapter also contains the overall arguments made in the thesis, policy recommendations for the future, as well as limitations of the study.

CHAPTER 2: LITERATURE REVIEW

2.1 Overview

As noted in Chapter 1, since the start of the macro-economic reform policies, the economic and urban spatial structure of the affected countries had experienced tremendous change. At the same time, the introduction of macroeconomic reform has sparked heated debate amongst scholars about the elements of the reform programs and their consequences. So far, experiences with the reform have been vastly different at the continental and national levels and even at the sub-national level. In this chapter, I provide an overview of the macroeconomic reform and the accompanying broad debates in Ghana and elsewhere. The chapter also touches on the linkages between changes in the political economy and their manifestation in the urban spatial structure.

This study is situated in the framework of the political economy perspective on the built environment and urban management. It will draw on this theoretical perspective to build on the information discussed throughout the chapter, in particular the impact of neoliberal policies on the built environment, and to situate the arguments of the various contributors. The subsequent literature review examines issues pertinent to the conversion of residential units into commercial spaces. It begins with a description of economic reform and their macroeconomic impact on a global scale, followed by a focus on Ghana. Following this the impacts of reforms on commercial activity and urban form are discussed. The chapter concludes with a summary of the gap in knowledge that this study is targeted to answer.

2.2 Macroeconomic Reform: An Introduction

As mentioned in Chapter 1, virtually all countries in the Global South have undergone a profound change in their macroeconomic structure since the early 1980s, away from a pronounced regulatory regime to a free market. The specific elements of the policies vary from country to country as there have been over 300 separate programs created. The majority of the conditions created fall under five major themes: privatization of state enterprises, promotion of free trade, decreased role of the state, deregulation of institutions, and free movement of people. Overall, the centrepiece of macroeconomic reform was trade liberalization that sought both to expand trade and to encourage foreign direct investment. Consequently various policy measures were taken to reduce all types and levels of trade barriers, most notably tariffs and import licensing arrangements (Grant 2001).

The reform measures have had mixed effects on the economies of the respective countries. On the one hand, the measures had positive effects on an assortment of macroeconomic indicators. In various countries, economic growth soared, imbalances between exports and imports were repaired, foreign direct investments rose significantly, deficits were removed, the rate of price inflation was brought under control, and physical infrastructure improved (Liang, 2007; Moore, 2001; Harrison, Rutherford, & Tarr, 2003; Chakraborty & Nunnenkamp, 2008; Bush, 2004). On the other hand, the measures also had a negative effect on the poor, mostly due to reductions in public employment and the reduction of subsidies (Grant & Yankson, 2003; Briggs & Mwamfupe, 2000; Arthur, 2006; Liang, 2007).

In the next section I present the debates about the impacts of the economic reform measures at various scales.

2.2.1 The Growth of the Economy or the Growth of Poverty?

Opinions vary widely about the impacts of economic reform measures, especially as they relate to the poor. In their 2002 report, The World Bank, a foremost authority on global economic health and economic reform prescriptions stated that, “the long trend of rising global inequality and rising numbers of people in absolute poverty has been halted and even reversed [since around 1980]” (World Bank, 2002:50). This assertion has, however, been challenged by researchers such as Briggs and Mwamfupe (2000), who observed a limited participation of countries in the Global South in the globalization process. According to Briggs and Mwamfupe (2000), the participation of these countries has for the most part, been limited to their experience with Structural Adjustment Programs (SAPs), while a large percentage of capital raised from trade and investment stays located in advanced capitalist nations (Briggs & Mwamfupe, 2000). This pattern has been attributed to a limited domestic market size, lack of a skilled workforce, poor infrastructure, high unit production cost, and concerns about political stability in the Global South, as opposed to a failure of liberalization to equally spread wealth creation (Briggs & Mwamfupe, 2000). There are, however, varying opinions about the impact and influence SAPs has had on the Global South that will be discussed in more detail further along in the chapter.

Beyond the participation in globalization, there is controversy around the relationships between liberalization and growth, equality, and poverty. In particular, there has been debate about the effects of trade on growth and poverty, and whether

these factors may eventually lead to a more equal society resulting in higher standards of living, with various studies drawing differing conclusions. According to Winters (2002), a nation's economic growth is the foremost factor in long-term poverty reduction and in general, liberalization tends to foster growth. This view posits that in the long run liberalization will lead to poverty reduction. However, poverty itself is a hard concept to define, and there are a variety of ideas regarding human development, human rights, livelihoods, security, and social exclusion that have been included in the poverty definition by various major international institutions (Bush, 2004).

The centrepiece of the economic reform programs was neoliberalization, which sought to remove a state's influences over an economy (Harrison, 2005). Among other things, neoliberalization sought to deregulate labour, trade, and financial markets (Moore, 2001). It also aimed to reduce expenditures on social services, privatize services, and promote individualism and consumerism. Neoliberalism stems from the idea that developing countries, which were struggling to "modernise," would better be able to cope with their debt load if the market was allowed to dictate the country's economy, similar to the market economies of developed countries (Harrison, 2005; Arthur, 2006). Neoliberalism is a major driving force behind global economic relations, and globalization as a whole. This means economies linked through globalization follow global consumer trends (Dierwechter, 2006). The assumption is that once an economy is fully liberalized and free from overregulation by the government, it will allow for a more efficient allocation of goods, services, and capital for growth that would be shared among various income

groups (Dierwechter, 2006). Neoliberal theorists have proposed that Structural Adjustment Programs (SAPs), involving trade liberalization, deregulation, and privatization promote the integration of capital and trade markets of the South into the global economy (Moore, 2001). This allows countries to access a greater portion of the global marketplace for both import and export purposes, and in the case of this study, the free flow of capital permits Ghanaians to tap larger capital savings from the North through loans and remittances (Moore, 2001; Arthur, 2006). Overall, these reforms should lead to a better climate to invest in both new and existing businesses. Liang (2007) recognizes that liberalization allows for more job opportunities to participate in global production chains, further access to global factor and product markets, and better access to more productive technologies.

Neoliberal theorists assume these aforementioned factors would lead to a "trickle-down effect" with capital permeating the South from the North and leading to the goal of development, essentially allowing economics of the "South" to catch up with those from the "North" (Moore, 2001; Arthur, 2006). Consequently, Harrison, Rutherford, and Tarr (2003) recognized that the Gini coefficient, which measures the degree of income inequality, in regions where trade reforms such as liberalization have been implemented, actually improved. This suggests that income is being distributed more equally throughout the population.

As part of the economic restructuring, foreign direct investment (FDI) was supposed to play a major role in a nation's economic development. FDI consists of capital inflows, knowledge, and technology transfer from foreign sources (Chakrabortey & Nunnenkamp, 2008). It was seen not only as a way to promote

growth and reduce poverty in a nation, but also a way for lower income countries to access advanced technologies of higher income countries (Bush, 2004; Chakrabortey & Nunnenkamp, 2008). Macroeconomic reforms are said to have increased FDI in developing countries and subsequently created more jobs for the local population and increased wages for workers (Graham & Wada, 1999). According to Nunnenkamp et al. (2007), FDI benefits the poor and unskilled labour market the most because foreign companies tend to look for the cheapest labour available when operating in the Global South, which is typically the unskilled labour force. As a result, it is expected that FDI activities would raise the demand for unskilled labour and reduce the existing wage inequality between the skilled and unskilled workforce. However, Nunnenkamp et al. (2007) cautioned that the benefits of FDI may only be felt after a country reaches a certain level of economic and institutional development. They cited the example of Bolivia, which implemented economic reforms in the late 1980s. Following reforms there was an initial rapid increase in FDI which was rapidly followed by an increase in poverty and income inequality. Other countries, such as Taiwan, have seen income growth across the board as a result of FDI.

Pirie (2008) discussed Korea's success with the implementation of market-based reforms and questioned whether growth and "success" associated with the reforms can really be celebrated. According to Pirie (2008), the trickle-down effect of liberalization has not really been occurring. As a result, gaps are growing between the middle and upper income groups of both individuals and nations in terms of the benefits of liberalization policies.

For the majority of African countries, despite a short term improvement in economic performance since the start of liberalization policies, issues relating to economic decline, environmental degradation, high levels of external debt, poor access to social service, and increasing poverty rates were prevalent (Arthur, 2006). Similarly, in other places such as China, the introduction of reforms has led to a dramatic economic growth, but it also made a large segment of the populace susceptible to poverty due to high urban unemployment and a lack of an adequate social safety net (Liang, 2007). While trade liberalization increases access to cheaper and more varied products for consumers and inputs/raw materials for producers, it also increases the level of competition confronted by local businesses at the local, national, and international scale (Arthur, 2006). This is a major factor that can hinder the growth of domestic small business, as larger businesses have the advantage of ordering larger quantities of goods, resulting in their ability to sell them at a lower price and increasing their marketing budget to create brand awareness.

Another major contradiction discussed by Arthur (2006) is the "Asian Tigers" (newly industrialized economies in Southeast Asia) use of price setting in order to prevent the region from becoming a centre for any sort of cheap import which stifles the development of local manufacturing. While countries like Taiwan and South Korea grew wealthy from these protectionist policies, other countries that pursued liberalization saw local business suffer at the hands of cheap imports (Arthur, 2006). The argument is that the elimination of trade and import barriers makes it difficult for domestic industries to gain a foothold not only in the national marketplace, but most

importantly in the international market. This ultimately limits the amount of growth locally owned small businesses can generate.

A study by Moore (2001), calculated that the annual average growth rate in developing world stood at 5.5% from 1960 to 1980 and 2.6% from 1980 until 2000, indicating a 2.9% decrease within 20 years. Thus, since the implementation of liberalization, the growth rate has generally fallen, possibly indicating that liberalization has in fact stifled economic growth contrary to popular neoliberal thinking. Thus the question of liberalization's effectiveness in facilitating the reduction of poverty, especially through the growth of local businesses, remains a debatable issue.

Liang (2007) cites China as having had a lower incidence of urban poverty during the era of a centrally planned system than the economic reform era. Under the former regime, a vast segment of the populace not only had access to permanent job, but also subsidies, benefits, and various welfare services such as education and health. However, due to reductions in public employment and the reduction of subsidies under the reform era, the poor have continued to struggle and inequality has widened. Subsequently, rural-urban migration has intensified, but the limited economic opportunities in urban areas only make the situation worse (Zhang, 2002).

Overall, the impacts of neoliberalization policies on 'growth' and 'development' remain unclear. Regardless of its inconclusiveness, it is important to recognize that as inequality in a society increases, it is necessary for lower income groups to come up with new strategies to accommodate the rising cost of living. Those already living in poverty will feel the negative effects of liberalization much

quicker than others after macro economic reforms are put in place, simply due to the fact they have less assets available to weather out any shocks (Winters, 2002). Table 2.1 summarizes the main views about economic reform policies.

Table 2.1: Summary of Views about Economic Reforms.

Arguments For	Arguments Against
-facilitates global integration	-rapid growth of cities
-increases import/export market size	-poor productive employment opportunities
-tap capital savings from Global North	-increasing debt levels and overall poverty rates
-more job opportunities that can be higher paying, better access to increased technological capacity	-minimal social safety net
-possible alleviation of inequality and poverty	-foreign competition taking over local markets
-increased FDI	-growth of rent economies to accommodate surplus urban unemployment
	-those in poverty unable to manage shocks

2.2.2 Ghana's Economic Environment Prior to Macroeconomic Restructuring

This section provides information on Ghana prior to the commencement of the economic reform policies. Ghana was a British colony from approximately 1855 until independence in 1957. At the time of independence, Ghana was arguably in better economic condition than most countries in Sub-Saharan Africa. Ghana was the world's foremost producer and exporter of cocoa. It was responsible for 10% of the world's gold exports. It had one of the strongest infrastructure systems in Africa, a

relatively educated and skilled workforce, promising development plans, and foreign reserves of more than £200 million (Konadu-Agyemang, 2000).

At the same time, Ghana also bore all the scars of underdevelopment that included structural dislocation, production and consumption that were integrated through external trade, the export of commodities it did not consume, and the import of manufactured goods it consumed but was unable to produce (Konadu-Agyemang, 2000). Politically, Ghana's first post-independence era focussed on developing the economy in accordance with socialist policies in order to ensure Ghanaians had access to social programs, rural/urban divides were resolved, and Ghanaians stayed loyal to their current government (Grant, 2000). This involved three major tasks; the creation of economic and welfare institutions assumed to be characteristic of a well-functioning economy; the development of such provisions as state-subsidized education, health, and housing which were assumed to assist in the process of "modernization" and facilitate the running of a healthy state; and the allocation of resources necessary for "political reproduction and legitimacy via welfare and patronage" (Hutchful, 2002, p. 15).

However, Ghana was unable to maintain its promising future and by the mid-1960s GDP growth had fallen to 0.4%. The country had a high level of debt due to attempts at technical modernization; and the real value of the minimum wage dropped by 45% and earnings in both the public and industrial sector fell by 20% since the time Ghana gained political independence (Konadu-Agyemang, 2000). Subsequently, the price of commodities began to decline due to a global recession and the value of cocoa, Ghana's main export and policy focus during the mid 1960s, fell by 66%,

limiting the profits of cocoa producers who already were not receiving global market value for their commodity (Konadu-Agyemang, 2000; Leider & Harding, 2004).

Due to political instability in the 1960s through to the early 1980s, successive governments were never able to implement policies for a time period significant enough to make any meaningful impact on development. The result was widespread poverty and dissatisfaction with the state as the country was subjected to poor socio-economic conditions.

Beyond political instability, scholars have also attributed Ghana's economic woes at this period to economic mismanagement, a large mismanaged public sector, over-subsidized social services, overvalued currency, the return of almost a million Ghanaians who had been working in Nigeria, corruption, and inept leadership (Konadu-Agyemang, 2001; Aryeetey, Harrigan, & Nissanke, 2000; Morrison, 2004). Inequality, poverty, and debt worsened throughout the 1970s and into the early 1980s and this set the stage for the entry of the IMF and World Bank's economic reform policies. Faced with few other options, after a second military coup, the Rawlings-led government turned to the IMF for loans to help keep the country afloat and accepted SAPs and the conditions associated with it (Morrison, 2004).

2.2.3 Economic Reform Policies in Ghana

Since 1983, in response to macroeconomic instability and stagnation, Ghana has undertaken major economic restructuring, moving away from a centralized planning to a market system (Grant, 2001; Konadu-Agyemang, 2000). Among other measures, reform policies have centred around reduction in government expenditures, active encouragement for the private sector, privatization of parastatals and other

national industries, currency devaluation, dismantling trade and investment barriers, and shifting agricultural and industrial production from food staples and basic goods to exportable items (Konadu-Agyemang, 2000; Briggs & Yeboah, 2001). Invariably the restructuring sought to both open up the country to the external market and reduce the economy's dependence on the traditional natural resources.

Ghana's economic reforms proceeded in three stages. The first stage, Economic Recovery Programme (ERP) I, took place from 1983 to 1986. This stage consisted of a stabilization package that was intended to reduce inflation, achieve external equilibrium, and to implement a program to promote economic growth and export recovery (Hutchful, 2002). The program entailed exchange rate reform, price decontrol, new monetary and fiscal policies, an export sector rehabilitation programme, and a public sector investment program (Hutchful, 2002). The second stage, ERP II, was implemented between 1987 and 1990. This was the adjustment phase and it consisted of reforms to the financial sector, state enterprises, the education sector, and the civil service. It also included a medium term agricultural development programme, legislation to encourage small-scale mining activities, new banking laws including new regulations for savings and loans, the establishment of the Ghana Stock Exchange, the adoption of a new investment code and amendments to the 1985 Investment Code, reducing the areas reserved for Ghanaian enterprise, the liberalization of the legal framework regulating business, liberalization of the Cocoa Marketing Board, and the establishment of the Export Finance Company Ltd (Hutchful, 2002). The third phase of reforms, ERP III, started in 1993 and was essentially designed to create an open and liberalized market. This included a poverty

reduction through labour intensive and high productivity activities programme, as well as enhanced access by the poor to social services, continuing progress in human resource development, capacity building, public sector management and private sector development (Hutchful, 2002).

After years of macroeconomic restructuring Ghana has been acclaimed as one of the most successful cases of SAPs, not only because of the government's successes in implementing liberalization policies without backtracking, but also because of tremendous improvement in macroeconomic indicators (Grant & Nijman, 2004; Hutchful, 1995). Prior to the economic reform, Ghana's GDP experienced a consistently negative growth rate. Since the start of the reform the socioeconomic climate of Ghana improved as the country saw a steady annual GDP growth ranging from 3.3% to 8.6%, with the growth rate at 6.3% in 2007. Ghana's inflation rate also dropped from 123% in the early 1980s to about 29% in late 1990s and industrial operating capacity rose from about 25% or less in the 1970s to between 35-40% in late 1990s (Konadu-Agyemang, 2000). On the investment front, a significant success has been achieved in attracting FDI. Available records show that FDI skyrocketed from US \$22.5 million in 1992 to US \$304 million in 2006 (U.S. Department of State, 2005, Ghana Statistical Service, 2008). Some attribute growth in investment to a heightened investor confidence (Grant, 2000). Others have also used positive economic indicators as a whole to acclaim the reform as a success.

Introducing liberalisation policies has ensured that foreign business owners have easier access to the capital their business generates via foreign exchange, capital from financial institutions, and the removal of import/export barriers, which allows

business owners to pursue a lower product cost due to low cost imports (Grant, 2001). Overall, these reforms made the country a better target for investment from both domestic and foreign sources, as can be demonstrated by the increasing amount of foreign direct investors, from 8 in 1985, to 240 in 1998/1999 (Grant, 2003) and a noticeable explosion of small local enterprises (Yeboah, 2000).

Although macroeconomic reforms have benefited some parts of the economy, there is still a question mark about the overall impact at the micro level, in particular, on the labour force and the poor. Available records show that a staggering 45% of the country's population lives on under a dollar a day (Foreign Affairs and International Trade Canada, 2006). Additionally, some argue that the reform programs have been unable to fix Ghana's balance of payments deficit and as a result the country still has an import dependent economy (Sowa & Acquaye, 1999). For example, whereas the country's export value stood at US \$3726.67 million in 2006, its import value stood at US \$6753.68 million (Ghana Statistical Service, 2008).

Finally, various scholars including Grant and Yankson (2003) and Konadu-Agyemang (2000) argue that the reforms have also led to hyper differentiation of space in the country. Whereas Accra has emerged as a gateway and primate region in the country and has attracted a disproportionate share of all investments, areas outside of Accra have witnessed a declining proportion of FDI. This increasing inequality has further strengthened rural to urban migration - a phenomenon that has, in part, contributed to the explosive growth in Accra and other major urban centres, discussed next.

2.3 Economic Reforms and Urban Spatial Changes

2.3.1 Urban Growth as a Response to Economic Reforms

As noted previously, changes in the socioeconomic and political environment in countries within the Global South have produced significant impacts on their urban built environment. Traditionally, cities have acted as engines of economic and social growth. For the majority of urban areas in the Global South, this role has further strengthened since the commencement of economic reform. Urban areas in this region have become major points of absorption of foreign and domestic capital, the location of major economic activity in the manufacturing and service sectors, and the provider of consumers for finished goods (Briggs & Mwamfupe, 2000).

