

IEA POLICY BRIEF. No. 5

POLICY PRIORITIES FOR THE INCOMING GOVERNMENT



Policy Priorities for the Incoming Government

1. Introduction

Ghana has been facing multiple economic challenges in recent years, the result of a combination of external shocks and domestic policy shortcomings. Economic growth moderated to 3.1% in 2022 from 5.1% in 2021 and, in 2023, growth was further down at 2.9%. In the first quarter of 2024, the Ghana Statistical Service (GSS) reported a higher growth of 4.7%. However, the IMF projects the year's growth at a lower rate of 3.1% [*IMF Executive Board's Second Review of Ghana's ECF, June 28, 2024*]. The growth rates are generally below the potential of the country, given its abundant resources and capacities. Inflation rose sharply from 12.6% in 2021 to a near-record 54.1% in 2022 before declining to 23.2% in 2023. The latest recorded figure is 22.8% for June 2024. While inflation has been on the decline, it remains high by international standards. Moreover, it has had a severe compounding effect on the cost of living. The fiscal deficit was -12.0% in 2021 and -11.8% in 2022, before declining to -3.6% in 2023, due to the impact of the Domestic Debt Restructuring Programme (DDEP) along with the suspension of external debt servicing. The deficit is projected to remain low at 4.7% in 2024. The public debt/GDP rose from 79.2% in 2021 to 92.7% in 2022 and then declined to 82.9% for 2023. For 2024, the IMF projects the debt/GDP to decline only marginally to 82.5%, well above sustainability levels. In 2022, the cedi depreciated by as much as 54% through November before moderating to 30.0% in December. In 2023, it depreciated further by 28% and in 2024, it depreciated by 20% through July. The sharp depreciation has fueled inflation and severely eroded real incomes of Ghanaians.

The recent economic problems have been fuelled, on the one hand, by the impact of Covid-19 and the Russia-Ukraine war on food and fuel prices across the globe. On the other hand, domestic economic management shortcomings have been a contributory factor. In particular, huge expenditure outlays on several government flagship programmes and a bloated Government in the face of constrained revenues led to wide fiscal gaps that were financed

through large-scale borrowing, especially on the Eurobond market, causing the public debt to escalate to unsustainable levels. As a result, Government's policy credibility got eroded, the Credit Rating Agencies downgraded Ghana's sovereign debt, the country was locked out of the international capital markets and, eventually, Ghana defaulted on its external debt payments—essentially becoming bankrupt!

In the midst of these economic challenges, the Government approached the IMF in July 2022 for a financial bailout and received the IMF Board approval in May 2023 for an Extended Credit Facility (ECF) for 2023-26 supported by US\$3.0 billion financing. The ECF program has been associated with a wide range of stringent measures, including tax increases, expenditure cuts, tight monetary policy, employment restrictions, borrowing restrictions and public financial management reinforcements. Also, the program has involved large-scale restructuring of Ghana's domestic and external debts, geared to restoring the entire public debt to a sustainable level during the program period. The domestic part of the debt restructuring involved heavy discounts on coupons and the lengthening of maturities of principals, with numerous creditors, including pensioners, other individuals, commercial banks, the central bank and other institutional bondholders, suffering severe financial losses. The external part, on the other hand, involved restructuring of debts to bilateral creditors and commercial/private creditors on comparable terms.

It has to be said that Ghana has had recurrent economic crises and the current IMF financial bailout is the seventeenth in the country's history. The frequency of economic crises and IMF bailouts clearly demonstrate serious policy failings, which have increased the country's vulnerability to shocks. In particular, the economy has not witnessed any significant transformation since independence, producing largely primary commodities for export while relying heavily on wide-ranging imports. Economic policies have largely followed the orthodox neoclassical model of free markets and limited role for the state, a model that is more suitable for mature economies. The failures expected from free-market policies have not been adequately addressed, with dire consequences. Obviously, the country needs to chart a new path since repeating the same policies would not achieve different outcomes. The new path should consist of transformative policies to build a resilient, self-reliant economy. It should also prioritise the leveraging of the country's internal resources and capacities to support cross-cutting transformational policies.