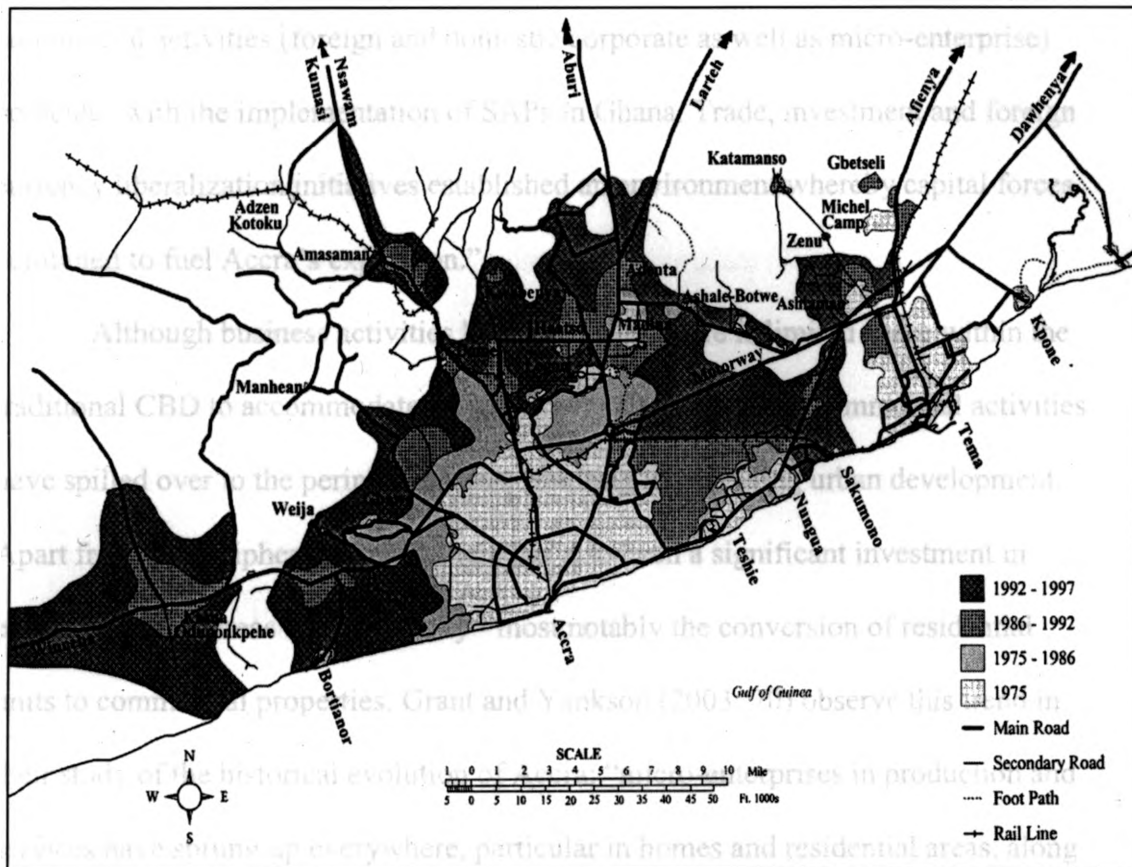
Indeed, various countries have registered unprecedented rates of urbanization since the start of their reform programs. Although natural factors—increasing birth rates versus decreasing death rates—account for some of this growth, most of it is due to an upsurge in rural to urban migration trends. Surge in rural-to-urban migration is primarily due to urban bias policies that have channelled most investments to urban localities. To illustrate increasing trends in urbanization, China's level of urbanization prior to the economic reform was only 12.1% (Anderson & Ge, 2004). However, this rate has accelerated since 1978 when the reform started, reaching 36% by 2000 (Zhang, 2002). Furthermore, prior to Brazil's economic reforms, their urbanization rate was 67.3%, but by 1996, after reforms were implemented, it had increased to 78.4% (Prez, 2000). Overall, the size of the urban population in all middle and low income countries, most of which undertook economic reform programmes, had increased from 981 million people in 1975, to 2,165 million people in 2000 (Cohen,

2004). The increasing rate of urbanization has been attributed to the strategic locations of FDI.

Not surprisingly, many of the largest urban agglomerations within the Global South are growing at between 3% and 5% per annum, a much higher rate than the world average of 2.1% (United Nations, 2007). For example, the Metropolitan Area of Tunis (MAT), with a population slightly above 2 million, is growing approximately 3% per annum (Weber and Puissant, 2003). In Egypt, the population of the Greater Cairo Metropolitan Area (GCMA) grew at an average of 6.2% per annum during the 1990s (El Araby, 2002). Lagos, Nigeria's largest city, grew at an average of 5.6% per annum between 1975 and 2000 (Njoh, 2003), and Ethiopia and Tanzania's major cities, Addis Ababa and Dar es Salaam, are growing an average of 6% and 4.2% per annum, respectively (Bekele, 2005; Kombe, 2005).

In Ghana, as elsewhere in the developing world, rapid urbanization growth has coincided with the implementation of economic reform (Yeboah, 2000; Grant & Yankson, 2003). Of the 10.2 million people added to the total population between 1984 and 2007, 66.7% were absorbed by the urban areas. Indeed, whereas the growth rate for the overall population has been between 2.7%, the annual growth rate in urban areas was 4.6% between 1984 and 2000 (Moller-Jensen & Knudsen, 2008). As Ghana's economy strengthened due to the reforms, Accra in particular has experienced a significant amount of outward physical expansion. Between 1975 and 1997, the physical area of Accra expanded 318% or 200.7 square miles (Yeboah, 2000). The expansion proceeded in three phases that were largely tied to the implementation of different ERPs (see Figure 2.1).

Figure 2.1: Expansion of Accra 1975-1997



(Source: Yeboah, 2000: 69).

In the “pre-SAPs” era from 1975 to 1986 there was expansion just around the urban fringe and the amount of urban area increased 45.76%. Consequently, the second wave of expansion from 1986 to 1992 was chiefly a process of infilling, with the total urban size having increased 187.44% of its 1975 area. The final phase resulted in the most sprawl, particularly into rural and peri-urban green spaces and largely along major transportation routes, resulting in the 318% increase in 1997 from the city’s 1975 size (Yeboah, 2000). This indicates that development has occurred in correlation with each phase of SAPs, particularly during the third phase when liberalization policies were implemented. As noted by Grant and Yankson (2003:72)

“most of the physical expansion of Accra as well as the growth in all types of commercial activities (foreign and domestic corporate as well as micro-enterprise) coincides with the implementation of SAPs in Ghana. Trade, investment and foreign currency liberalization initiatives established an environment whereby capital forces combined to fuel Accra’s expansion.”

Although business activities have exploded, there is limited space within the traditional CBD to accommodate them. As a result, most of the commercial activities have spilled over to the peripheral areas, resulting in sprawling urban development. Apart from the peripheral growth, there has also been a significant investment in existing built up areas within the city - most notably the conversion of residential units to commercial properties. Grant and Yankson (2003: 70) observe this trend in their study of the historical evolution of Accra: “micro-enterprises in production and services have sprung up everywhere, particular in homes and residential areas, along the major thoroughfares, in road reservations and in areas reserved for other purposes within the built environment.”

Yeboah (2000: 74) also observed a similar trend in a study on "emerging spatial form in Accra":

A trend in Ghana in the past few years has been the conversion of lower floors of residential buildings into stores for retail. In terms of the expansion of Accra, this trend is common along major roads within Accra central rather than in the peri-urban area. A good example of this conversion of residential to commercial, and the increasing investment in new commercial building, is along the Accra-Nsawam Road between Achimota Village and Mile-Seven. Most of the stores along this road sell building materials like cement, plywood, and iron rods. A similar pattern can be seen between Haatso/Madina Junction and Ashalebotwe Junction on the Accra-Aburi Road.

2.3.2 Informality in Business Location

The political economy of built form centres around foreign investment's impact on the dynamics of the property market in any given country (Tasan-Kok, 2007). The emerging markets of the developing world provide an attractive site for foreign investors to invest into despite insecure governance (Tasan-Kok, 2007). Under economic reforms, the state plays a minimal role in determining where this FDI is located and instead it is believed the market should guide each development into the location that would best fit that enterprise. However, in the developing world, where there is a much higher degree of informal land use, the market is often not the guiding hand to determine a business location, particularly for small scale, local enterprise. As Yankson (2000) asserts, there is a much higher degree of uncertainty in business location. In place of market forces, status of tenure and registration, as well as availability and affordability play a more central role in where businesses locate. Indeed due to uncertainty in the status of many businesses, particularly in relation to registration and lack of tenure, they disregard the status of their business location and its existing land use plans which may or may not be zoned for commercial ventures (Yankson, 2000).

Lack of business registration can also become a planning issue. When businesses do not register with the city, the city is unable to properly assess current land uses and building structures making it a challenge to guide efficient development. McPherson and Liedholm (1996) recognized that governments try to harness the revenue created by business registration and rein in illegal development. Within Niger and Swaziland the decision to register a business was determined by the

business owner's perceptions of the costs and benefits of registration, which depended on the region's public education about business registration (McPherson and Liedholm, 1996). Alternatively, in Nairobi, Kenya, many small scale enterprises were not located in areas that were particularly conducive to an effectively functioning city. There was no land allocated for them to carry out their business activities on. Thus, as a result of a lack of designated commercial areas, some enterprises ended up on the road or on the sidewalks, clogging city arteries that were not designed to accommodate these additional business ventures (Muraya, 2006).

2.3.3 Planning Issues in Rapidly Expanding Urban Areas

Poor physical planning and inadequate supply of urban services in the developing world are nothing new. Indeed, they date back to pre-reform era. However, they became more pronounced during reform times when urban governments were overwhelmed with demand from burgeoning population and commercial activity. Currently, most urban areas are confronted with severe urban problems relating to rising housing costs, an overloaded transportation system, overcrowded streets, rising poverty levels, and an inadequate supply of services, such as water, electricity, and garbage collection (Stren 1991, Rakodi, 1997).

Although the above mentioned urban problems have become more pronounced during the reform era, measures adopted during this period cannot fully account for the mounting problems in cities in the developing world. In fact, the root of the problem lies in the absence of deliberate physical planning efforts or the use of outdated planning instruments. Many of these cities are in dire need of comprehensive land use planning. Others continue to use outdated Town and Country Planning

Ordinance inherited from their colonial masters (Njoh, 2000). In Lagos, for instance, Abiodun (1997: 208) observes that "Up to 1981, there was no urban transportation plan for the whole Lagos metropolitan area. What often happened was that road networks were laid out in specific areas as they became incorporated into the built-up area of the city." Similarly, Mundia and Aniya (2005: 2832) indicated in the case of Nairobi that "deliberate planning has been lacking and urban growth has led the city to expand outward at the expense of other land uses." According to Mundia and Aniya (2005) planning has been done on an ad hoc basis with study groups dealing with specific aspects of city growth. The ad hoc land use planning has paid very little consideration to environmental impact or physical constraints, which has given rise to urban sprawl and resulted in physical, socio-economic, and environmental problems. Typically in these cities, planning tends to take a 'reactive' rather than 'proactive' form.

Even in instances where comprehensive planning instruments exist they are often not implemented. As a result, urban development for the most part takes place outside of the regulatory framework (Rakodi, 2001). Urban development tends to proceed regardless of whether it conforms to land use plans, and a new or converted/alterd property may not appear in city plans until it has already been built (Rakodi, 2001). This creates haphazard development and forces local governments to use reactive, rather than proactive planning.

In their study Leitmann, Bartone and Bernstein (1992) identified four environmental concerns with reactive planning. One, there is pollution from urban wastes, including poor sewage and drainage facilities, and minimal solid and

hazardous waste disposal services. Two, urban transport externalities arise from the increasing use of motorized vehicles coupled with poor public transport, meagre road maintenance, lack of alternative routes, poor education and enforcement of road code, and traffic management issues all contributing to congestion, accidents and pollution. Three, unsustainable resource consumption, illegal land development, and the loss of natural and cultural heritage all add to the resource management issues that arise from poor planning. Four, environmental hazards that expose citizens to natural disasters, contamination, and pollutants are also a result of poor planning practices.

Thus, the point here is that although informal development (e.g. housing, retail activities etc.) is useful in satisfying the needs of individuals, it often bears great environmental, social, and economic costs. Most often infrastructure in these cities are designed to support a specific population threshold or to accommodate a specific industrial capacity, but when development occurs informally, the infrastructure provided is rarely able to sustain the area it has been developed for (Ferguson, 1996). According to Lietmann et al. (1992), weak governance, lack of public awareness, poor regulatory and economic policies, and insufficient knowledge are the contributing factors to this reactive and haphazard method of planning. In his study of urban management in Montego Bay, Jamaica, Ferguson (1996) identified major environmental concerns. Ferguson (1996) recommended that instead of reactive planning, the government should focus on guiding informal development into pre-planned areas which would allow for high quality infrastructure, lower costs of development, fewer environmental issues, and a much more accessible residential or commercial area.

2.3.4 The Role of Small and Medium Sized Enterprises in Urban Centres

Small and medium sized enterprises are critical to any economy. They create economic opportunities, diversify the economic structure, generate revenue, and add innovation into the marketplace (Smallbone, Welter, Isakova, & Slonimski, 2001). The examination of small and medium sized enterprises is crucial to this study, as the growth in this sector is fuelling the conversion of residential properties into commercial spaces. Mensah, Tribe, and Weiss (2007) identified that most of the small scale enterprise occurring in Ghana was used as a means of supplementary or subsistence income. Thus, this sector will likely continue to expand as more individuals search for a means to “get by,” but the commercial space in which these individuals can invest is limited. The increased access to capital discussed below and an eagerness to invest as a means of raising ones earning potential has led to competition for *affordable* retail and office space to locate small scale enterprise, particularly within the city centres to assist families with subsistence.

Predominantly within transition economies, small and medium sized enterprises provide variety of services and also allow for flexibility in production, including more consumer services that require more flexible labour market conditions (Smallbone et al., 2001). Small and medium sized enterprises also facilitate privatization of state enterprises and they seek to fill niches in the market. Scase (1997), however points out the importance of examining whether these enterprises are owned by entrepreneurs who are focused on building their business or simply proprietors who are only focussed on using their business to meet their immediate needs. Majority of those small and medium sized enterprises in Eastern Europe, areas

that were also subject to macroeconomic reform, are owned by proprietors who are more likely to use surplus income to raise their own standard of living (Scase, 1997). It is however, the entrepreneurs focussed on growing their businesses that help the economy grow through job generation and creation of economic linkages.

Steel and Webster (1992) also noted a distinction between innovative and successful adapters—that is, those who ran productive businesses, versus stagnant producers. Productive businesses were more likely to employ more people, have expansion plans, as well as contribute more significantly to the economic growth. Stagnant producers contributed only enough to their business to use the profits towards subsistence.

One of the most significant outcomes of SAPs' monetary policies was the increased development of private lending institutions. This has allowed business owners to access commercial loans to help start up or grow their company (Arthur, 2006). In Ghana, although there has been increased access to monetary capital through lending, small scale businesses are often burdened by extremely high commercial lending rates, 38.5% in 2002 (Arthur, 2006). As a result of the high rates, small and medium sized enterprises are not able to apply for loans as the initial funds required to start a savings account and the collateral required for loan security are often beyond the means of small business owners (Arthur, 2006). Recently however, small businesses are slowly being recognized as an engine for economic growth and an excellent poverty reduction tool and governments have started initiating programs to support their growth (Arthur, 2007). Yet, most of these loans still remain out of reach for the average Ghanaian entrepreneur. Many small

businesses also turn to microcredit institutions for loans, which tend to have limited resources and often depend on governmental support (Arthur, 2007). The small scale enterprise field in Ghana is composed of mostly family owned businesses, individual artisans, and apprentices (Arthur, 2006). Small enterprises normally absorb one third of new labour market entrants in the Global South (Arthur, 2006). This has been in response to declining wages and job opportunities in the formal sector, as well as excess labour in the cities (Steel & Webster, 1992). Arthur (2006) noted these small enterprises can also lead to savings in group and individual accounts which act as a steady source of income for family members and can help contribute to the long term viability of the business. This income is particularly useful as the market becomes more volatile and can act as a safety net in place of once state-issued social services (Arthur, 2006).

Commercial lending rates aside, small business owners have been able to accumulate capital through many different means, and the small scale enterprise sector is now the fastest growing sector based on employment statistics. Approximately 15.5% of Ghanaians hold positions in the small business sector in 2005 (Arthur, 2006). Employment in the small scale enterprise sector is vital, as many former public servants found themselves seeking subsistence in this sector as a result of job cutbacks prescribed by SAPs (Arthur, 2007). Small scale enterprise development has been recognized as an important facet to any country's socio-economic development and is playing a vital role in Ghana's economy, accounting for 6% of GDP output in 2005 (Eyiah & Cook, 2003; Arthur, 2006; Muraya, 2006; Rogerson, 2006; Mensah, Tribe & Weiss, 2007). It is evident that small business

plays a significant role in Ghana's economy, as the figures mentioned above are limited to the formal and regularized small business sector, when in reality a much larger portion of small business takes place on the informal scale.

In order for the small scale enterprise sector to continue to play their role within Ghana's economy, certain issues must be addressed. It has been noted in the Ukraine and Belarus that there has been a "lack of a supporting environment for small business development (which) reflects the absence of stable and appropriate legal and tax frameworks" (Smallbone et al., 2001: 266). In their study, Smallbone et al. (2001) found that these enterprises had various support needs that included; advice on legal, tax, and regulatory issues, support in accessing resources, problem solving, and larger business development and management concerns. This help is needed on the macro level in terms of support for the industries as a whole, as well as on the micro level supporting individual businesses. In a study on the concerns of domestic private business in Ghana, Amponsah (2000) found that the biggest obstacle to domestic business growth was the perceived lack of a supporting institutional environment. This means businesses have little protection and assume that there is little government support to help their growth. Arthur (2006) asserts that it is also imperative for Ghana to address its infrastructure deficit, energy consumption, and political corruption and mismanagement in order to support its vital small business sector. Arthur's (2006) statement is especially true in light of small businesses generally not having the same access to marketing and advertising techniques, skilled salespersons, and inventory control that larger international firms would have. This is a factor that essentially cuts them out of competitive and profitable markets. In particular, there is

also less support for the quality of goods produced in the developing world, which may lead to reduced demand. Ghana attempted to counter the idea that goods produced by less skilled workers are of poorer quality with the establishment of the Ghana Standards Board (GSB), which provides product standards and specifications to local industries in the hope of increasing the quality of locally produced manufactures (Arthur, 2006).

Furthermore, there are strategies that could increase the success of Ghana's small business sector. Meagher (2007) illustrates that small enterprises can benefit from operation in a cluster environment. Clusters have the ability to foster new methods of economic governance that assist in developing economic efficiency, cooperation, and innovation even in periods of rapid transition within the economy (Meagher, 2007). Clusters also link businesses to new technology, information, markets and power relations, allowing them to further integrate into the global production chain. Business clusters in Africa are noted to be weak and unorganized, and even when a producers association is well used, it often lacks the resources, power relations, and commitment to properly address the issues of that cluster (Meagher, 2007). Clusters in the Global South that have responded more successfully to economic reforms were clusters which had strong support from the state and formal sectors such as in Pakistan, India, and Mexico (Meagher, 2007). This is opposite to the case of Nigeria, where the state's role is both neglectful and predatory through significant liberalization and decentralisation. This resulted in the disruption of local relations of solidarity, leading to fragmentation within the cluster rather than innovation, competition, and cooperation (Meagher, 2007). It is also hard to develop

strong state ties when a number of the clusters contain many businesses that operate within informal means, and therefore do not always comply with the law. Overall, small scale enterprises play a vital role in Ghana's economy as the sector continues to grow. In order for them to achieve the poverty alleviation they are capable of, many issues must be addressed to help create a more friendly small business environment.

2.4 Other Considerations Affecting the Process of Residential Conversion

There are several other features to consider that are fairly independent of the previously discussed issues but still play a critical role to the objectives of this study.

Liberalization has resulted in the growth of the real estate sector, a removal of the state from direct housing production and financing, and finally the reform of housing institutions (Arku, 2006a). At the same time, it has also increased land prices due to currency devaluation, inflation, and the interest rate (Arku, 2006a). As a result, Ghanaians are preferring to sell their land to private developers to reap as much of a profit as possible, essentially pushing low income earners out of the housing they could have traditionally supplied themselves (Arku, 2006a). This problem is compounded by Accra's rapid population expansion which is resulting in several challenges - one of them being a shortage of housing. Housing production has increased from 28,000 units constructed annually in the mid 1980s, to 30,000 units annually in 1998. Current housing production still only cover a fraction of the demand, estimated at 140,000 units annually (Konadu-Agyemang, 2001). Even with the small increase experienced, many existing houses lack sufficient infrastructure and deteriorate at a faster rate because of an insufficient maintenance program. This

has resulted in production deficiencies, difficulty in finding rental housing (including the requirement of paying the landlord large rent advances), and overcrowding (Konadu-Agyemang, 2001). With the housing supply falling short of demand by approximately 750,000 homes, and the population of Accra continuing to increase, one must ask where these individuals will go for shelter and where can they house future attempts to pursue commercial activities.

One factor that will likely affect the data obtained in this study is the high degree of informality in the land transaction market in Accra. Over 87% of residential land transactions take place in the informal realm with little government regulation, resulting in properties that may have not been properly demarcated and may not follow the zoned land use (Antwi & Adams, 2003a; 2003b). Also, the land markets tend to be hampered by lack of information on property sales and sale values, and it is the cultural norm to keep transaction details in secrecy (RICS, 2006). Furthermore, much of the property in Accra does not have secure tenure rights. In a survey of residents in Accra, Amponsah (2000) found that 49.9% of the respondents felt high sense of insecurity. It is likely that insecurity of tenure and inefficiency in the land markets plays a role in the residential to commercial conversion process. A new initiative currently being implemented is the Lands Administration Act. This project was designed to create harmony among Ghana's Land agencies, such as Town and Country Planning, the Works Department, Accra Metropolitan Authority, Environmental Protection Agency among others, reduce disputes about tenure, and alleviate the complexity of applications to the government involving changes in property (Aryeetey, Ayee, Ninsin, and Tsikata, n.d.). The effects of this project

however, will not be apparent in this study as the project has not been fully instituted but future research should examine the impact of the Lands Administration Project on tenure issues and land processes as a whole. Overall, this study hopes to reveal some of the intimate details involved in the land transaction process to shed light on the challenge of obtaining land for commercial/office uses in Ghana.

Remittances constitute money sent from individuals abroad to family and friends from their home country. In many cases they are a vital source of additional income for families in Ghana and elsewhere (Henry & Mohan, 2003; Addison, 2004; Asiedu, 2005). Additionally, it is a major source of wealth for investment into property development (Asiedu, 2005; Grant 2007). Kabki, Mazzucato, and Appiah (2004) identified that most of the Netherlands-based migrants from Ghana tend to invest in housing and development back home, as well as support their family's health, education, and other important facets of their lives. Remittances have been on the increase with total remittances from both official and private sources totalling US \$410 million in 1990 and rising to US \$1408.4 million in 2003 (Addison, 2004).

Although the conversion of residential units into stores for retail activities are said to be widespread, the sources of funding for such conversion is yet to be uncovered. Considering the crucial importance of remittances in the Ghanaian economy, the present study aims to determine whether remittances are a major source of funding for these property conversions.

2.5 Summary of Ideas

Chapter two sets the stage for the study of the conversion of residential property to commercial space. This conversion has been fuelled by the macro-economic reform programs which have led to a whole host of challenges and issues that have developed the conversion process into what it is today in Accra. This chapter thoroughly examined the positive and negative assumptions of neoliberalism. On the positive side, researchers theorized that neoliberalism facilitated global trade and integration resulting in increased FDI and better employment opportunities for the population, overall leading to a higher quality of life. Alternatively, another set of researchers recognized that this may not always be the case, and being integrated into the global marketplace has the potential to stifle domestic markets. Furthermore, the employment FDI provides may not always be productive. The impact that neoliberalism has had on poverty, inequality, and improving the overall quality of life of the population is inconclusive, as the results of research on neoliberalism have been different depending on the region and indicators examined.

One thing that is for certain however, is that neoliberalism has been changing the face of urban centres in the countries that neoliberal policies have been implemented. Cities have been growing and their spatial layout changing at a rapid rate. This has led to the swift development of new residential and business neighbourhoods in these urban areas. However, businesses are not necessarily conforming to market forces when determining their location, rather due to their highly informal nature (relating to tenure security and lack of registration) they tend to locate in the most convenient place for the owner. Illegal or informal development,

when not properly managed, results in a host of planning challenges which rapidly expanding cities have to rein in and manage. All these factors will be examined through the role of the conversion of residential property into commercial space in this study. One of the key factors that will shed light on this process is the examination of small domestic businesses. These businesses are at the heart of the conversion process and are central to subsistence or supplementary income for those in the Global South, thus it is a segment that will likely continue to grow and hold a significant impact on the urban environment. Finally, issues of tenure and remittances were examined in this chapter as possible factors that influence the growth of this conversion trend.

No previous research has conducted an in-depth examination of the factors leading to conversion, the registration and legal process involved with converting and renting a converted unit, the characteristics of converted properties, and the impacts those properties have had on urban environment in Accra. Central to the study will be the role of neoliberalism and the impact those policies have had on domestic business climate in Ghana. This study intends to address these issues to examine *why* and *how* these conversions are occurring. This serves as an indicator of the impact of macroeconomic reforms have had on the micro level in Accra. It will provide insight on the condition and implications of the small business sector within Accra and the role conversions play within that sector.

CHAPTER 3: METHODS

3.1 Introduction

Many of the previous studies examining urban and economic growth in the Global South, particularly in response to economic reforms have used quantitative methods. Nonetheless, this method is hindered by the fact that quantitative methods can only examine phenomena from the macro level. This is effective when trying to get a picture of the overall urban and economic growth of a region, but does not provide any insight as to how the growth situation may be changing on the micro level, particularly for a marginal population. By using qualitative methods I was able to assess how, specifically, the conversion of residential property into commercial space is affecting the ability of policymakers to plan the city, as well as what sort of motivations led to the rental/purchase/construction of these conversions, how they were funded, and what sort of outcomes they have produced for the various actors involved in the process. Macro-economic quantitative data alone would be unable to measure this variety of case study, focussing on the individual actor's viewpoint at such an in-depth level. Little research, either quantitative or qualitative, has been done on the factors contributing to, and outcomes of, the conversion of residential property into commercial units. Qualitative methods enables the factors leading to conversion to become truly evident, as individuals directly involved with the conversion process expressed their views on why and how the process is occurring and what consequences this is having on the spatial structure of Accra.

3.2 Using Qualitative Methods

Qualitative research is a method of inquiry that allows researchers to gain a deeper insight into the experiences and emotions of research subjects. It involves an active research process and situates the research and the researcher within “a distinctive interpretive community” (Denzin & Lincoln, 2003, p. 30). It also allows for the research to be situated within a set of ideas about the world (the theoretical framework) that is examined in a specific manner (the method the qualitative researcher chooses to pursue) which involves a specific set of investigative strategies (the methodology). What is most advantageous is that qualitative research recognizes the intense amount of subjectivity involved in all parts of data collection and analysis. Poststructuralists and postmodernists have concluded that it is impossible to objectively observe the social world, through both qualitative or quantitative means, as each individual brings their own background, thoughts, values, and beliefs into whatever activity that individual may be pursuing (Denzin & Lincoln, 2003). Therefore a single method, such as interviewing or surveying, is unable to grasp reasoning or causes for the variations occurring within an individual’s life experience. However, qualitative methods aim at using several interconnected methods to interpret, the world we live in today to the highest degree possible, while at the same time accepting that all research involves some amount of bias (Denzin & Lincoln, 2003). In order for this research to attempt to reach this high level of interpretation, this study used three different data collection methods; in-depth interviewing, field notes collected about the research area and participants, and the analysis of key policy documents. The use of mixed methods results in very comprehensive and less bias

results and conclusions. Overall the use of qualitative research is an accepted form of inquiry, on par with quantitative research in terms of the quality of results produced, if not more encompassing.

Significant for the use of qualitative methods, is the interpretation of a theoretical framework in relation to the research subject and the results. Qualitative researchers recognize that as human beings we are motivated by a set of universal principles that are often highly abstract in nature (Denzin & Lincoln, 2003). These principles translate into an individual's ontology, epistemology, and methodology, which can be labelled as a researcher's paradigm (Denzin & Lincoln, 2003). This results in a theoretical framework that is "a basic set of beliefs that guides action" (Guba, 1990, p. 17; Denzin & Lincoln, 2003). This framework guides the investigator's research by shaping the questions they are interested in and the interpretation they develop based on the data gained from the answers provided by respondents.

One of the advantages of qualitative research is that it recognizes the researcher's insider/outsider status and takes into account how that affects the subjects of the research and the data that is created. Insiders have a better grasp of the research issues and the respondents may feel more comfortable speaking with, or disclosing their viewpoints to someone they feel is more similar to them. This study was however conducted by an outsider, which may have prevented some participants from revealing intimate details but also enabled a bottom up approach to this study, as I entered the field with no preconceived notions of what this conversion process entailed. Additionally, with such little research previously done on the topic of

interest, I was essentially entering the field with a blank slate, which ensured that my bias towards any sort of conclusion was limited.

Because qualitative methods are frequently used when the researcher is interested in the issues faced by a particular limited population, the results found are often not capable of generalization to a larger population unless further study is done. As a result, studies that utilize qualitative methods often use non-probability sampling, meaning that the sample population is targeted for their relevance to providing knowledge that can directly answer the research questions rather than choosing participants to be representative (Neuman, 2000). Specifically, this study engaged purposive sampling to obtain the entire sample population of current owners and tenants of the converted properties, as well as for the policymakers interviewed. This means that cases used in this study were selected with a certain purpose in mind. For this study, specific research areas were identified by an expert on urban/economic development in Accra, Dr. Alex Asiedu, from the University of Ghana, Legon, as areas that had experienced significant amounts of conversion taking place since the early 1990s, the introduction of liberalization. My research assistants and I then walked through these identified research areas and selected units that we had collectively determined to have been converted. We conducted interviews with owners or tenants that confirmed that their units were converted and were willing to participate in our study by completing the interview guide with us. Although this is obviously not representative of the population of Accra, or even of the small businesses within each area, I wanted to identify specific cases to investigate the conversion process in a more in-depth manner, which is why I used purposive

sampling. I was not interested in making inferences about the population as a whole but instead hoped these cases would help me gain a more thorough understanding of the specific issues these cases were bringing to light about the conversion process (Neuman, 2000). Furthermore, purposive sampling is also useful when you are examining specialized populations that are difficult to contact, meaning contact information or means to establish links with the population may be difficult to obtain (Neuman, 2000). There were no outlets at the time of research, such as a small business association or any business registration records, available from the planning departments that specifically disclosed if the property had been converted to assist in locating converted properties. Thus, again purposive sampling was the ideal method to use for selecting the research population.

Often in qualitative research, the researcher does not have a predetermined sample size and will continue collecting cases until the study has reached saturation. Strauss and Corbin (1990) state that theoretical saturation is the point where little or no new information is being gained by conducting additional interviews. It is achieved when the researcher has conducted enough interviews that the data reaches a point where no new themes are emerging from the interviews. At this point, one can assume that the researcher has collected a sufficient amount of data to emulate the major themes evident from the conversion process. Thus, when one is using the theoretical saturation concept, there is no set number of interviews. Interviewing continues until the information collected has become repetitive. The concept of theoretical saturation was used by this study to assist in determining when a sufficient sample size from each neighbourhood had been attained.

Data analysis is also a significant part of the qualitative methodology. In most cases qualitative data consists of text, but it can also include other non-numerical information such as images and music (Ryan & Bernard, 2003). Except for a content analysis study, qualitative analysis rarely involves statistical analysis. Qualitative analysis is often inductive, involving the incorporation of a theoretical framework to situate the findings within, and furthering the researchers close relationship with the raw data by attempting to diffuse and place within a context the words of the raw data (Neuman, 2000). Also significant is that unlike quantitative analysis, qualitative analysis can begin at any point in the research, and the information gathered is used to guide further research and ensure that the most important and relevant information is drawn out from each interview (Neuman, 2000). The data produced by qualitative analysis typically involves explanation of the research questions, rather than a causal hypothesis, and it is “rich in detail, sensitive to context, and capable of showing the complex processes or sequences of social life” (Neuman, 2000, p. 419). The formation and refining of concepts is vital to the analysis of qualitative data and it assists in the organization and interpretation of the researcher’s data. For this study, NVIVO was used, a qualitative data analysis program for computers. The use of computer programs has sometimes been discouraged because it is thought to remove the researcher from their data set by just examining the text and not other factors such as the emotions included in the audio interview, or field notes collected about the participants and study. In the interest of this study, however, I have personally interviewed and/or helped transcribe each interview, thus I am quite close to the data. As well, all additional notes and documents collected from the field for this study will

also be included. The main premise for using NVIVO is the simplification it provides for organizing textual data. The program aided me in the coding of the data, which allowed for the creation of conceptual categories designed to enable the coding of groups of text into resulting themes or concepts. From there I was able to separate the vital parts of the raw data from the less important strands and begin developing theory and generalizations about the data which was further aided by different features in NVIVO, such as linking concepts or the creation of thematic maps.

In the case of this study, I also used economic indicators to assist in the comparison of macro economic indicators to the feedback actors involved in the conversion process contributed about the social and economic outlook they faced. These indicators were initially developed by social scientists as a measure of economic health within a region to help inform policymakers and government officials while aiding in the development of new policies (Neuman, 2000). This has allowed me to assess how accurately these social and economic indicators reflect the situation of small scale business/property owners who have converted property, or are using converted property to conduct their business within.

3.3 Study Design

3.3.1 Site Description

The Accra Metropolitan Area (AMA), more than any other city within Ghana's urban system, has experienced the most population growth and physical expansion (Grant, 2001; Grant & Yankson, 2003; Yeboah, 2000, 2003; Arku, 2008). Accra serves as the political and administrative capital and had a sizeable population

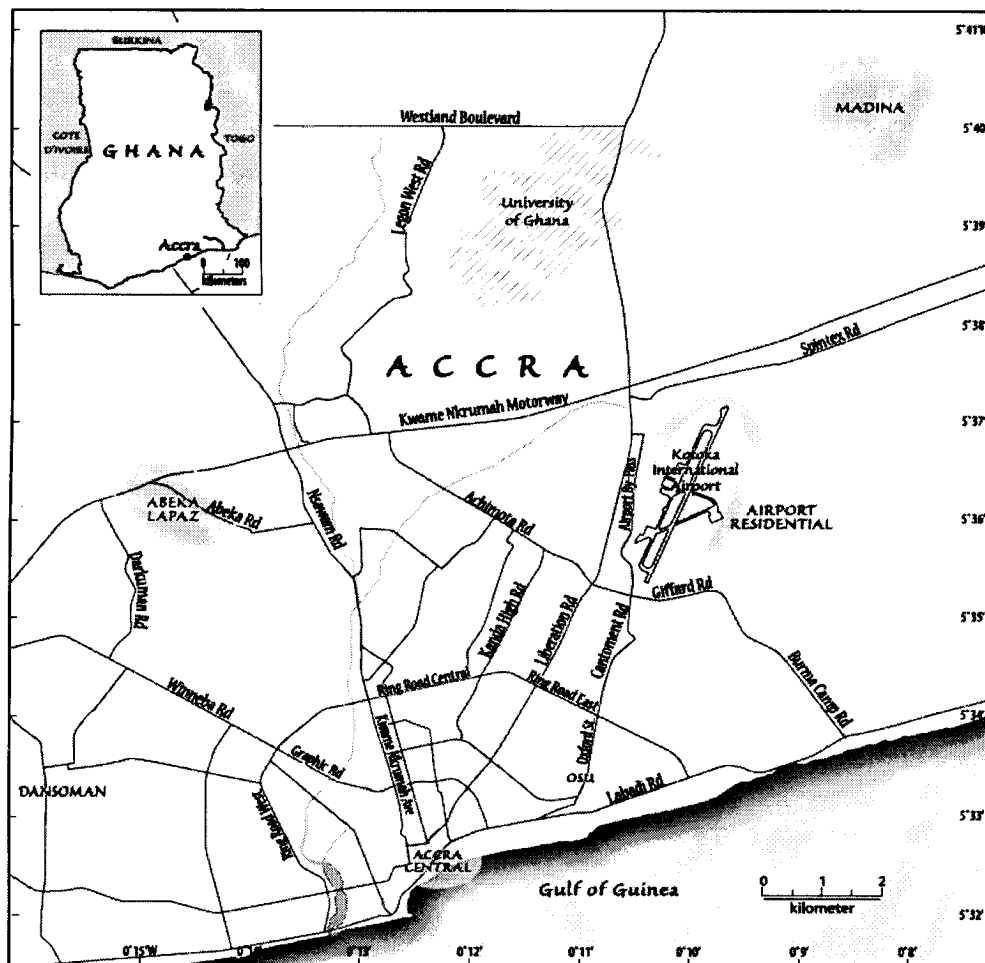
of 2,905,726 million as of 2007. The city is already a centre for both large and small scale business, accounting for 84% of the headquarters of all foreign companies established in Ghana since 1983 (Ghana Statistical Service, 2008; Grant & Yankson, 2003). Ghana was chosen because a large body of studies on housing and urban form has acknowledged the widespread nature of residential conversion (e.g. Yeboah, 2000; Grant & Yankson, 2003). Also various aspects of economic reform as well as changes within the urban built environment have been well documented (for example, Amponsah, 2000; Aryeetey et al. 2000; Konadu-Agyemang, 2000; Yeboah, 2000; Grant 2001). It is possible, therefore, to develop an analysis of residential conversion that builds on a foundation of evidence gathered by others. Although residential conversion is widely acknowledged, the exact data on the amount of conversion is impossible to determine because of the informal nature of the economy.

Accra became the capital and key administrative and business centre when the British relocated in 1877 from Cape Coast (Grant & Yankson, 2003). What has become apparent in Accra is that economic reforms played a significant role in the expansion of the city, largely into the peri-urban areas of the city (Yeboah, 2000). Trade liberalization has been deemed largely responsible for this expansion as it enabled the construction materials to be imported from around the world, infrastructure expansion to support business which includes the development of new roads (also for housing), and the flow of remittances, as half of the new houses built in Accra since 1983 are owned by Ghanaians abroad (Yeboah, 2003).

Research for this project took place between May and July, 2008, in Accra, the largest city within Ghana (Figure 3.1). As discussed earlier, economic statistics

provide a broad picture of the country's overall economic health, but for the purposes of this project a more in-depth examination into the process involved in the conversion of residential property to commercial units is needed to understand how the process is actually occurring and what consequences it has on those affected (Denzin & Lincoln, 1994). Interviews were used to obtain information relevant to the research questions and objectives from the significant actors in the conversion process. Three groups of actors constitute the study; those who converted their residential properties into commercial and office, those who occupied converted spaces, and municipal policymakers.

Figure 3.1: Map of Accra and Study Areas.



These interviews were designed to elicit specific information regarding the participant's role in the conversion process and the impact the conversion has had on them. They addressed the research questions that were generated and provided useful knowledge about the conversion process. The interview guide used for owners (refer to Appendix A) and tenants (refer to Appendix B) were relatively similar, both containing four sections of questions. The first section, background information, had questions pertaining to general information about the use of the converted property to give a broad idea as to the differing demographics of the properties and their commercial uses. The second section, the property, focuses on the owners/tenants choices for selecting a particular property to convert or locate their business in. The third section examined the process of property conversion and had questions examining the legalities, funding, and actual process of conversion. The final section, business and economic policies, attempts to gain the respondent's views on how government policies have affected them and what owning this property/commercial venture has done for them. These two interview guides both had 20 questions. The policymaker interview guide (refer to Appendix C) consisted of 11 questions that tapped into some basic information about the conversion phenomena, the planning issues that arose from the conversion process, the role of economic reforms in the conversion process, and the government's role in facilitating the conversion phenomena. Additional comments were requested in all interviews conducted. The use of semi-structured interviews allowed the researcher to make certain the interview does not stray from the topics relevant to the research while still enabling the

researcher to prod for specific details or to add or remove questions as suitable (Denzin & Lincoln, 1994).

During the interviews and analysis, I was aware of the subjectivity I was bringing to the interview as well as how the interaction between the interviewee and I may have shaped the results. The researcher must, however, recognize that through the use of interviews the interaction between the researcher and participant themselves influences the information gained, and essentially they both create knowledge together through their different subjective viewpoints and interpretation (Crabtree & Miller, 2004). Once the interviews were analyzed together there was a broad base of insight from the multiple relevant perspectives appropriate to answer the research question wholly. At the conclusion of the interviews all of the participants were given the contact information of the principal researcher including email, phone number, and school contact address, so if any questions arose I could be contacted to address them. All the participants were required to review and sign the participant information letter/informed consent before the study began.

3.3.2 Interview Guide Development

The questions were designed to elicit responses that enabled the researcher to obtain the information necessary to answer the research objectives. Upon completion of the interview guide, approval from the University Ethics Board was obtained in order for the study to begin. After minor revisions the interview guides were approved for use in this study (refer to Appendix D).

3.3.3 Defining the Sample Population

Sample populations were drawn from six neighbourhoods within Accra namely Accra Central, Dansoman, Osu, Airport Residential Area, Abeka Lapaz, and Madina (Table 3.1). Three of the neighbourhoods, Accra Central, Dansoman, and Osu were selected because of their close proximity to the city centre, and businesses may be likely targeting the local market, rather than national or global consumers. According to Grant and Nijman (2002), businesses targeting local consumers were typically located in the downtown area (old Native/European towns) of major cities. The other three neighbourhoods, Airport Residential Area, Abeka Lapaz, and Madina, are located away from the city centre and thus provide a good point of comparison in terms of features associated with the location of converted properties and businesses. The neighbourhoods also vary in income level status and density (Table 3.1). Overall, the selected neighbourhoods are well dispersed from one another and they provide us with a good representation of the diverse neighbourhoods in Accra.

Table 3.1: Number of Respondents, Income and Neighbourhood Density

Study Site	N	Structural Density
Abeka Lapaz	6	Moderate
Accra Central	8	High
Airport Residential	4	Low
Dansoman	6	Low
Madina	5	Moderate
Osu	5	High

Overall, 39 interviews were conducted consisting of interviewees who converted their residential property into commercial space (n=19), tenants of converted properties (n=15), and policy makers (n=5).

3.3.4 Procedures

Policymaker interviews were all conducted in either an office or meeting room setting. Interviews with owners and tenants of the converted properties were conducted in various places, according to what was convenient for the interviewee. This included homes, offices, workshops, and locations just outside of the interviewees' workplace. The interviews were on average 45 minutes in length. Two research assistants aided in the familiarization of the research areas, locating individuals for interviewing, conducting the interview, and translating interviews conducted in local languages to English. It is important to note that although Ghana's official language is English, some of the individuals interviewed did not feel comfortable conducting the interview in English and elected to speak in either Twi or Ga, two local Ghanaian languages. Interviews were recorded using a digital recorder unless interviewees stated they did not want the recorder used, in which case written notes were taken during the interview. Policymaker interviewees were selected based on their experience and knowledge on the subject matter. The owners and tenants were selected through purposeful sampling, wherein the individuals were targeted because of their ownership of a converted property, or the location of their business within a converted property, and they were available for interview.

3.3.5 The Use of Secondary Sources

Secondary sources were also used to complement the interview data. The secondary data collected include statistical data such as economic indicators, Accra's Structural Plan, additional AMA planning documents, budget statements, GIPC reports, GIPC Annual Ghana Club 100, and divesture implementation reports. These

documents aided in linking the interview findings to the research objectives that pertain to both liberalization and planning. A number of these documents examine the macroeconomic health of the country which will also enable the assessment of how accurately these economic indicators reflect the situation of small scale property and business owners who have converted property or are using converted property to conduct businesses.

3.3.6 Analysis

The interviews were transcribed in English text upon the conclusion of data collection. The data was largely textual so qualitative methods of data analysis were used to examine the text. The text was read over and coded until the major themes that address the research objectives were identified, compared with those from the literature review and the transcripts coded according to those themes. The examination of these themes has resulted in conclusions regarding the research questions being drawn. NVIVO software was used to aid in the coding process.

Allowing the themes to emerge from reviewing and coding the transcriptions enables the researcher to use less personal bias while examining the data, although the author's subjectivity will still be acknowledged within the dissemination of the research. This is important to ensure the reader understands that the author is coming from a particular theoretical framework with beliefs that will inform their findings (Harding 2004). These techniques also allow the themes that are most important to the informants themselves to become the central focus of the study, once again in attempt to minimize bias.

Finally the themes were considered in comparison to current socio-economic statistics and policy documents from Accra and Ghana at large to determine if this data was consistent with the information provided by the interviewees. All of these data sets were then compared back to the literature to see if the findings were consistent with the framework that guided the research (Crabtree & Miller, 2004).

3.4 Limitations

Although in-depth interviewing is a useful technique to collect qualitative data, recognizing that this method of data collection carries its own set of weaknesses is important when interpreting results and determining where future study must be focussed. The interview data lacks the capability of generalization due to the use of the case study method. This is due to the sampling method used (i.e. non-probability sampling) which meant that I was unable to ensure that the entire population of Accra had an equal chance of being selected for this study, or even that every business within the city could be selected. Another factor taking away from the generalizability of interview results is the variability within the questions asked. The data produced by the interview are a result of the interaction between the researcher and the respondent and consequently the interview guide may be varied slightly according to the information revealed over the duration of the interview. The study was conducted in this manner with the hope of providing a thorough investigation of the factors that have been contributing towards the conversion of residential property into commercial units. Although the results can clearly not be generalized to the entire population of Accra, Ghana, or the Global South it will still enable us, as researchers, to get a well-rounded glimpse of how macro-economic policies affect, in

this case small scale enterprise, on the micro-level. The results this study produced can be used to bring to light some of the issues associated with the factors involved in the conversion, financing, and outcomes of these converted small scale enterprises. The data produced also allows for the examination of planning issues and strategies that arise from continuing residential conversion within Accra. Additionally, 39 interviews were conducted and it has become clear that a significant portion of meaningful data was collected, with the saturation point being reached in all of the thematic categories.

One of the major limitations that arose in the fieldwork component of this research was the inability of our research team to identify the previous owners or tenants of the converted property. The initial problem stemmed from the fact that I had assumed that most of the current commercial unit owners would have some means of contacting their former tenants, mostly due to the friendliness that Ghanaians possess. However I was unable to track down a single former property owner or tenant because the commercial unit owners simply did not have any contact information. Interviewing these former owners/tenants would have allowed this study to have a more complete picture of the consequences created, specifically from the conversion of residential space into commercial space. I was hoping to form linkages between the outcomes of the conversion of residential property for commercial units for owners or tenants who had relocated their residence and the affect on Accra's affordable housing supply. Due to the inability to locate this group of interest I was unable to make any inferences on this issue at this time, however future studies on this linkage could be very important to housing and retail policy creation.

A final limitation to the study was that many of the participants requested that they remain anonymous. Although the use of their names may not be important to this study, it would have been useful to obtain this data to address any follow-up questions I may have had. It also indicates that participants may have been uncomfortable disclosing information that may have been of personal nature to anyone, but especially an outsider. In turn this could have influenced the quality or accuracy of the information I was given. Once again, I would recommend that in order to reduce this possible discomfort, multiple interviews should be conducted with the same individuals to facilitate the development of a researcher/respondent relationship.

CHAPTER 4: RESULTS

4.1 Introduction

This research investigates the conversion of residential properties to offices and stores, with a particular focus on issues relating to the processes of conversion, impacts on people's livelihood, impacts on the built environment, and potential conflicts of such conversion with the existing land use regulations. The results of the qualitative research presented in this chapter reflect interviewees' experiences of the conversion and their thoughts about the whole process. A wide range of research themes were generated from this study, including increasing demand for commercial space, motivations for conversion of residential properties, sources of funding, processes of residential conversion, and planning challenges. The present chapter focuses on these key findings. Each section includes quotes from several interviewees. In order to ensure confidentiality, I do not identify the interviewees with their actual names. Rather, I classify the participants' responses by the respondent group they belong to (namely, policymaker, converter, and tenant).

4.2. The Dynamics of Conversion of Residential Units to Commercial and Office Spaces

This section examines how commercial activity in Accra has been increasing in the context of limited affordable and available commercial space. Specifically, the timeframe that residential to commercial conversion has been occurring within, the

spatial location of these conversions within Accra, the ownership pattern and funding sources were investigated to understand *why* and *how* conversion is occurring.

4.2.1 Why and Where is Residential to Commercial Conversion Taking Place?

Overall, the participants in the interviews acknowledged that conversion of residential properties to commercial and office spaces is a widespread phenomenon, and is not limited to Accra, but very noticeable in various urban areas, even second and third-tier cities. A long time policymaker with the Town and Country Planning Department commented on the spread, noting: "residential conversion is taking place everywhere...in small, mid-sized, and large urban centers you can see it everywhere...but it is much more prominent in Accra" (Policymaker, July 2008). Various other policymakers reported a similar theme.

In the specific case of Accra, a range of responses emerged from the interviews about the reasons for the large scale conversion of residential properties. These responses range from the rapid expansion of Accra, increasing scale of entrepreneurial activities, limited officially designated commercial spaces, and construction of major inner city streets. There was consensus among the interviewees about the rapid physical expansion of Accra over the past two to three decades. Along with this rapid expansion, is the intensification of retail, wholesale, and other commercial activities (e.g. banking, corporate offices) creating demand for office and commercial spaces (see Plates 4.1 & 4.2). As one converter explains, it is: "because more and more people are engaging in retail activities, this has created tremendous demand for office spaces and other commercial activities". Such explanation was typical, as several individuals attributed conversion of residential units to office and

commercial spaces to increases in entrepreneurial activities and demand for business spaces.

Plate 4.1: Former residential building now converted to mixed use



Plate 4.2: Former residential unit now converted into a clinic



However, because of the lack of planning in terms of creating commercial centers, the city still has only one designated commercial area, Accra Central. The intensity of service and trade activities makes it extremely difficult for the traditional CBD to accommodate them. Thus, the limited designated commercial space was seen by the participants as a major factor for the conversion of residential areas to offices and stores: "I think people want to do commerce. Individuals want to start their own businesses. But because there's no space for commercial use they have to fall on the available residential properties and convert to commercial space" (Policymaker, July 2008). Along the same theme, a converter mentioned how frequently she was approached by individuals hoping to rent out one of their converted shops: "Every week we get about three people coming to ask about the availability of office unit but since there are no more vacant stores they go back in disappointment" (Converter, June 2008). The theme, relating to the dichotomy between demand and available space, was repeatedly mentioned by several participants. In answer to a question about why residential conversion is occurring, two policymakers provided the following explanation:

It is actually the need for commercial space, the absence of space which otherwise would have been used for that purpose accounts for people's desire to convert their residential units to commercial spaces (Policymaker, July 2008).

Accra is growing but the only commercial area is Accra Central, and considering the case where people would have to travel long distances to come to the city centre it is an issue. So people developed the idea that why don't I do this within my neighbourhood if it will serve a purpose. So increasing entrepreneurial spirit, but lack of spaces in the central business area is largely responsible for residential conversion in various neighbourhoods ... (Policymaker, June 2008).

In addition to the lack of commercial spaces, the infrastructure building program that accompanied the economic reform program was also cited as another major factor for the conversion of residential properties. Since the start of the economic reform, Accra has been subjected to intensive infrastructure development including the construction of major roads and flyovers to improve connectivity, and rehabilitation of the existing international airport and harbour to promote linkages to the global economy (Grant & Yankson, 2003). Regarding the road construction, the interviewees noted that the large volume of construction that occurred over the years stimulated commercial activities along major arterial roads:

I would probably attribute residential conversion to the massive infrastructure building program that came along with the economic reform program, especially road development that has occurred in the big cities within this short period of time. Anytime you open up the road, you increase the capacity. What you are indirectly doing, without addressing the issue of the informal sector, I mean the individuals who are selling or buying is creating spaces for commerce to take place (Policymaker, July 2008).

Another policymaker recounted the role of infrastructure building program:

As the country's economy expands gradually due to the reform policies, we started seeing massive residential conversion. Accra Roads Rehabilitation Project started around the early 1990s... This was immediately coming after the commencement of economic recovery programme in the 1980s. Once the infrastructure building program was completed informal economic activities started to spring up in most neighbourhoods. People began to sell more, as retailing became the major economic activity...it is one of the most intensely engaged economic activity in the city. But because of lack of designated commercial spaces pressure began to be put on owners of residential properties to convert into retail spaces, and in fact most of this occurs without the benefit of any planning intervention (Policymaker, July 2008).

Overall, as a result of the limited commercial spaces coupled with increasing retail and wholesale activity, there is increasing pressure on homeowners to convert their properties to commercial units. That is to say, conversion of residential units into commercial units has become a lucrative business activity for most people. This is particularly frequent in older neighbourhoods, where there is an unprecedented demand for commercial space. Because properties in such neighbourhoods are typically old and in poor condition, many owners are often eager to sell their units for a good price so they can build a new home in another area of the city. This is true for Osu, one of the oldest, but commercially developed neighbourhoods in Accra. To quote one long time resident of Osu:

I think that in Osu here for instance residential conversion is something one cannot do anything about, many more people are even selling their whole houses and moving to stay somewhere else. It has become necessary because this part of town is attractive to businesses and some of the houses here are also very old so people will obviously sell them and build new ones. In my opinion also it brings a lot of money to families who need it (Converter, June 2008).

It was noted that as an area becomes significantly saturated with commercial enterprises it becomes attractive as a place to do business.

In addition to selling or renting their property as a newly designated commercial space, other converters constructed stores on their property for rental while still living on the same property. A tenant offered their personal insight on why property owners are tapping into this conversion market.

I think that living conditions have become harsh as a result people are realizing that one way to earn some extra money is by converting part or all of their residential properties into retail space. The owners either rent out these units or use it themselves for retailing activities. Either way the purpose is to generate an additional income for the family (Tenant, June 2008).

The last quotation is interesting because the respondent sees the issue of residential conversion as a response to harsh economic conditions that are not providing enough economic opportunities to sustain the growing urban population of Accra. As a result, many are embodying the entrepreneurial spirit and opening their own shops to generate income. Thus, people convert their houses into shops and office space to earn additional rent money and meet the substantial demand for commercial space. The following converter quote echoes this view, "I think that people are converting part of their property into shops because they realize that a lot of money can be made from renting those units to supplement other sources of income...at least this is true in my case" (Converter, July 2008).

From the perspective of the tenant respondents, even though the issue of limited commercial spaces appeared to be the major motivation for residential conversion, it was also clear from other responses that renting a converted residential property was clearly a case of "what they can afford", and "what they needed." Most important to tenants was that the space was adequate for the development of their enterprise and that the unit was available for an affordable price. That is, demand for affordable units at convenient locations is another major factor fuelling residential conversion. One tenant respondent commented that: "we choose this location because the space was good for us and the cost was also moderate" (Tenant, June 2008).

Another tenant expressed a similar sentiment, noting: "our business is small, so for us

the cost of renting was the first and the primary factor we considered ... we didn't want to rent any place that we could not afford, As secondary issue, we also took into consideration accessibility to the area..." (Tenant, June 2008).

As explained by the policymakers, although they frequently recommended the development of commercial complexes (similar to Accra Mall or Makola Market) to accommodate the growing small scale business activities, such a proposal is extremely hard to implement because of the high costs of renting privately constructed office units, as compared to a converted residential property. For example, the average cost of rental for a converted residential unit is approximately GNC 6 per month, while an inner city commercial unit is being rented for over GNC 1,000 per month when constructed by a private commercial development company. Although respondents' stated that there have been demands on the city and central government to build office and commercial structures, the reality is that the state has limited resources to develop subsidized commercial structures to accommodate the rapid growth in small scale enterprises: "...there have been calls on the municipality to build commercial structures where you can give small scale business owners offices. But unfortunately that has not happened. So except for Accra Mall and Accra Makola complex, and a few organized commercial spaces..., [the] market is just private and controlled by residential property owners who have converted all or part of their properties into office units to rent to small scale businesses" (Policymaker, July 2008).

The reality is that most of the enterprises are small scale and have little capital to rent units constructed by large scale private property developers. One

policymaker explained that "...we could organize developers to develop commercial complexes and rent out space, but it comes down to whether these businesses will be willing to pay the price that big investment companies will charge" (Policymaker, July 2008). This policymaker gave examples of privately constructed office complexes that are vacant because of the inability of small businesses to afford the rent: "There are lots of spaces in some of the privately owned commercial buildings, and these buildings have been there for 4-5 years but they cannot get the tenants because the price they ask per unit is really high...small scale businesses cannot afford rent in these buildings" (Policymaker, July 2008). The policymakers generally indicated that many of the large commercial buildings that have been developed in Accra have sat largely unused because large companies, let alone very small scale enterprise cannot afford the cost of renting a unit. Although these commercial units are high quality, the reality is that these small scale enterprises fuelling the conversion are not so much concerned with land or unit quality, but rather locating in a space that is affordable and will allow them to earn a profit.

It is clear from these responses that even though available commercial space exists, it is far too expensive for the average small business, which typically occupy converted units, to afford. This is an unfortunate contradiction that needs to be addressed because the participants' responses have made it evident that there is a significant lack of available and affordable commercial space at a time when there is an increasing demand for commercial activities. As a result, the demand for that affordable and available commercial space is not yet being met and it is common for more expensive commercial spaces to sit unused.

4.2.2. Evolution of Residential to Commercial Conversion

The conversion of residential units into commercial space is not a new phenomenon. This has been occurring since communities were formed and commerce began. This section examines the time span of the conversion process. When asked to estimate the approximate year that they have converted their properties, most of the landlords spoken with had done their conversion within the last 15 years. However, most of the tenants indicated that their commercial activities had been established within the past five years at the time of interview. In the comment below a policymaker provides insight into the time span of the conversion process:

Residential conversion is not a new phenomenon. It has been occurring since time immemorial...ever since settlements have begun to form. What is new today is the intensity at which it is happening. The process was initially limited to the recreational turning of rooms, fronting the road and things like that. But it has assumed a complete new dimension. (Policymaker, 2008)

Another policymaker reported a theme:

Conversions have always been with us. I'm not sure exactly when it started but the rates have varied. Even from community to community it varied. Change of use is a planning thing so it has always happened. Maybe twenty years, fifteen years ago have seen witnessed larger scale residential conversion...it's being spreading from community to community (Policymaker, July 2008).

This last quote echoes the views of most of the policymakers and indicated that conversion has proceeded from community to community over time. This statement referred not only to municipal communities, spreading from Accra to other urban centers, but also from neighbourhoods within Accra, starting within the CBD and

sprawling into the periphery. As physical and commercial expansion continued, residents moved out of their initial residence to new residential neighbourhoods in the peri-urban regions of the city. At the same time these individuals still required commercial activity in their neighbourhoods to buy essential items (i.e. food, household items...etc.) and which fuelled conversion into the peri-urban regions.

Thus, generally among the policymakers, residential conversion is not a new phenomenon. It is the intensity and scale of conversion that has been increasing over time. Although small conversions such as changing the use of a room that was residential to an office space still occur frequently, conversions that involve the construction of multiple stores on one's property is the major feature of the current conversion process. The policymakers linked this new dimension to factors such as the establishment of infrastructure facilities and the overall growth in commercial and retail activities. This occurred simultaneously with the introduction of the economic reform policies. It was the creation of infrastructure facilities and a strengthened macroeconomic climate that spurred the increase in residential to commercial conversion in second-tier cities once the infrastructure projects were completed

All the policymaker respondents credited the growth of commercial activity on a national scale to the newly developed roads and infrastructure which were developed in the 1980s and 1990s. The freeing up of transportation lines allowed economic activity to flourish through the movement of goods and heavier traffic on the street, making busy streets the ideal location for commercial activity.

Finally, many respondents also emphasized that many of these economic activities occurred in the informal sector, meaning numerous businesses and

conversions were not registered, and many of these activities did not occur in a specific commercial unit at all, i.e. street traders, adding to the challenge for planning officials.

4.2.3 Spatial Component of Residential to Commercial Conversion

This section discusses *where* conversion is centered and *how* and *why* the owners decided to situate their shops/stores in those particular locations. The location of the conversion will help provide evidence as to where the trend will continue.

Building on the previous section, as the road infrastructure improved in Accra pressure was exerted on those residential properties located along roadsides to convert into commercial space to be used for businesses. This is consistent with what was seen in the study areas, as along major roads, in particular paved roads, there were very few residences left without commercial activity being conducted on the property. On interior roads, particularly those that were unpaved, there was much less conversion, albeit it is still occurring to a noticeable degree. When participants were asked about where conversion was located, respondents indicated that overall the conversion was widespread, but largely occurring along arterial roads in areas near to already existing commercial centres.

Indeed, virtually all respondents expressed the importance of locating near a road in order to capitalize on the human and vehicular traffic that occur on these roads. In the quote below a converter explains that they, like other respondents had planned for this commercialization when they first constructed their property. In this case the owner built the house away from the roadside in anticipation of future commercial development to happen along the roadside. They considered that a close

proximity to the neighbourhood market would result in increased human and vehicle and make commercial rental properties more lucrative. "Initially the house was built away from the roadside because we thought that shops could eventually be constructed due to the property's location on the main road and its proximity to the market. That was exactly what happened" (Converter, July 2008). This preference for location near commercial areas was not limited to designated markets areas, but rather any established residential neighbourhood with a potential for commercial activities:

If you take Oxford Street at Osu neighbourhood, you can see a typical example as that is one of the first roads to have undergone this massive invasion and succession. All the big shops you see around there were former residential properties. The area was a typical middle income settlement, but due to the high demand for commercial spaces the houses were all converted... (Policymaker, July 2008).

Tenants, as would be expected, also find appeal in a roadside location in addition to being in close proximity to an already established commercial area, and the following quotes focused not only on the idea of locating near areas of commercial activity but also clusters of similar business.

The converted units are very close to the street especially along streets that generates a lot of traffic. In Accra here, Jamestown is the printing and binding area so we decided to locate our printing and binding business here in order to make our self visible ...by locating close to the street, customers can have easy access to our shop (Tenant, July 2008).

Without any viable commercial space available for rental in these desirable areas, individuals will seek out residential property (either their own or a landlord's) to convert into commercial units as a location for their business.

4.2.4 Ownership Structure

Tables 4.1 and 4.2 provide illustration of the number of respondents representing each ownership type and also the gender of the owner.

Table 4.1: Ownership type of Converters and Small Business Tenants.

Ownership	No. of respondents
Individual	21
Family	9
Corporate	3
Other	1

Table 4.2: Owner by Gender of the Conversions and Small Business Tenants.

Gender	No. of Owners/Landlords
Male	17
Female	8
Both	9

It was evident that most of these businesses are small scale due to their individual ownership status. Furthermore, it is important to note that women owners/landlords make up a significantly smaller portion of the 'owners' group. Although the focus of this study was not to examine the gender structure of these conversions, it is important to note that many of the solely female owners were single or widowed and depended on their investment for essential family income.

4.2.5 Sources of Funding for Conversion

How landlords and small business owners were able to fund property conversion was a major focal point of this study. The data collected has made it clear that personal savings was the foremost source of funding (n=27). Other sources cited

were remittances in the form of currency and equipment (n=9), loans (n=5), and other sources (n=2).

It was apparent that the amount of income one earned was not a significant limiting factor in terms of the ability of respondents to accumulate a sufficient amount of savings to invest in the construction associated with conversion. Those who used personal savings to construct shops ranged from professional individuals to street traders so their income levels varied a great deal. In order to utilize their savings to construct the shops while at the same time providing for themselves and their family, many of those spoken with had to construct shops in several stages.

I can't give an exact amount as you know a market woman saves [a] little amount of money. I started with a three year savings and since I was working in the main market I was able to continually save the start up money. Due to problems and pressure from my landlord in the city center it became essential for me to think about constructing stores to use for business and rent. What I did was that I bought bags of cement in pieces, buy 10 bags then save for more for subsequent bags (Converter, July 2008).

The subsequent converter had a small scale trading business and was able to mobilize their savings to fund a conversion. "I funded the conversion from my personal savings from my time working in the kiosk. Then I fell ill and purchased sand and cement and did the conversion in stages ... all on my own" (Converter, July 2008). Many respondents had funded their conversion largely through savings from retail activities.

Other sources of funding for the conversion process included loans from banks and private individuals. The following converter elaborated that her husband had suffered from an accident, thus not being able to find continual employment. This resulted in the need for these landlords to borrow money to complete the

development of shops. This is an example of someone who had to take out a loan from private individuals, because they did not have a stable income. Therefore the development was completed in stages depending on the availability of funding.

Because my husband was involved in the accident, he did not have a regular income to complete the project on time, so we therefore needed to borrow some money to finish constructing the ground floor. For instance, I remember he took 10 million Cedis from someone and another 15 million Cedis from another person to finish the project (Converter, July 2008).

Furthermore, the following respondent was able to expand her rental business as a result of loans that she had acquired from a government-assisted cooperative bank. "Some years ago I was able to access some loan facilities being provided by the bank which is government assisted. It was a cooperative bank. The facility enabled me to expand my shop" (Converter, June 2008). Other respondents also received loans from financial institutions to assist in the development of their small business, this time from a financial institution. A small business owner, stated, "I have received assistance from a micro credit firm that gives assistance to people running small scale business in the form of a loan" (Tenant, June 2008). But, overall, loans from the bank and other credit institutions are not a major source of funding for residential conversion or small scale business start-up.

The third source of funding respondents identified was remittances of both monetary and material nature. Africa and North America were the most frequently cited places for the remittances to have originated. The quote below provides an example of a tenant who has used remittances to fund their conversion, describing who provided them with the remittances, and where they were located. "My children

living abroad remitted some money to support this business. The eldest who is in Nigeria is a manager at one of the oil companies, the other one is also in Canada. The funds they remitted helped me to undertake conversion on my property" (Converter, June 2008). Other tenants who owned small businesses indicated that they obtained financial assistance from relatives and friends living in Ghana: "One of my aunties helped me. She gave me the money to start the business. She resides in Ghana" (Tenant, July 2008).

Finally, one business that located in a residence which they converted, won a contract to produce goods for another company. This contract enabled that business to fund most of its start up cost and provide the necessary tools for production.

I got my start-up through work savings accumulated over a long period of time. The advantage we had was that we know very well about the business so we didn't need to spend so much on the equipment so to speak, we could do that manually. Also we won a big contract and out of that we were able to buy the machinery and other things (Tenant, June 2008).

However, this was the largest company we spoke with and it is likely that the ability of smaller businesses to win contracts, particularly those that do not produce their own goods but are rather retailers, is very limited.

4.3 Planning Processes of Residential to Commercial Conversion

This section investigates the process of residential to commercial conversion, specifically examining the registration one must go through to legalize the conversion and the physical changes that were done to the newly commercialized units. Also included in this section are legal issues surrounding conversion and the rental of

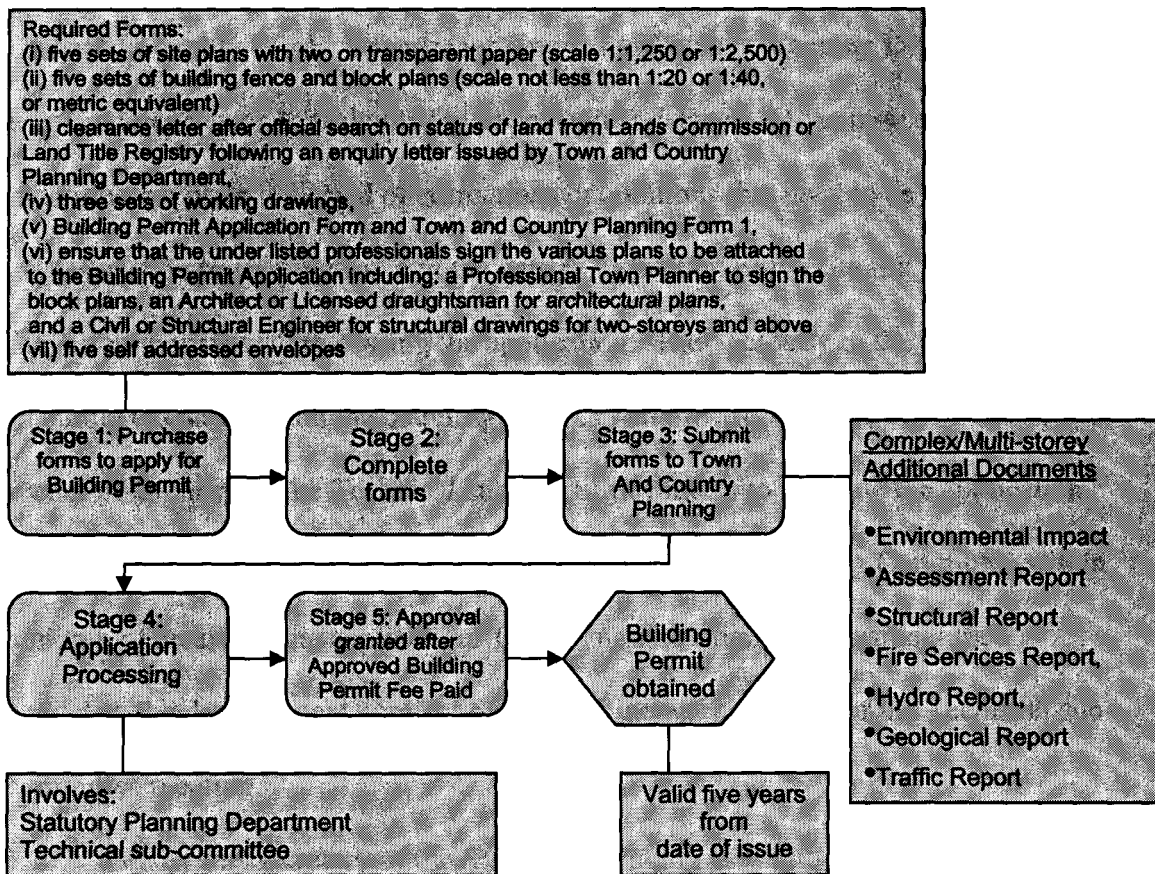
converted units, as well as any challenges associated with registration or the physical changes done to the property.

4.3.1. Registration and Physical Conversion of Commercial Space

The registration and development of converted properties poses several challenges for city planners and the converters themselves. This section discusses the development registration process, as well as how existing buildings have been converted and how other buildings have been built on parts of residential property to be used for commercial purposes.

The procedure for obtaining a building permit, which is what one needs for any sort of physical changes to an individual's property consists of 5 stages; refer to Figure 4.1 for a simplified version of the process. There are also seven required documents that must be provided for one's building permit to be considered. These items are: (i) five sets of site plans with two on transparent paper (scale 1:1,250 or 1:2,500); (ii) five sets of building fence and block plans (scale not less than 1:20 or 1:40, or metric equivalent); (iii) clearance letter after official search on status of land from Lands Commission or Land Title Registry following an enquiry letter issued by Town and Country Planning Department; (iv) three sets of working drawings; (v) Building Permit Application Form and Town and Country Planning Form 1; (vi) ensure a copy of the various plans are signed by a Professional Town Planner, an Architect or Licensed, and a Civil or Structural Engineer, and attached to the Building Permit Application; and (vii) five self addressed envelopes.

Figure 4.1: The Development Registration Process



The first stage is the purchase of forms wherein the converter must buy the Building Permit Application Form and Town and Country Planning Form 1 from the District Assemblies Works Departments or the TCPD offices in the Regions and Districts. The second stage is to complete both forms. In cases of difficulty an individual can contact the District Town and Country Planning Office or the District Assembly Works Department for advice and assistance. The third stage is the submission of the completed forms with the required documents specified to the Town and Country Planning Office in the District. If the development is multi-storey or a complex individuals may also be required to submit reports such as: Environmental Impact Assessment Report, Structural Report, Fire Services Report,

Hydro Report, Geological Report or a Traffic Report. Individuals must contact the District Assembly Works Department, Town and Country Planning Department, relevant agencies or consultants for advice and assistance. At the time of submission individuals will be informed of corrections or additions that need to be made if necessary, the processing fee, and the date of inspection of the site if it is necessary. Stage four consists of processing the application. The Secretary of the Statutory Planning Committee and the planning officers will process the application within two weeks of its receipt. The Technical sub-committee meets to evaluate the application, visit the site, and make recommendations to the Statutory Planning Committee within a month of receiving the application. The Statutory Planning Department then considers the development application within nine working days of the Technical sub-committee meeting.

Finally the Secretary of the Statutory Planning Committee submits the approved plan to the District Assembly Works Department which takes five working days for the approval and issuance of a building permit. The fifth stage involves the collection of the permit. Individuals must pay the approved building permit fee to the District Assembly Works Department upon receiving their letter of approval. They can collect the building permit from the District Assembly within three months of the submission of the development application. Further instructions regarding the commencement of the building project can be sought from the District Assembly Works Department. These building permits are valid for five years from their date of issue and if building is not complete by that time, individuals must apply for a new building permit. Also, the structure becomes illegal if what is being built does not

conform to the original plans submitted. Finally according to Act 462, any unauthorized structure(s) on a premise will be demolished or removed on notice by the District Assembly (District/Municipal and Metropolitan Planning Department Assemblies, n.d.).

From the interviews it is apparent that the planning authority, Town and Country Planning – Accra Metropolitan Assembly, plays a central role in the land process, serving as the medium through which individuals apply to change the land use zoning. As a policymaker explained: “land use changes are part of the role of planning authorities. If an individual wants to change his or her land use, the law requires that individual to get approval before changing the use” (Policymaker, June 2008).

All of the policymakers stated that the registration process from submission to approval should take three months, as described below.

By law receiving approval takes three months, so if you apply and submit the type of changes you would like to do the planning authority will send you through all sorts of processes and it will be approved by the authority after the technical subcommittee meets and then you can do it (Policymaker, July 2008).

Unfortunately, it was clear from the interviews that the length of time the registration process takes poses a challenge to the reliability of the planning agencies, as well as the likelihood of compliance with business registration. Several policymakers explained that the process of land use change normally takes a three month time period of assessment, however all agreed that it was rare for the technical sub-committee to meet and assess building applications once every three months.

The technical subcommittee consists of all agencies that are involved in determining if the land use change is feasible such as the Survey Department, Lands Administration, Environmental Protection Agency, Health and Safety Department, Accra Metropolitan Authority, among others. This delay created a significant issue in terms of the planning agencies' ability to effectively enforce land use change.

Due to delays, several of the policymakers noted that people often began to build the structure before individuals even obtained approval. This means that when the technical sub-committee was able to meet, they were deciding whether the structure would remain in its position or needed to be demolished, rather than proactively stopping the structure from being built initially. The infrequency of meeting and ineffectiveness of the planning system also led many individuals to convert their property or change the land use without even attempting to register the changes.

Majority of interviewees who did not register their changes believed the changes they did were so insignificant, it was not worth the lengthy and discouraging land use change process. Further complicating the process, it is not just land use changes that require the approval of the technical subcommittee. Rather, every physical change done to a property needs approval.

You see the planning law of Britain, we operate on the British system, we still operate on the old law that if you want to even paint your window you need planning permission that is how rigorous and comprehensive in theory the law is. So it means that any change you want to do on your property you must go through AMA, so it can be considered and looked at through the point of view of the impact of the change on the surrounding area (Policymaker, July 2008).

Policymakers expressed that even though their ability to enforce the planning regulations was weak, all changes must be registered by law. This indicates the absolute need for a more efficient planning department.

Even if you are closing your door, as minimal as that is it requires you to follow procedure, its just that our ability to enforce these things are weak and it's not to say that any change does not have to be authorized, every change has to be authorized. That is for every change it is required to be authorized but unfortunately we are unable to enforce a total compliance (Policymaker, July 2008).

It is also important to note that, "even in instances where those renting a residential unit convert it into commercial space the onus of registering the changes from conversion always lies with the landlord" (Policymaker, July 2008). Thus, it is essential for landlords to also be monitoring their rental units to look for illegal conversion. Overall, out of 19 converters interviewed, only 13 had registered their changes with the Town and Country Planning department.

There were many different types of conversions that were examined, although most of the changes were quite simple. The most complicated style of conversion was when part of the compound wall was demolished and shops were built in that space, while the most simple was merely adding tables to display goods at the outside of the shop. The typical style of housing in Ghana is the compound house which consists of the main housing building and several other housing or alternative building units all surrounded by a compound wall, which of course is the central point to many of these conversions. Refer to Plates 4.3, 4.4, 4.5, and 4.6 for examples of conversions. The quotes below provide examples of the different types of conversion that were examined:

- "It was a family house, my grandfather gave it to us and we converted the boys' quarters into shops. The boys' quarters was for my mom but she gave it to myself and my sister. We converted them because we didn't need it for housing" (Converter, June 2008).
- "No major change was made from the original house apart from the wall which was partly demolished. But I know that after the construction of the store we had to make certain additions such as a toilet facility in the store" (Converter, July 2008).
- "Ok you see at first there was a wall and I took down the wall and put up a kiosk but the wood was not very good and ants were eating the wood so instead of kiosks I decided to convert the boys' quarters into shops. I closed where the windows were on the back and one side of the boys' quarters and created an entrance to a shop from the street so no entrance was needed to enter the shops from inside the compound. My sister's son was as well using the other side of the boys quarters and when she moved out we also converted that side of the boys quarters into a shop" (Converter, July 2008).
- "There was no door at the frontal part of the street where you could enter from the street so we erected a door and gate at the front of the house and sealed the window up. We also erected some blocks, tables, and shelves to put the products on" (Converter, June 2008).

Plate 4.3: Shops developed on residential property where wall/fence has been removed



Plate 4.4: House extended to roadside and converted in a shop and workspace



Plate 4.5: Small scale printing and binding shop in converted room with new door



Plate 4.6: Former residential unit entirely converted into office, shop, and workspace



As the frequency of conversions increases and the scope of the conversions get larger, policymakers have noticed an increase in the number of converters registering their changes that they have attributed to increasing public education and awareness. A policymaker discusses this idea below.

You see people, some have started coming to register because you cannot start a new development without proper authorization... We are doing a lot of education we've been talking to developers and we've been talking with the Lands Commission, but when you change the use to commercial or office it has legal implications regarding the title right? At least for residential purposes you have changed it to industry or commercial or office, you have changed the conditions of use so you need to register with the Lands Commission. Now when you go back to Lands Commission to consider this land use change, they will say no unless your change is regularized and approved by Town and Country Planning... Lands Commission, Lands Title Registry and Survey Department all the lands surveying agencies, we are collaborating now and if it were to skip my side you will get caught by the other side and have to come back because of the collaboration created by the Lands Administration Act. So those who know are now coming direct to us to start the process, re-zoning and other things (Policymaker, July 2008).

The Lands Administration Act refers to the introduction of a landmark regulation, one designed to simplify the land management process from the planning side of conversion.

4.3.2 Legal Issues to Conversion

For the most part, the legalities of renting these units are based upon written rental agreements. Conditions such as cost, length of contract, advance payment terms, and other issues are determined and an agreement signed by both parties. A converter states, "It is done in all places the tenant and landlord have to agree on certain terms such as rent per month, the advance payment terms and other issues

such as goodwill" (Converter, July 2008). Another converter spoke about the terms of the rental contract he creates for his tenants.

When one comes to rent a place we agree on the amount to be paid as rent and the payment periods. Normally I take two years advance payment. Some tenants pay for extra stores to be constructed because they might need it in a hurry when the stores were being constructed (Converter, June 2008).

A unique feature of some of the rental agreements is that some tenants agree to finance the construction of a new store in exchange for either reduced or free rent and/or goodwill for a predetermined amount of months. This further illustrates that affordable commercial space is desperately in demand, as individuals will construct a store for others to rent in the future, as long as they have a location for business now. Why these individuals did not construct their own shops and rent them or use them for their own purposes is something that must be investigated in a future study.

Another feature some of the interviewees noted was verbal rental agreements between themselves and their tenants. One tenant cited this was because they had a previous friendly relationship with the converter, "It was a negotiated contract with my friend. Because it was my friend we only needed a verbal agreement (Tenant, June 2008).

Interviewees also expressed concerns over tenants that did not pay their rent on time. This resulted in either the delinquent tenant's ejection or emotional distress on the part of the landlord who both needed their money but wanted to do as much as possible to accommodate struggling tenants.

Ok there was one tenant who did not pay his rent for about three years because he traveled away and that made it difficult for us. My mom therefore took him to the rent control office and we were given the authority to eject him (Converter, June 2008).

Finally, an interesting feature involved in the land rental market is the payment of goodwill. A tenant discussed the concept and rationale: "Ok goodwill is basically an amount of money that one offers to the landlord for all the difficulties that he went through in putting up the structure; it is more or less like a compensation" (Tenant, July 2008). Goodwill can, however, hinder a shop owner's ability to afford the rent on their converted property. This is because the cost of goodwill can even amount to more than the cost of monthly rent and is expected on a monthly basis. However, even with the payment of goodwill, it is essential to note that the cost of renting a converted property is significantly lower than renting commercial space that was developed by a commercial developer.

One negative thing I would say is that the payment of goodwill is sometimes too much for certain people making it difficult for them to rent or acquire places to do their businesses. For instance sometimes you have to pay an advance of 10,000 Ghana Cedis and also pay a monthly rent and this is a burden to many people but in our case we are saved from all this because we agreed with the landlord in the past to do major changes to the place on our own so hence we don't pay rent (Tenant, June 2008).

4.3.3 Challenges Associated with Conversion

This section highlights the challenges faced by planning authorities and converters during the residential to commercial conversion process. A significant issue that emphasizes the importance of proactive rather than reactive regulation is; once these structures are built or changed, it is difficult to remove them. This creates

the challenge of how the planning authority can manage conversion changes that have not been registered and are not suited to their current location.

You see the problem is some of the changes have occurred already and they just need legalization and you look at it but...it cannot be approved because of reason a or b but the conversions come up already and when it comes to demolishing it becomes difficult to do it because you do it and then there are a lot of issues, so it turns out the thing is there, you can't approve, you can't demolish (Policymaker, June 2008).

Even though earlier it was noted that education and awareness were increasing, it was evident from this study's respondents that public education was still not at an acceptable level. Lack of public education regarding the importance of and criteria for registering physical changes to one's property with Town and Country Planning is leading to significant planning challenges. Those who owned very small scale businesses were likely to believe it was not their responsibility to register changes they make to the property as this individual states, "because the place is for me, but I pay AMA tax" (Converter, June 2008).

A major challenge for converters was the cost of funding the conversion. Most of the converters stated that it was too costly to fund all the physical changes they wanted to make to their property at one time. Some converters have to take out loans to complete their conversion. The next quote illustrates the challenges of funding one's own conversion. This converter stated their current business was not doing well enough to fully fund the conversion. They had to take a loan as well as find additional sources of income in order to complete the construction and renovations.

I did this solely from the profit I earned from my trading business but in recent times I have owed some money to renovate the stores especially the ones that were constructed by my father. As you see here I've also constructed this well, I sell water to people to create additional funds used to service the stores. My trading business is not doing as well as it has in the past so I have had to rely on other sources of income (Converter, June 2008).

Other converters were resigned to build their commercial space in parts because they could only afford to purchase limited building materials at each time. Converters also cited the cost of labour as being another challenge. Similar to obtaining the construction materials, they were only able to pay construction workers enough to construct structures in small parts. The following converter provides evidence, "grandma did not have a lot of money to do it all at one time so she had to construct the stores in stages" (June 2008).

Renting out commercial units to small scale enterprises has both benefits and downfalls. The following quote by a converter illustrates that commercial rentals can cause frustration due to poor maintenance of the facility. This often results in a loss of value of the property, which as explained, is a significant loss for an individual who spent their own savings to convert their property into commercial units. In some cases, converters will now receive less compensation in rent or will have to spend more money conducting repairs to a unit that has been inadequately maintained. However, they do note that renting out commercial units provides much needed income to the converters as renting can be quite lucrative. "I think that it all depends on the kinds of people who come to acquire your shops, some people do not take very good care of the shops and that makes renting out unattractive" (Converter, July 2008).

Many of the respondents stated they were retired and indicated that renting out shops provided necessary income support. Another challenge that arose was the ability of elderly individuals to access credit so they can construct shops to provide that income support. The government needs to take into account that loans need to be repaid; however, there is a need to create programs that allow the elderly population some access to capital for small scale ventures so they can afford their daily expenses. "But now because I am old I can't be eligible for the loan because of my old age, the government did not think I could pay back the loan in time since I'm over seventy years now" (Converter, June 2008).

Finally, the biggest challenge facing converters and tenants is the lack of government support through funding and programs available to small-scale locally based businesses and construction activities. "I was promised [trade] workshops to help me develop my skills and train new people, but after I was first contacted by the government to participate I never heard from them again" (Tenant, June 2008). This quote echoed the views of many of the other respondents who expressed their concern with the amount of both financial and developmental (i.e. education programs, networking events, access to a small business centre) support available to them. In particular, the government's role came under criticism as they failed to provide meaningful assistance to small domestic businesses. Aside from the one tenant quote provided above, no other tenant or converter had ever been informed or approached about any government programs that would provide them with support or training. This is unfortunate considering that Ghana's Investment Promotion Corporation (GIPC) offers many programs to assist large and especially foreign-owned businesses.

4.4 Land Use and Planning Conflict

Section 4.4 examines the conversion process in terms of its compliance with land use zoning regulations. It also investigates the planning challenges that are created by widespread and at times illegal conversion.

4.4.1 The State of Zoning Regulations and Conflicts

Policymakers noted that those who did not register their changes were not frequently in violation of zoning regulations. This was because most of the land along major roadways had already been rezoned to mixed use to accommodate the rapid growth of commerce. However, those that did commit zoning violations created challenges for the planning department with how the city could best adapt to their land use changes, or how to handle the development in violation of the zoning regulation. Zoning regulations are important to ensure the safety and comfort of both residential and commercial residents in a neighbourhood, but some individuals disregard their utility. These concerns about the attitude of some of the converters and their lack of concern for zoning regulations are reflected by the follow policymaker quote.

If you want to build a train station and it is purely in a residential area then certain things must [be met] at all costs if you unable to meet it then you don't get [approval], [this also includes having] a plot [of land] of a particular size so if you do not have a plot of that particular size you are out... The man had me here, he wanted to put up a gas filling plant, in a purely residential area. He brought a letter from EPA seeking approval, [but the land is] residential which is when I advised him [against it]. He went ahead and put the structure. Then he came here after and was like by the way [I put up the structure], that is the attitude. They don't seem to respect the laws that govern the country or the city, whatever. They will do the exact thing that we advised them not to do (Policymaker, June 2008).

It is important to realize that zoning is in effect to protect the land based interests of both the public and private sector. This allows for residential areas to be safer and free from noise. It allows commercial enterprises to be situated around other commercial ventures in spaces where they will not detract from service distribution or disturb residents with business activities; and allots room for needed public space and infrastructure such as railways, hospitals, roads, and military space. This lack of respect for zoning regulations, such as the example given by the planning official, can create major issues for surrounding residences. In the case of a gas filling plant, this would create additional traffic and noise in a residential area, and possibly not meet size regulations for a gas filling plant, which could put surrounding residents in danger if any sort of accident occurred at the filling plant.

Furthermore, because the conversion process is occurring at such a rapid rate, the planning office has had to change zoning regulations in a reactive manner. As commercial activity significantly increased along major routes, policymakers indicated that zoning was changed from a residential zone to a mixed use zone in order to conform to the current land use situation, rather than control its growth.

Along some major routes we have given the landowners the option to open businesses because the administration has seen there are residential and commercial activities [and land use zoning is changed] to reflect the changes on the ground (Policymaker, June 2008).

This has occurred to try to simplify the process for those converting their properties. A policymaker (July 2008) explains, "in areas that have been designated mixed use, converters only need to apply for the construction of a new development [and obtain a development permit] not for a change of zoning."

To further emphasize the planning department's reactive nature, a policymaker elaborated on the planning agencies' ability to conduct Accra's five year review plan.

Every five years we have to review our plans, like I mean if we did a five year review then we would be taking care of emerging trends. [The] Accra boundary is already thick so anything that is happening in Accra now is an amendment to something that previously existed. [It would be a] partial change if we did it, but we don't do it, so we are more like [changing land use functions] as requested, I mean, we are charting their positions rather than pre-empting their development... So it's not assessing your conversion, it is seeing if your conversion can coexist in that environment (Policymaker, July 2008).

The most unfortunate part of the quote is that this five year plan does not take place every five years, but as a reaction to when it becomes clear and necessary to review plans. Planning is taking place on a reactive basis to the degree that conversions are being assessed several years after their development. Instead of ensuring this commercial space has been built according to regulations, planners are assessing if the converted property is manageable in its current state and environment. This reactive state of planning is a product of a lack of funding and capacity in the planning department. Furthermore, planning department policymakers went on to talk at length about that major issue facing the planning department. They specifically focussed on the fact that planning authorities are not adequately equipped in terms of an interdisciplinary array of staff, mapping technologies, time, and capacity.

The meaning of planning is not to stop [growth and conversion] but to organize it in a sequential manner based on certain criteria... We get a particular area [to monitor and] we may report to minimize [the illegal development] but we cannot do it because 1, when we get there we do not have the staff. In a properly organized city planning office we should be having more than 20-30 professional planners, in traditional regime when we

talk about, Toronto, you have engineers and planners, you have sociologists... [and] urban economists putting [input and knowledge] into the overall city process you know. But here you have the population planners, I can think of about 4 of them there. How do they manage a city of this size? (Policymaker, July 2008)

As described, the AMA lacks many of the features that would normally provide a broad assessment of the impacts of conversions on neighbourhoods. Furthermore, the planning department suffers from a lack of technological capacity.

The growth is happening so rapidly so stopping it is a problem. Computer programs, data as information, land information, the way it's changing, the way we don't have an up to date mapping system... Essentially mapping to be able to capture these things, mapping has lacked... Logistics [is another challenge], if you have to manage and monitor and produce development you must be mobile, our work is highly mobile and involves a lot of field visits and interactions with people in order to capture what is really going on. So what happens is that some of these conversions or developments [have] taken place several years [in the past when] a planning authority even arrives around there. (Policymaker, July 2008).

In the initial Accra plan, the CBD was supposed to expand to absorb the increasing density of commercial activity through the creation of modern high rise commercial spaces. Although there has been some high rise development, both policymakers and business owners agreed that these rental units were not affordable. It is that lack of available and affordable commercial space that has resulted in this conversion explosion. Illegal development has also become a regular occurrence due to the planning department's lack of capacity to monitor the process as it is happening. The department is far understaffed, having limited building inspectors and population planners for the entire city of Accra, which has a population of over 2 million. This would be unheard of in a Western country. The reality is the planning department

simply does not have the labour force or technological planning capacity (i.e. GIS) to assist in guiding Accra's rapid growth. This indicates a real and significant need for additional investment into the city because the spatial, service, and community issues that are arising from the reactive planning process have the potential to stifle any new economic growth. The following quote also discusses the policymakers' inability to advocate, lobby for, or develop new affordable commercial spaces.

We can only promote it, the fact is we are saying that certain areas in Accra which were typically residential we have now rezoned it for mixed commercial residential redevelopment, in other words the development now you can design a ground or first one or two floors for commercial and the top for residential. That is as far as we can go... This is only what we can do, you know we are not promoters, we facilitate the government with planning (Policymaker, July 2008).

As expressed, it is evident that the planning department has, as much as possible; encouraged the development of new commercial space, but the type, quality, availability, and affordability of new developments is beyond their control.

4.4.2 Planning Issues

The conversion process poses a number of challenges for the Town and Country Planning Office in Accra. Many issues hinder their ability to monitor conversions and enforce regulations pertaining to the urban and structural changes that have resulted from this conversion process. Consequently, converted properties that do not conform to the existing regulations spring up and can go unnoticed for significant periods of time. This creates serious planning conundrums of how to effectively manage those converted structures that are built illegally. Those that go

unchecked can cause a host of spatial, service, and community problems that continue to present challenges for planning officials.

Town and Country Planning have a number of challenges that arise in terms of both the registration process itself and the enforcement of planning regulations.

Policymakers identified several of these issues. They include; registrants who have already obtained approval changing their development's structural plans, lack of funding, and a deficient capacity to monitor developments and enforce regulations.

The following quote provides evidence of this.

We have situations whereby we approve the plan and they go to the field and change their building. The services [such as toilet facilities] that the house would give to tenants and other things like that, they would remove that one and rather add another tenant, you now have to go elsewhere... If we had strong inspectory units that would be helpful, but as usual we don't have the funding and the capacity, the numbers, the sheer numbers. When I was at AMA I remember there were only 12 building inspectors for the whole city of Accra. Now as building inspector it means that at every stage of the development the building inspector must come to the site and ensure that you are complying with the provisions and sign, and sign off... If you are digging the foundation, before you move on to cast the footing you must have the building inspector come and sign that you've done the right depth [and cement]... But you see the monitoring is not in effect, the enforcement is not effective, because of many problems (Policymaker, July 2008).

Monitoring and enforcement of strict regulations that ensure different requirements of the building process are met have not been effectively implemented. Furthermore, the following quote goes on to draw attention to a crucial issue with the planning process. Those who have already built unapproved structures can go to the planning office and register their changes and only pay a fine for their retroactive action. This usually only occurs if a building inspector notices a new unapproved development being constructed and asks them to stop and obtain approval. However, because of

the lack of monitoring that took place during construction it is impossible to know if these buildings follow existing building codes.

If it's done informally then the building inspector comes and takes a look, and will most likely ask him to stop... That is when [and] if you've already built and you come for approval [all you must do,] you pay a penalty... I have never supported the penalty, you see because it is like regularizing a situation you are not sure of... You know what the assembly also sees it as, let's take the fees from the [issuance of a] permit, and then they are regularized.... I say it is wrong so demolish it... I don't mind regularizing for simple bungalow types but if you have built three storeys [it should comply with safety standards] (Policymaker, July 2008)!

The planning offices in Accra have undertaken several activities to limit illegal conversion and development which include, "development control, development monitoring... a few attempts at public education, a few times of enforcement" (Policymaker, July 2008). However, as discussed, development control and monitoring are relatively ineffective. Additionally, most of the respondents were aware of some registration process involved in major changes to their residential property but no one stated that they had ever been visited by an education official or made aware of any public education events about the legalities around conversion.

Looking back to educating the public on development registration guidelines, a converter emphasizes the public uncertainty about what qualifies to be registered as a conversion or new development in the subsequent quote.

Yes, I was about to register it but they told her it was within the house so I did not need to register the changes. But later on a man wanted to stop me from converting the store, that it's not right for me to convert that place, I have to pay X amount of money to convert it. I said no, I told the man if he could produce a receipt of the money I will pay you but because he could not give me a receipt I forgot about the man and no one has come by since (Converter, July 2008).

It is clear this converter was unsure if her conversion needed any sort of registration and was unaware of how to identify if an individual approaching her for a development violation was legitimate. This highlights the need for more public education and Accra's building inspectors to be identifiable, so other individuals do not try and scam converters for a "registration" fee, which would not be impossible due to the uncertainty surrounding registration.

The previous quote also emphasizes the lack of harmony in the decision making process between the government agencies involved in granting approval to new developments. Other departments give the approval the planning office should be giving and that approval violates building codes that need to be enforced. A policymaker commented on this disorganization.

It's quite difficult for us a planning department to do that because we don't have the mandate to report those things. We do it in a way but by law it is mandated by the Works Department that is their job so we try to help them in a way. So if people are seeking permit for conversion we should ensure that the person comes [to obtain a permit and] it goes to the proper [location] but the ensuring aspect is where the problem comes in. It's a challenge you know because Works [Department] sometimes goes, sometimes they go and sometimes they even give you the go ahead to do your [development] work (Policymaker, June 2008).

In order to limit the chaos caused by unregistered conversion, one policymaker proposed a night market system as a partial solution to the lack of affordable commercial space available in Accra. This would enable the same space to have multiple uses, and provide a situation for commercial activity at night and room for other activities during the day. This could be a plausible solution but it is dependent on those engaged on commercial activity. If they feel their business will

be more lucrative in its current location they will likely be unwilling to comply with the night market solution. This may however be feasible for individuals who cannot find an affordable commercial location currently. As an additional factor to consider, it would also remove the rental income from those landlords who rely on it for financial support, which could be devastating.

4.5 Impact on the Built Environment and Community

Residential to commercial conversion has had significant consequences on the urban built environment on both a spatial and community level. The impact of conversion on the spatial layout and community life of Accra are examined in this section.

4.5.1 Impact of Conversion on Spatial Layout

The residential to commercial conversion is changing the spatial layout of Accra. No longer are commercial activities restricted to the CBD. They have spread throughout the city, essentially taking over major street frontage in what were once quiet residential neighbourhoods. As one policymaker puts it, the invasion and succession process is affecting the urban form of all of Accra.

Although, in terms of the planning of Accra, the central business district was the area one expected to see these activities..., but right now you can see the invasion and succession process is progressive and is along all the primary roads - ALL! And that is a major planning issue, unfortunately for planning, that is our department, we have not been able to respond quickly, you know, to capture, either to stem this or accommodate this into our policy (Policymaker, July 2008).

The outcome of the dramatic scope of this conversion process on the spatial layout of the city is significant.

It's turning Accra into one very big shopping mall, unorganized and really unorganized. I mean it's more so the state of organization of the shopping and commercial activity that is problematic, not having them in their numbers but for me, it is my problem to ensure that they are organized together and bring value to what they sell and what they do, that is ok. Once they are unorganized, once they don't meet basic standards of safety, of convenience, it starts the problem. The designs are a problem, I mean they are not beautiful, [it] is a problem, and there are all sorts of physical, visual problems associated with it. (Policymaker, July 2008).

The previous quote labels Accra as being extremely unorganized in a spatial sense. The policymaker described this commercial development as happening in a manner where there is not enough thought and design put into the construction of these commercial units, resulting in ugly developments with many physical problems. Furthermore, the quote below discussed the repercussions of modern commercial development occurring in areas that are traditionally residential.

The system is that, if the economy works and the process is working then the rational is that you sell [your property] out. You know to the most competitive lease. But if you go to Osu, although some are selling out, others are struggling, sticking to their tradition. So you go and see traditional houses and about ten, seven, five storey office buildings overlooking the typically traditional so it creates problems of policy for us. How do you confront such a situation? You [have an economy demanding commercial space yet people that] still have strong traditional instincts. People never want to lose their original family house (Policymaker, July 2008).

From the previous quotes, it is apparent that in addition to the increase in commercial space in Accra, spatial changes are also occurring in terms of the type of construction. In areas where houses were typically traditional one storey homes there

is now an influx of buildings that are several stories high. At the same time, those who live in traditional homes in areas that have become highly commercialized, such as Osu, are being pushed out of the area as the competitive lease cost for rental space goes up and families see the chance to make some decent income. However, many respondents stated, people do not want to lose their traditional home, particularly in mature residential areas. This creates the policy issue of how do planners accommodate for this loss of traditional residential space in the face of high commercial demand and need. Policymakers discussed the ramifications of high levels of commercial conversion in traditionally quiet residential areas.

As a result of these conversion and succession processes, take Airport Residential Area, this area was meant to be a very typical high class, quiet residential area, but go there now it maybe 50% offices and commercial, the character has changed (Policymaker, July 2008).

It has become apparent that commercial urban land use has exceeded the land that was initially dedicated for its use and has begun to filter into peri-urban areas that have been strictly designated residential. This has also been happening at extremely low densities and it was evident that these small scale converted structures holding newly designed commercial units rarely exceeded two floors. This has led to significant low density urban sprawl which is evident as a consequence of the reactive planning that has been taking place.

If you go to Cantonments, all these places were the top class residential areas with very low densities, now the policy as a result of you know, when we bring in these top level US people they say, oh no you can't have one residential unit sitting on about 3 acres of land, [the density is] very low. It is not the most economical use of scarce urban land, they were right. So they

purposed that therefore we should do an infilling, or subdivide and improve densities (Policymaker, July 2008).

Instead of combating the problem prior to or during its occurrence by creating spaces where multi-storey buildings could have been designed to house these small scale enterprises without infiltrating residential areas. The high demand for affordable and available space, the market, and economy, have dictated the location and structures that these small enterprises are filling. That is, these enterprises are located in the lowest cost, most commercial area, with no regard for the consequences their business may have on the surrounding residential area. These enterprises gravitate towards affordable and available spaces to conduct their business rather than the most appropriate space for their venture. Policymakers suggested that planners need assistance from the private sector to develop efficient space, but there is little interest to invest in a small scale commercial real estate business from the perspective of large commercial investors because they simply do not bring in enough revenue.

Overall, years of conversion have changed the spatial form of the city, in particular major roadways and once quiet residential areas are now lined with commercial activity throughout the city. Multi storey commercial-use buildings are starting to appear, putting pressure on the traditional Ghanaian way of living. Finally, this growth of commercial activity has limited the planning agency's ability to accommodate the continued development of space for commercial activity, particularly in a way that utilizes available land efficiently. This has left most of the city, including the CBD, as areas characterized by low rise and sprawling development.

4.5.2 Impact of Conversion on the Community

Many issues that affect the wellbeing of a community arise from this conversion to commercial property. With conversion changing the face of neighbourhoods, service delivery issues are triggered, causing a conflict with traditional lifestyle, and resulting in community safety hazards. A significant community issue that has been fuelled by the conversion process is service delivery.

Escalating commercial activity puts extensive pressure on neighbourhood infrastructure and services to the point that the quality deteriorates due to increasing neighbourhood density and demand for services. Similarly, in the comments below, a policymaker discussed the issue of increased density and service delivery.

What we didn't do was, as we increased the densities, we did not improve the infrastructure, so Cantonments is gradually becoming a low class residential area in terms of services. [At] the same time those same gutters and pipes which were meant to service low densities, are now being used for these very high densities. It is the same transformers, electricity, where the invasion succession process has not taken place side by side with the infrastructure... As a typical problem of developing countries their infrastructure always lacks behind actual development course, it's money, it's financing. Since you do the expansion, you know the government has not been there (Policymaker, July 2008).

One of the key points noted was that as density and commercial activity increased, service infrastructure did not. Policymakers feel that governments in developing countries cannot keep up with infrastructure development and delivery due to the funding available. As a result, as development proceeds, infrastructure deteriorates. It was clear from the interviews that the planning departments do not have the time, money, or ability to focus on developing infrastructure further. When they do lobby for increased infrastructure, they must go to the central government who controls the

funding for service delivery. This results in the lag in service delivery and continues reactive rather than proactive infrastructure delivery.

The conversion's impact on existing infrastructure is happening because if you suddenly convert your thing [house or commercial space] into something that is 5 storey you can imagine the energy you use, you take more energy and water. It is the same volume of water that is pumped to come and service this area, but you are taking everything, and normally they are powerful, they commercial uses will put powerful pumps to take out the little drops I mean (Policymaker, July 2008).

It is clearly stated that commercial activity puts additional pressure on services.

Because of their need to access more water and electricity, they are likely to use stronger pumps or transformers to draw in more water and energy. This means residences are unable to compete for these already scarce resources and are likely to have less access to the amount of water and electricity they once enjoyed.

Policymakers also identified that conversion leads to the loss of what can be termed residential space.

You know these conversions are really changing the character of previously residential areas, I cited the example of the airport, it was a first class area, very quiet neighbourhood, but the conversions have now made it noisy and disorganized and large volumes of traffic are now streaming through the area (Policymaker, July 2008).

These individuals in Airport Residential Area once lived on quiet streets. Now, with this increasing conversion there is increased traffic on single lane roads that are not designed for that volume. This creates noise and congestion, wears down the road infrastructure and affects these communities by removing the relaxed element that should characterize a residential area, particularly one as "exclusive" as Airport

Residential Area. The subsequent quote further explores the idea of increasing traffic congestion due to the conversion of residential units into commercial space.

If I open my shop it is an inconvenience to the neighbour. See I don't want a commercial facility beside me and people really just think about themselves only now, forgetting about the neighbour. I mean, you have inadequate parking for your shop, you park in front my residential place you are inconveniencing me and there is sometimes even safety issues. People come to your commercial area because the place is commercial, you don't have to know people who come to your shop, but if you were a neighbourhood, a residential neighbourhood then everybody knew everybody; you see that immediately you see an intrusion, it comes to your mind. And then you may elect somebody of wrongdoing but if it is commercial the person is just coming to shop you do not know what kind of person they are (Policymaker, July 2008).

First, this illuminates the fact that much of this conversion is done without the consultation of their residential neighbours. If this conversion is not done with the approval of Town and Country Planning, issues such as parking may arise. This could inconvenience the neighbour by having their residence blocked off by a parked car. However, lack of parking can also add to congestion on the streets as vehicles will have less space to get by or use the "extra" roadside lane, a common occurrence when there is significant congestion. Second, when residences are converted to commercial units, this typically brings higher human and vehicle traffic to the area. Not only does this contribute to noise but it also undermines safety. With the increase in traffic there is also an increase in the number of non-community members in the area. Third, where at one time individuals may have felt safe letting their children play outside, leaving their compound gate open, the increase of strangers in the area has led to the need for heightened awareness of one's surrounding to ensure safety of their family and property is maintained.

Conversion also has a significant impact on the traditional residential lifestyle of a Ghanaian.

One must examine how will this development impact environmentally and socially? I can give an example, you are living in Osu area, my house is single storey, we are all the same, you have suddenly decided to change your property and it is several storeys high. I'm still having my compound house, see socially people don't like that, those on top of you can actually see you, like what sort of meat you put into your soup, you know, everything. We cook outside, we do most of our activities outside, we are not safe, socially, you see so those are some of the impacts, you know if we see you are going to do something in a typically traditional area you know, you see you have to respect the social impacts that it will give, there are some people who will actually resist. (Policymaker, July 2008).

A significant concern that accompanies conversion is the issue of loss of tradition. As this policymaker pointed out, traditional Ghanaian life consists of many outdoor activities such as cooking, eating, and cleaning among others. However, with an increase in commercial activity, particularly when two or more storey structures are developed, it results in neighbouring homes losing their privacy to conduct traditional outdoor activities.

Not all of the impacts conversion has had on the community have been negative. The following quote recognizes that these small scale conversions and enterprises are essential in Accra and provide a needed source of employment for the many urban residents of Accra. The economic activity that the conversions play host to, have the ability to make a significant positive impact on the neighbourhoods in which they are located. As stated, they have the ability to generate employment, and in the following policymaker quote clearly speaks of its importance. "We must find out how we can accommodate this kind of activity. Not only in Accra but throughout

the country, if you read you will see because this type of activity creates employment, generates revenue, stimulates the economy...." (Policymaker, July 2008).

Policymakers emphasized that these small enterprises are vital in providing much needed employment opportunities in urban settings. The businesses occupying the conversions employed on average four individuals. However, not only can they provide employment but one business owner stressed the importance of training their employees so they had skills that were in demand and could even be used to start their own businesses. A small business owner proudly discusses his aspirations for employees in the following quote, "I'm training boys who can also go out on their own to set up their businesses or as technicians to work at other places" (Tenant, June 2008). As local businesses grow in scale they not only have the potential to create meaningful employment, but they can also train new and innovative staff members to become skilled at their trade so they can either open their own businesses or provide skilled labour to other firms.

Furthermore, four of the businesses occupying the conversions indicated that they had hopes to, or had already expanded their business. Plans of expansion indicate a productive and growing company, one that contributes to the economy and continues to provide more opportunities for those in the community. The tenant comment is an example of one of the shop owners we spoke with who had already expanded their business and with the profits earned not only took care of their children's education but even opened a new business.

I mean this business has really been beneficial to me and my family because in the first place it has enabled me and my husband to take care all of our children, as you know we have been able to fund our children's education to

the tertiary level. We have also been able to expand this business and start a nursery school (crèche)" (Tenant, July 2008).

Moreover, policymakers recognize that this sort of activity cannot and should not be stopped; but rather it falls on the planning agency to organize and control this development so the commercial activity of the city can grow in an efficient and effective manner not only within Ghana but on a global scale:

I mean the city is an organism, we can't stop it, unless the character of our economy substantially changes, you know so unless it slows down we can only channel it. It is a positive creative thing but then you have to channel it properly so that they can get all the other benefits of planning (Policymaker, July 2008).

4.6 Conclusion

The following tables summarize the major factors leading to conversion (Table 4.3), the characteristics of converted properties (Table 4.4), the conversion registration process (Table 4.5), the challenges to conversion (Table 4.6), the land use and planning challenges associated with conversion (Table 4.7), and the consequences conversion has had on the built environment and the communities of Accra (Table 4.8). These constitute the major themes this results chapter addressed.

Overall conversions have had a significant impact, both positive and negative, on the urban environment of Accra. It is important the policymakers recognize their utility in meeting the market demand for commercial space. These conversions are indicators of economic growth and the expansion of a domestic entrepreneurial class, vital to ensure continued successful growth and development for the urban population across the board.

Table 4.3: Summary of Factors Leading to Conversion

- widespread conversion occurring throughout Accra and urban areas in Ghana
 - increasing entrepreneurial activities
 - lack of affordable and available commercial space
 - improving macroeconomic climate
 - harsher microeconomic climate
 - improved infrastructure, especially roads
 - rapid expansion of population, commercial activities, physical size
 - significant difference between the cost of a converted commercial unit and one that was developed by a commercial developer
-

Table 4.4: Summary of the Characteristics of Converted Property

- small scale
 - individually or family owned
 - little capital available
 - most landlords had done conversion within the past 15 years but enterprises were typically started in the past 5 years
 - not a new phenomenon, but the extent and scale of conversion is new
 - located along major streets and near centres of commerce (i.e. markets, shopping complexes)
 - highly degree of informality
 - spreads outward to accommodate need for commerce as new residential neighbourhoods grow on the periphery
 - important source of income for converters and tenants, especially for single or widowed women and the elderly
 - most frequently funded through personal savings, loans and remittances also play a role
 - conversions ranged from simple changes, such as adding a door to more large scale developments such as constructing shops in front of their residential property
 - rental contracts for the converted units are often legal documents however in some cases they were verbal agreements
 - monthly payment of goodwill, to provide appreciation for the construction of the shop to those who built it, is often higher than the cost of renting the unit
-

Table 4.5: Summary of the Conversion Registration Process

- due to outdated colonial planning ordinance registration is necessary for all changes, ranging from painting ones windowsill to constructing new buildings
 - 7 documents are required to be submitted in order to apply for a building permit
 - forms must be purchased, filled out, and submitted to Town and Country Planning
 - application is then reviewed by technical sub-committee and if qualifications are met, a permit is granted
 - officially the review process takes three months but policymakers admit this is not the case
 - buildings that have not been approved or have expired permits will be demolished or removed
-

Table 4.6: Summary of Conversion Challenges

For Policymakers

- delays in the planning process have led to illegal development
- lack of capacity and funding for Town and Country Planning to enforce regulations
- lack of technological capacity, in particular, mapping technologies
- as a result reactive rather than proactive planning procedures are used
- many spatial and community challenges arise
- although public education is increasing, it is still not at an acceptable level and conversions go unregistered because parts of the population are not educated on the legal steps to take when converting one's property

For Converters

- capital is often not readily available and converted property must be built in parts
- may also have to take out loans to complete the building process
- cost of labour and building materials is high
- risk renting a unit to a "nuisance" tenant, one who does not take proper care of the unit resulting in devaluation
- hard for elderly to access credit for conversion activities

For Converters and Tenants

- lack of a supportive business environment – no programs or small business initiatives provided by government to educate the public about conversion or provide support and training for conversion development and small business sectors
-

Table 4.7: Summary of Land Use Planning and Zoning Challenges

- in order to address rampant conversion, Town and Country Planning has been forced to meet the demands of the market and rezone the areas beside major roadways as mixed use to limit zoning violations
 - major planning documents are not up-to-date with the current developments
 - due to lack of monitoring and enforcement, illegal development is common
 - those who receive approval for their conversions sometimes change their development plans as they go resulting in deficient structures
 - regularization of illegal development with the payment of a fine
 - lack of harmony in decision making between planning institutions
 - conversion is necessary to address the demands of the market, thus it cannot be stopped and the planning department needs to take an active role in guiding its development to limit the planning challenges that arise
-

Table 4.8: Summary of Conversion Consequences on the Built Environment and Communities

Built Environment

- changing face of neighbourhoods from residential to commercial
- Accra is becoming extremely disorganized in a spatial sense
- increasing height of developments
- still, development is mostly low density urban sprawl
- small scale developments have little regard for planning regulations

Community

- increased densities in formerly residential areas
 - service infrastructure has not been updated as densities increase
 - commercial activity puts additional pressure on services, resulting in poorer service delivery for residential communities
 - traffic issues arise due to increased volume of traffic and lack of parking
 - loss of residential, neighbourhood space
 - loss of traditional lifestyle
 - increased human and vehicular traffic, decreased safety for neighbourhood residents
 - provide important source of urban employment
 - small businesses can train and development new skilled labourers
 - some businesses planning to expand and develop on a larger scale
-

CHAPTER 5: DISCUSSION AND CONCLUSIONS

5.1 Overview of the Study

This study set out to investigate the process of the conversion of residential units into commercial space. Specifically, it determined how the livelihood of converters and tenants are affected by this process, if these conversions have been following the zoning regulations, and what the impacts were on Accra's urban built environment. Chapter four highlighted results that indicate Accra is rapidly expanding both in physical size, as well as the size of its commercial base. Respondents offered their explanations and opinions as to *why* this growth in commercial activity is taking place, *how* long it has been occurring, and *why* those involved in these commerce activities are choosing the locations they do.

5.2 The Process of Conversion

Most of the interviewees asserted that this conversion process is being fueled by the physical expansion of Accra. This is not surprising as Briggs and Mwamfupe (2000) and Arku (2008) articulate that cities have long served as points of absorption for population, capital, both social and monetary, and business ventures and this is not unique to Accra. Zhang (2002) expresses that urban areas in China have served as the virtually sole recipients of population growth and investment. Particularly in Accra, there has been significant expansion into the peri-urban areas and now the city must focus on infill (Yeboah, 2000). Not only does this expansion mean a growing population that in turn requires a greater amount of goods, but it has also indicated the

need for commercial activities to be dispersed throughout the city so residents can have neighbourhood-level access to the goods and services they require on a daily basis. In addition to the need for neighbourhood-level services, two other major factors played a role in the locational decision of these commercial enterprises.

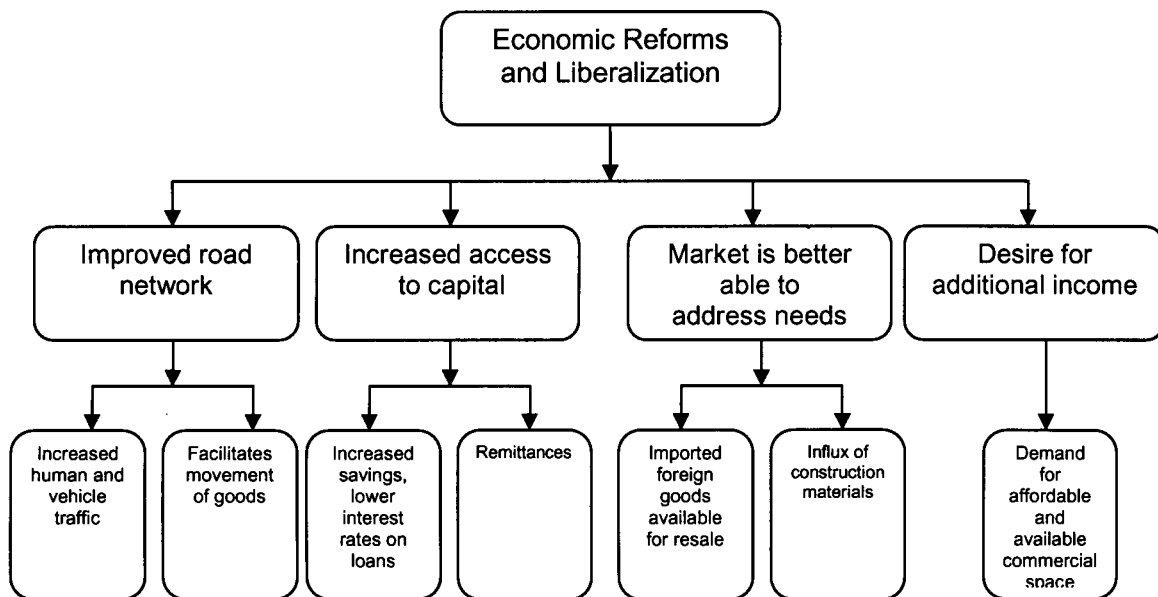
One of the most significant factor in the location of commercial enterprise was the development of a major road network. Briggs and Mwamfupe (2000) and Yeboah (2000) found that transportation has been a catalyst for growth and infilling which has been especially strengthened by economic reforms (see Figure 5.1 for a model of how economic reforms contributed to the growth of conversion). Based on policymakers' perceptions, the most significant contribution economic reforms have made to the conversion process is the implementation of the Ghana Roads Rehabilitation Project. Virtually all respondents stated it was ideal to convert a residence or locate a business that is situated on a major roadside. Concurrently, as Ghana's road infrastructure improved, the economy improved, and centres of commerce developed around Accra and other second and third tier cities in Ghana such as Kumasi, Tamale, and Takoradi which were centered on the urban arterial roads. The Roads Rehabilitation project was part of a transport rehabilitation project funded by the World Bank, in accordance with the economic reforms that had been drafted to assist in Ghana's economic development.

It is essential to note that the conversion process is not new, and conversions have been taking place throughout Accra's history as individuals seek out a means for additional income. However, the rates, the extent and dimensions of the current conversion process are shifting rapidly. The present conversion trend has only

increased since the early 1990s. Yeboah (2000) noted the trend of infill increasing along arterial roads and transportation routes since the full implementation of liberalization. This points to a direct linkage between the rehabilitation of the roads and an increase in commercial activity, since those roadsides that have seen significant infill in the past 15 years or so, primarily from a growing commercial sector at the expense of residential areas. The conversion of residential property into commercial space also frequently occurred near areas of already established commerce such as the CBD or a market area. Several respondents noted it was important to be in areas that were in demand for commerce, such as Osu or Accra Central, or near areas that had significant amounts of commerce such as a market. Often respondents noted that seeing or hearing of others in their neighbourhood converting part or all of their residence into a shop was a crucial factor in converting their own residence. This implies that the trend of conversion will likely continue in the face of continuing economic growth, and it will start from areas where commercial activities are heavily concentrated and sprawl outwards. Beyond these two location trends, it appeared that these conversions were not located in particularly efficient areas, as was the case in Kenya (Muraya, 2006). Efficiency here is referring to the location of the business in relation to other enterprises selling similar goods outside of industry clusters. Furthermore, as the conversion trend continues, it is not all neighbourhood residents who are eager to convert their house. Several respondents made it clear that they were not necessarily in favour of increased commercial activities in the area, and the prospect of converting their traditional family home was not something they planned to undertake. Additionally, many of

these converters felt it was imperative that more residential spaces were put up for rent also be developed as some cited being approached regarding vacancy just as frequently for rooms to rent as for commercial space.

Figure 5.1: Impact of Economic Reforms on Residential to Commercial Conversion



*To address market need for space, enterprising individuals convert residential property into commercial space to rent to businesses that need available and affordable space
= Conversion*

As this outward commercial sprawl continues it raises concerns about the supply of housing available in Accra. Ghana's current housing deficit is estimated at about 750,000 units, with Accra facing the most severe shortages. In the face of this mounting challenge policymakers and other respondents noted that it becomes a logistic challenge for city officials to balance the need for housing with the demand for affordable commercial space, particularly as rural-urban migration continues.

The residential to commercial conversion process, as opposed to the development of new commercial outlets, also appears to be a trend that will continue. The conversion trend is specifically tied to the lack of developed commercial space that is for rent for an affordable cost. Mensah et al. (2007) noted enterprises that are small in size typically seek out the most affordable rental unit for their business to ensure they maximize their profit, largely derived for subsistence activities. Similarly, Yankson (2000) observed that small enterprises will locate at any location that is affordable and available, a key factor in a city that has little affordable commercial space, and suffers from a housing shortage. Many tenants stated they sought out a converted residence because the cost was much lower than that of a large scale commercial development. Due to the low cost of rental and low cost of production associated with these conversions, informality is much more rampant, particularly with very small scale businesses and conversions. This is even more consistent with those who do not even require a shop, such as street traders, who have little regard for formal planning procedures and are most concerned with earning income for subsistence. In the face of continued conversion, it is imperative that a regulating body step in and advocate for, or develop themselves a significant amount of space to house these commercial activities. Otherwise, it is likely that unregistered conversions will continue to be detrimental to the quality of city life. The most significant alternative would be the production of government-subsidized, commercial space that was adequately prepared in terms of infrastructure and services. But how this solution would be able to accommodate the rampant growth of small scale enterprise within the city, and how the government would be able to fund

a development of this scale remains another question all together. Another alternative would be to provide incentives for private sector investment into affordable commercial units.

5.2.1 Benefits of Conversions

It has also become evident that these conversions have provided vital subsistence income for landlords and business owners, as well as their families. Mensah et al. (2007) noted that most small scale businesses are developed in order to assist the family with subsistence. Owning these businesses or converted rental units enabled respondents to provide basic social amenities such as housing, and education. Although all of the businesses and conversions that this study examined were small in size, they played a vital role in providing employment for the urban labour force. Scase (1997) and Harrison et al. (2003) argued that wealth would trickle down through a population, which is evident in Accra, as the increasing amount of middle income earners stimulates consumer action, (which has been evident even with the establishment of the Accra Mall) to raise the standard of living. This consumerism must be met with increasing access to goods and services which is leading to and sustaining the development of small scale enterprises. Winters (2002) establishes the link of this growing consumerism to liberalization which would foster growth, as seen through improving GDP and FDI figures. It has become apparent there is a growing consumer class in Accra and they want outlets to spend their income, which is allowing small scale businesses to at least earn an income if they do not wish to grow in scale.

Finally, although many of these conversions provided a home to vital business, a large of these were not productive. This is in the sense that the owners were not willing to invest in the growth and expansion of their business. Rather, they were content to use all income obtained towards subsistence (Steel & Webster, 1992). Only four businesses interviewed spoke about plans to expand or develop new enterprises. This dilemma of how to encourage the growth of productive enterprise, as opposed to stagnant developments, needs to be examined in more detail to determine what sort of catalyst the owners would need to expand and become more productive. Small business owners' access to raw materials, available income from profit to reinvest, competition, and institutional assistance would all be important factors to examine when determining what would lead to more productive small businesses. One of the productive businesses stated that they were also focussed on skill development for their employees as they hoped once these individuals learned the skills necessary for manufacture production they would go on and be able to open their own business in the same industry. Unfortunately, due to a lack of government assistance and supporting access to capital, the owner can only employ so many persons within their budget to facilitate skill training and business expansion.

5.2.2 Informality and Recommendations Regarding Registration

A significant issue identified towards reducing the amount of informal development is to simplify the registration process. Not only is the process lengthy, involving many documents, and approval from different agencies involved in the process, but the planning officials themselves admit that they do not meet every three months as they regularly should, further delaying the process. In addition to the

challenge of seeking approval from the various different agencies involved, their approvals are occasionally disjointed and one agency approves a development when another agency does not. In the case where individuals weigh the costs versus benefits of registration, a trend MacPherson and Leidholm (1996) identified, registration of one's business is often determined by the level of awareness that individual has about the procedure. In answer to these issues however, the Ghanaian government has introduced the Lands Administration Project to ensure that the government agencies involved in land decisions are united and information is shared easily between them. This project is still, however, in its early stages, and only time will tell if the desired results are achieved.

The complicated application procedure is often discouraging for small scale converters or business owners who do not have the time, resources, or necessary education to complete the application process. A recommendation would be the creation of a small business centre or small scale developers' centre to help individuals through the registration process. Finally, stringent rules that require every change to be registered are outdated, and some flexibility must be allowed for simple changes (i.e. painting the converted residence) to no longer require registration.

5.2.3 Converted Property Development Issues

In chapter 5, respondents explained that most of the conversions made to the property (the actually physical changes) were quite simple in nature. The most common and challenging was the removal of part of the wall surrounding the house and the construction of street front shops in the space where the wall was removed. The simplest conversion examined included the conversion of a window into a street

front door. Overall, these conversions were in general low-cost, simple changes to existing residential property. That being said, the more complicated the conversion was, the more frequently the converter would register the property. The results revealed many of the respondents were registering the changes made to their property. However, a significant factor in the non-registration of one's property conversion was when the property was owned by the individual and the conversion was very small scale in nature, as in small changes to an already existing building. Nonetheless, policymakers made it clear that non-compliance to registration procedures was not limited to small scale conversion, and even large companies such as banks have been caught converting properties without registering them. Where to point the blame is hard to say, when these businesses are renting the units, the onus is on the property owner to register any changes to the property with the planning department. Furthermore, the planning department may also be at fault, as many individuals that did not register changes related to conversion with the planning department often were not aware that it was even their responsibility to do so. This indicates a lack of public education on the part of the planning department which no doubt ensures that this illegal development will continue. MacPherson and Liedholm (1996) found that the amount of registration that occurred in their study was directly related to the education of the public on the importance of registration. Thus, public education needs to be a top priority for planning officials if they wish to curb illegal conversions.

The legalities surrounding the rental of converted property tended to be standard, with little reported challenges surrounding them. Most of the respondents

explained that they had a standard written contractual agreement for the rental period which they had to agree upon in advance. This rental period was typically divided into two years terms and renters were expected to pay the full amount of their rental contract prior to moving in. As mentioned earlier, there were even a few examples of respondents who stated their current tenants had given them money towards the construction of the store, or even constructed it themselves. In this case the tenant typically did not have to pay goodwill, a monthly sum paid to landlords for the construction and use of their shops, for a certain amount of time, or in some cases rent was even waived for a number of years.

5.2.4 Challenges Facing Converters and Tenants

The biggest challenge faced by converters was by far funding. Loans were accessible but are still subject to high interest rates, and many individuals had to fund the conversion of their property from personal savings. This frequently meant that those individuals would construct part of the shop, and then run out of money for materials and labour. They would have to put off the construction until they were able to save up more money for materials and labour.

Overall, the majority of the businesses and converted properties were individually owned by males, followed by family-owned that had been in operation for five years or more with fewer than five employees. The most significant source of funding for the conversion or cost of rent and capital was personal savings and then national and foreign assistance from family and friends. The average cost to rent a shop to rent was approximately 6GHC a month with an additional payment of goodwill. Respondents were unable to provide figures in terms of the cost to convert

a property, asserting only that many of them could not afford to pay for the changes or construction at one time. All these factors suggest that these are not productive businesses, rather enterprises that were used to assist with subsistence.

Respondents noted that there is little in the way of support for domestic small scale business and construction activities. No programmes exist by way of support for their trades, additional, available training, or assistance in terms of access to funding. This is unfortunate in the face of the relatively good support given by the GIPC, which liaises between typically foreign or large scale investors and government officials, informs potential investors of available incentives, and provides support services for procurement and permits. Although Bush (2004), stated introducing FDI was the most effective way to reduce poverty, Arthur (2006), observed that the introduction of FDI limits the ability for small domestic firms to grow because they are cut out of marketplaces due to their inability to compete via FDI marketing activities. Smallbone et al. (2001) and Meagher (2007) note it essential for the government to support these businesses and facilitate the development of clusters to strengthen the domestic economic base. Studies have recognized that small domestic business plays a significant role in the absorption of the unskilled urban labour force (Smallbone et al. 2001; Liang, 2007; Zhang, 2002; and Bush, 2004). Small businesses are essential to the economic function of the city, and Accra officials need to consider opening a small business centre or other agency to help domestic enterprises develop.

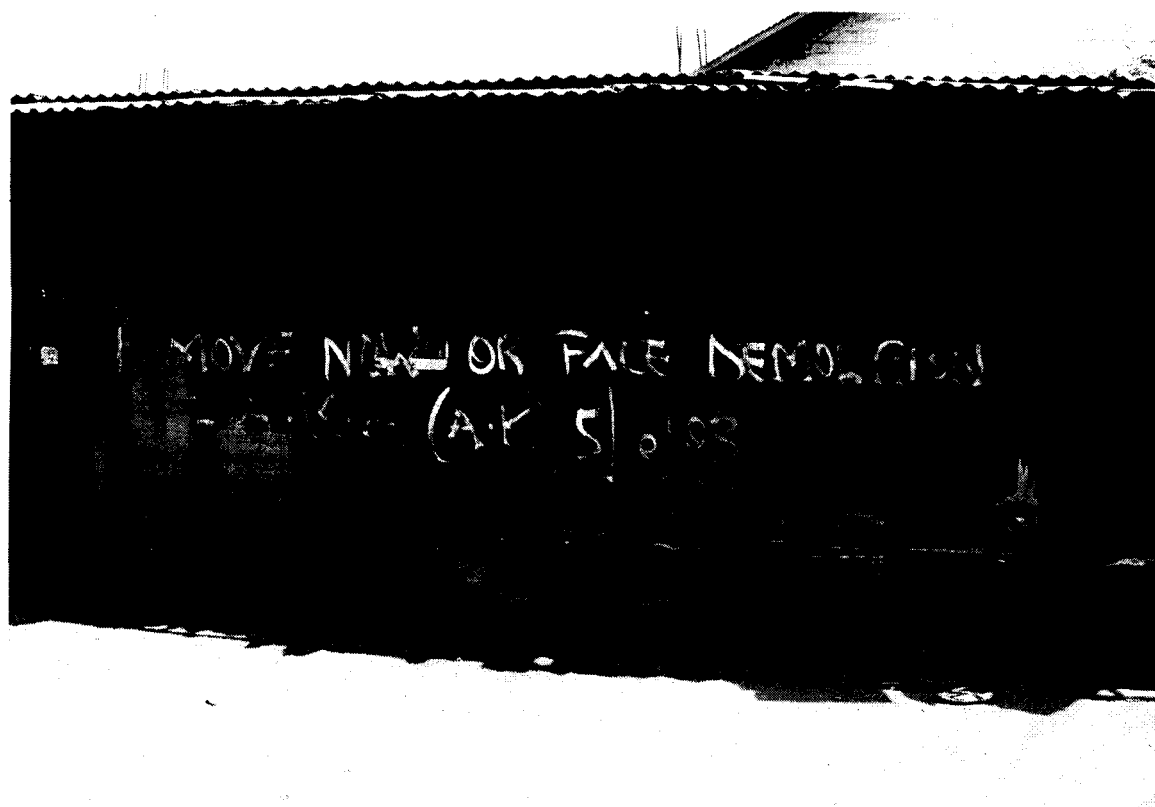
5.3 Zoning Challenges

Generally, among the policymakers' respondents, the chief challenge to curbing illegal development involves the planning department's ability to monitor development and enforce regulation. Rakodi (2001) found that development tends to proceed whether it conforms to the existing regulations or not, which is why proactive planning is essential. All the planning officials interviewed stated that the planning department is understaffed and does not have the capacity or funding to properly ensure illegal development does not take place. Although it is evident the government is working from limited budget resources, efforts should be made to ensure that proactive, rather than reactive planning takes place. If not, is it likely the city will encounter severe planning problems years in the future when they must manage significant illegal development, blocking future growth plans and hampering service and infrastructure delivery.

Another major problem noted with these conversions is the disregard of some individuals to any sort of regulations put in place to guide development. Because the land administration agencies operate on a disjointed basis, approval to develop would be granted from one agency when the development would be against the regulations of another agency. If that individual goes ahead and develops their structure, it becomes a challenge as to how to manage this conversion, as depending on the scale of the development, and it could involve considerable time and a monetary investment to remove. The typical AMA solution, to tag the illegal developments with spray paint stating they must "Remove now or face demolition-AMA" is not a useful solution. This reactive style of planning has proved to be both inefficient and

ineffective. As the illegal development tags line the streets from various dates (see Plate 5.1 for an example from 2003) it is apparent that even though the Accra Metropolitan Authority may threaten to demolish these illegally built structures they actually do not go through with this. In terms of Accra's growth, it would be much simpler for the planning agencies to increase their monitoring so this illegal development cannot even take place as it will likely be costly to manage after the illegal structure is standing. Certainly, the lack of a growth management strategy leads to health, environment, and infrastructure challenges, which are becoming evident in Accra (Arku, 2008).

Plate 5.1: Inefficiency of the Planning Department



5.4 Conversion Planning Issues and Solutions

It was evident from the interview results that there are many major planning issues associated with this rampant conversion of residential property into commercial space, specifically when it is done illegally. These conversions and the overall growth of commercial activity is taking place throughout Accra. Illegal development is occurring as a response to the rapid need for commercial space to house the growing small scale business base.

Another significant issue discussed by policymakers during the interviews was the reactive nature of the planning organization. Building on the cost and simplicity argument from the previous chapter, it is apparent why the planning agency needs to act in a proactive manner. Letimann et al. (1992) recognized that lack of public awareness, poor regulatory and economic policies, and insufficient knowledge all contribute to this reactive planning practice. Zoning regulations are in place to protect both the businesses and residents of the city and when they are violated, serious issues in terms of spatial development, service delivery, and community quality of life can arise. Furthermore, if the development has been constructed and the plans have not been approved through the proper registration program, or the structure was not built in accordance to the plans submitted, converters can simply pay a fee to regularize their structure. This is something that almost encourages illegal development, as its likely converters would rather not go through the lengthy red tape to get development approval, and in both cases individuals have to pay a fee, though the amount of fee was not readily available for comparison. The additional fee for those who did not register their plans or those who did not follow their plans was

only necessary when and if a building inspector actually notices that a new unapproved structure has been built.

An even larger issue in terms of planning regulation is the lack of public education. Policymakers noted that there had been some attempts at public education, but this was not said with much confidence and when speaking with other interviewees it was apparent that very few of them were familiar with what sort of changes need to be registered and who's responsibility it is to register those changes (the landlord's). The education of the public on how and why to register their conversions is essential in curbing illegal development.

Particularly concerning in the inability of planning officials to control and monitor development is that policymakers also admit that their five year review process is not even conducted on a five year basis. They went on to state that even if their five year review was carried out, it would simply account for the development that had happened intermittently, not enable the production of new development plans. Plans, such as the development of high-rise space for commercial activity, have not been implemented as the planning department struggles with day to day tasks.

Major spatial issues that the conversion process contribute towards include low density sprawl, competing traditional versus modern interests, neighbourhoods transitioning from residential to commercial use, and lack of organization. Some trends such as the shift towards commercial uses and modern properties are inevitable and the role of the planning department should be to guide this as seamlessly as possible. Steps have already been taken to allow the shift to commercial activity by designating arterial roadsides as mixed use zones.

The loss of traditional homes is a concern that needs to be addressed.

Planning officials need to dedicate more significant efforts in terms of looking at the socio-spatial impacts of putting up larger structures in terms of height, width, and capacity, to ensure these developments are not spurring further conversion at the expense of a desirable residential area. Lack of organization and low rise sprawl call for the development of multi-storey commercial buildings to house the evident entrepreneurial spirit of Ghanaians. Organization needs to be achieved through logical location of commercial activities. Heavy commercial goods and industry should be located in the peri-urban areas, reducing intensive traffic congestion. Cluster development should also be encouraged.

Delivery of service infrastructure is also an issue of significant concern. As commercial activity, particularly in residential areas, increases, pressure is put on the delivery of services such as water and electricity because of higher usage and demand by commercial activity. It also increases the use of the roads, leading to more rapid deterioration from increases use and the use of heavier commercial vehicles. Accra itself does not have the finances to pay to repair damaged or stressed infrastructure, or to increase service delivery to its neighbourhoods. Unfortunately Rakodi (2001) expresses that it is the city's job to provide service infrastructure, but when rapid infill growth takes place in these areas, infrastructure cannot keep up. The solution to this would be the formation of a public-private partnership wherein commercial activities should have to pay higher user fees to access services, which can then be used to fund the development of new service infrastructure.

Finally, issues surrounding the community effects of conversion and commercial growth include increased congestion, decreased safety, and loss of traditional lifestyles. If Accra was planned on a proactive basis, it is likely congestion would be less significant. Because many informal structures and conversions line the roadside, there is no proper road infrastructure, such as parking, to manage increased consumer traffic. In that sense, when road lanes are used as parking because there is none and it creates blockages, it then adds to the city's congestion. Safety is of utmost importance and it is essential that communities are kept safe. Not only is increased traffic a health risk, but it also increases the amount of "strangers" to the neighbourhood. This can encourage crime and other social ills as these strangers are not easily recognizable by community members. There is little community members can do about safety concerns as their neighbourhoods become increasingly commercialized. However, it would be possible to establish an "eyes on the street-type" program that will allow both shop owners and community members to monitor their neighbourhoods. The most significant community impact is the loss of traditional lifestyles. Ghanaians perform many of their daily activities outside. With the development of multi-storey buildings against the traditional single storey house and increased human and vehicle traffic, people may find it easier to see into individual's compounds (similar to a yard) which eliminates their privacy. Additionally, the noise that is added from increased traffic and commercial activities also creates an environmental hazard. Once again, neighbourhood studies should be done to mediate these sorts of effects, and multi-storey buildings should be clustered together as much as possible to try and limit the privacy breach that residents feel.

5.5 Summary

In summary, this research has posited several major arguments which have led to the development of a number of recommendations. This section is designed to summarize the arguments and recommendations.

The conversion process is an essentially natural transition from residential to commercial space that is needed to accommodate the increased enterprise development happening in Ghana. These enterprises are necessary to both provide jobs for the significant number of urban unemployed, as well as provide goods and services to Accra's rapidly expanding population. Support services for these small scale businesses should be increased. The creation of a small business centre would likely help many of these stagnant or non-productive business access loan facilities, as well as networking and training opportunities that would strengthen the company and its employment base.

The research has made it evident that small scale private enterprise has exploded in Ghana which has led to a rapidly increasing demand for access to affordable and available commercial space. Because Accra has limited affordable and available commercial space that is ideal for small scale private enterprise, the market has accommodated this niche with the conversion of residential properties into commercial space. This conversion has been widespread and has led to sprawling low-rise development across the city, which in some cases has been occurring illegally, without the consent of the Town and Country Planning Office. It is apparent that these converted properties provide important income for their landlords. Thus, the development of these buildings should still rest with the private sector. However,

because many of the individuals we spoke with cited funding conversion as a significant challenge, the government should provide grants or incentives to assist in the development of multi-storey buildings to limit the low density sprawl occurring, particularly for those who have used their own savings to fund the conversion.

Providing grants or incentives would also raise the awareness level of the public as to what is required when one develops a commercial space or alters an existing residential space. Just under 25% of respondents stated they did not properly register their property changes with Town and Country Planning. Increasing the public's awareness and education level as to what is required by in order for their changes to be approved and the frequency of legal development to be increased would be beneficial. If all conversions were approved by Town and Country Planning, it would significantly decrease the spatial, service, and community issues posed by illegal conversion. Failing this recommendation, it is clear that Town and Country Planning needs a more extensive budget as they neither have the funding or capacity, in a personnel or technological sense, to monitor and evaluate all the illegal development occurring in a city the size of Accra. A possible solution would be to create monitoring and evaluation positions through the National Service Program, which would not only be a lower cost, alternative to staffing, but it would also train a new generation of planning professionals that will be aware of the issues surrounding illegal development and are well prepared to manage and control that development.

Small scale businesses will only continue to grow as the demand for the goods they sell increases as urban areas themselves increase. The planning department correctly identifies the fact that they are unable to stop this conversion but it is

essential for their department to have access to the funding and capacity necessary to guide this development in an orderly and efficient manner. With the proper institutional support, the disorganization of Accra's rapidly expanding commercial areas can be beautified, properly serviced, and located in areas where they are not disturbing a traditional way of life.

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Appendix A: Interview Guide – Converters of Office/Commercial Properties

Title of Project: Economic Reforms and Changing Urban Landscape of Accra: the Conversion of residential properties into commercial and office Units.

Address:

Section 1: Background information

1. When did you purchase/convert your rental building?
2. What kind(s) of economic activities/business are you involved in (other than income from building rental)?
3. How many units do you rent out? How many converted (est.)?
4. Are these family owned buildings, individually owned, or corporately owned?

Section 2. The Property

5. Why did you choose the location of the rental building?

Section 3: The Property Conversion Process

6. (if did not own already) How did you locate this property for purchase? How long did it take to acquire the property?
7. What changes (if any) did you do to the property to convert it from its ORIGINAL residential form to an office/commercial unit?
8. What challenges/difficulties did you face during the conversion process? (Labour issues....protest from neighbourhood, accessibility...etc.)
9. Did you go through any planning procedure before changing the property from its original usage to the current use? If yes, what were these planning processes? [E.g. with Accra Metropolitan Authority, Town and Country Planning Department]
10. What challenges were encountered during the planning procedures?
11. How much did the property cost (to purchase/convert)? How much is the rent/month on each unit?
12. How did you fund/finance the purchase of the property? [Prompt: Personal savings, bank loan, remittance (prompt 1 or multiple sources) (If family member assisted: Why is your family member interested in funding your conversion?) etc]
13. What processes did you go through in order to acquire the property from the original owner (if any)?
14. Were there any legal steps involve in the purchasing of the property or the renting of the units? If yes, what are these steps? If no, why?
15. What challenges were encountered during the purchasing or renting process?
16. Describe the level of demand for renting these commercial/office units (Prompt: How long did it take to find tenants? How frequently do individuals looking for commercial/office space inquire about rental from your building?)

Section 4: Business and Economic Policies

17. What impacts (if any) do you think government's economic policies have had on your ability to set up this business? [E.g. liberalization of economy, tax incentives, exchange rate regulations etc.]
18. Have you used any of the services provided by the GIPC or has their advocacy work ever assisted your rental building?
19. How has owning this rental building impacted you/your family (or friends)?
20. Do you have any additional comment(s)?

Appendix B: Interview Guide – Tenants of Commercial Properties

Title of Project: Economic Reforms and Changing Urban Landscape of Accra: the Conversion of residential properties into commercial and office Units.

Company Name:

Address:

Section 1: Background information

1. When did your company start operating in this neighbourhood/area?
2. What kind(s) of economic activities/business is your company involved in?
3. How many people are currently employed in your company?
4. Is it a family owned business, individually owned, or corporately owned?
5. Is this the only business activity you are involved in? If no what else?

Section 2. The Property

6. Do you presently own this property or renting?
7. Why did you choose this location for your business?

Section 3: The Property Conversion Process

8. How did you locate this property for rental? How long did it take to acquire the property?
9. What changes did you do to the property to convert it from its ORIGINAL residential form to an office/commercial unit?
10. What challenges/difficulties did you face during the conversion process? (Labour issues....protest from neighbourhood, accessibility... etc.)
11. Did you go through any planning procedure before changing the property from its original usage to the current use? If yes, what were these planning processes? [E.g. with Accra Metropolitan Authority, Town and Country Planning Department) (Prompt: Is this the landlord's responsibility?)
12. What challenges were encountered during the planning procedures?
13. How much did the property cost? How did you fund/finance the purchase of the property? [Prompt: Personal savings, bank loan, remittance (prompt 1 or multiple sources) (If family member assisted: Why is your family member interested in funding your business?) etc] How did you obtain capital to start business (purchase of machinery, product)?
14. What processes did you go through in order to acquire the property from the original owner?
15. Were there any legal steps involve in the renting process? If yes, what are these steps? If no, why?
16. What challenges were encountered during the renting process?

Section 4: Business and Economic Policies

17. What impacts (if any) do you think government's economic policies have had on your ability to set up this business? [E.g. liberalization of economy, tax incentives, exchange rate regulations etc.] Do you feel that it has become easier or less expensive to import/export your goods over time?
18. Have you used any of the services provided by the GIPC or has their advocacy work ever assisted your business?
19. How has owning this business impacted you?
20. Do you have any additional comment(s)?

Appendix C: Interview Guide – Policymakers

Title of Project: Economic Reforms and Changing Urban Landscape of Accra: the Conversion of residential properties into commercial and office Units.

Name of Department:

Title/Position:

1. Is your department aware of the situation where by residential properties are being converted into office/commercial units in certain parts of Accra? Are there any specific parts of this city where this trend is particularly noticeable?
2. How many new office/commercial units have your department approved over the past year? 5 years? 10 years?
3. Do you have an idea of the approximate period that this phenomenon started?
4. In your opinion, what specific factors account for the fairly widespread conversion of residential properties to office/commercial spaces? [Prompt: government economic policies of liberalization?]
5. Are there laid down planning procedures to convert residential properties into office/commercial units? If yes, what are these specific steps? [Prompts: how long does it take to get approval?]
6. Would you be able to provide a few examples of what sort of residential to commercial/office conversion would have to be registered through the AMA?
7. Do you know if the current owners of these office/commercial properties went through the laid down planning procedures before converting the original properties to the current use? If the property is rented whose responsibility is it (landlord or tenant) to register the changes with the AMA? [Prompts: If they have not, why? What is your department doing about the situation?]
8. Are the new office/commercial units consistent with the original land use plans (zoning)? Or are there conflicts with the existing land use plans? What is being done to ensure these buildings conform?
9. What sort of challenges/difficulties does the conversion of residential properties into office/commercial units create?
10. It has been emerging that much of the conversion is taking place due to the lack of modern office/retail space, is T and C putting emphasis on the development of high rise buildings to contain office space, or larger retail complexes with shops designed specifically to accommodate commercial development?
11. Do you have any additional comments about the conversion process?

Appendix D: Ethics Approval



Office of Research Ethics

The University of Western Ontario
 Room 00045 Dental Sciences Building, London, ON, Canada N6A 5C1
 Telephone: (519) 661-3036 Fax: (519) 850-2466 Email: ethics@uwo.ca
 Website: www.uwo.ca/research/ethics

Use of Human Subjects - Ethics Approval Notice

Principal Investigator: Dr. G. Arku

Review Number: 15046S

Review Level: Full Board

Review Date: April 4, 2008

Protocol Title: Economic reforms and their impacts on the urban landscape of Accra: Conversion of residential properties to office and commercial units

Department and Institution: Geography, University of Western Ontario

Sponsor: International Research Award - UWO

Ethics Approval Date: April 30, 2008

Expiry Date: August 31, 2008

Documents Reviewed and Approved: UWO Protocol, Letter of Information and Consent - Current Owner, Letter of Information and Consent - Previous Owner, Letter of Information and Consent - Policy Maker, Participant Information Letter and Consent - Focus Group, Advertisement Poster

Documents Received for Information:

This is to notify you that The University of Western Ontario Research Ethics Board for Non-Medical Research Involving Human Subjects (NMREB) which is organized and operates according to the Tri-Council Policy Statement: Ethical Conduct of Research Involving Humans and the applicable laws and regulations of Ontario has granted approval to the above named research study on the approval date noted above.

This approval shall remain valid until the expiry date noted above assuming timely and acceptable responses to the NMREB's periodic requests for surveillance and monitoring information. If you require an updated approval notice prior to that time you must request it using the UWO Updated Approval Request Form.

During the course of the research, no deviations from, or changes to, the study or consent form may be initiated without prior written approval from the NMREB except when necessary to eliminate immediate hazards to the subject or when the change(s) involve only logistical or administrative aspects of the study (e.g. change of monitor, telephone number). Expedited review of minor change(s) in ongoing studies will be considered. Subjects must receive a copy of the signed information/consent documentation.

Investigators must promptly also report to the NMREB:

- changes increasing the risk to the participant(s) and/or affecting significantly the conduct of the study;
- all adverse and unexpected experiences or events that are both serious and unexpected;
- new information that may adversely affect the safety of the subjects or the conduct of the study.

If these changes/adverse events require a change to the information/consent documentation, and/or recruitment advertisement, the newly revised information/consent documentation, and/or advertisement, must be submitted to this office for approval.

Members of the NMREB who are named as investigators in research studies, or declare a conflict of interest, do not participate in discussion related to, nor vote on, such studies when they are presented to the NMREB.

Chair of NMREB: Dr. Jerry Paquette

Ethics Officer to Contact for Further Information

Grace Kelly

Janice Sutherland

Jennifer McEwen

Denise Grafton

This is an official document. Please retain this copy in your files.

cc: ORE File