As we approach the December 2024 elections, the IEA has put together a set of key policies for the attention of the incoming Government, covering the following areas:

- 1) Macroeconomic Stability
- 2) Economic Growth and Employment
- 3) Infrastructure
- 4) Energy Security
- 5) Agriculture and Food security
- 7) Industrialisation and Economic Transformation
- 8) Education, Human Capital and Technology
- 9) Health and Sanitation
- 10) Youth, Sports, Gender and the Disabled
- 11) Corruption and Human Rights
- 12) Constitutional Review
- 13) National Development Strategy
- 14) Policy Transparency and Inclusiveness
- 15) Natural Resource Management

2. Macroeconomic Stability

Macroeconomic instability, in the form of high inflation, exchange rate instability, high interest rates and unsustainable debt, has plagued the Ghanaian economy for a long time. The instability derives from both underlying structural weaknesses of the economy and weak macroeconomic fundamentals. The structural weaknesses continue to constrain production and supply, while expansionary fiscal and monetary policies fuel demand pressures. The resulting supply-demand imbalances manifest in macroeconomic instability. As the situation reaches a crisis point—and we lose policy credibility internationally—we rush to the IMF for financial bailout, backed by a program that prescribes measures aimed at restoring macroeconomic balance to the economy, without, however, addressing the fundamental structural weaknesses. After each program, however, we return to our old bad ways of fiscal profligacy accommodated by monetary expansion, which generates another episode of instability—and the cycle repeats itself. The problem is that, apart from the economic hardship that macroeconomic instability inflicts on Ghanaians, without stability, sustained high growth will be difficult to achieve. Therefore, we need to chart a new path of entrenching macroeconomic stability.

Measures to achieve durable macroeconomic stability must address both the structural weaknesses and weak macroeconomic fundamentals. The latter is dealt with here, while the former, which falls under Industrialisation and Economic Transformation, is presented below.

Recommendations

- Fiscal discipline and fiscal sustainability should be entrenched through:
 - Fiscal consolidation, consisting of an appropriate mix of revenue-enhancing and expenditure-rationalisation measures to rein in fiscal deficits.
 - Revenue measures aimed at stemming losses by closing the several loopholes in the tax system, including relating to trade mis-invoicing, property tax under-collection, transfer pricing, money laundering, tax evasion, tax fraud and tax system inefficiencies. Consideration should be given to imposing wind-fall taxes, as needed, on booming sectors like extractives, banks, telcos and ICT.
 - Expenditure measures aimed at reducing recurrent spending such as emoluments and spending on goods and services. It is also important to reduce incidence of inflated costs under fraudulent procurement practices while increasing efficiency and reducing waste in spending. Reducing recurrent expenditure would create room for increasing capital expenditure (CAPEX) from current low levels of 4-5% to over 10% over the medium-term to spur economic growth.
 - Reducing the current Fiscal Rule of 5% deficit/GDP ceiling to a tighter rule of 3% in conformity with the ECOWAS criterion. Also, a debt/GDP ceiling of 60%, deemed the sustainable level for Ghana and other countries with similar World Bank Country Policy and Institutional Assessment (CPIA) scores, should be introduced in the FRA to help attain and maintain debt sustainability over the medium- to long-term.
 - Establishing an independent Fiscal Council with the mandate to evaluate and monitor fiscal policy, among other functions, to help foster fiscal discipline and fiscal sustainability.

- Monetary policy management should be strengthened through:
 - Strict enforcement of the 5% ceiling on Bank of Ghana's lending to Government through reinforced Parliamentary oversight.

- Improved inflation management by supplementing the Inflation Targeting framework—which is largely a demand-management tool—with measures directly targeting supply and cost drivers of inflation, especially food prices, fuel prices, utility tariffs, transport fares and the exchange rate, through collaboration between the Bank of Ghana and Government.
- Monetary policy should be appropriately coordinated with fiscal policy to ensure a low regime of interest rates to spur investment and economic growth.
- Exchange rate management should be improved by:
 - Implementing measures to address the perennial FX supply-demand imbalance through some of the structural reforms elaborated below.
 - Better management of the exchange rate through prudent fiscal and monetary policies illustrated above.
 - Building up Bank of Ghana’s reserves progressively to at least six months of import cover to strengthen the exchange rate. The additional reserves could be derived from natural resources through increased ownership and value addition.

3. Economic Growth and Employment

Ghana’s economic growth has been erratic, unbalanced and below the country’s potential. Growth has fluctuated widely and has, in the past decade or so, been fuelled by highly capital-intensive extractives, which create limited jobs. Apart from years when oil output pushed growth up to over 8 percent, growth has averaged some 4-5 percent over the past ten years. However, if Ghana were to fully tap its large pool of natural and human resources and increase investment, which has been relatively low (less than 5 percent of GDP), the country would be able to grow at much higher rates exceeding 7 percent, which the country needs to break into the ranks of the upper-middle income bracket and eradicate poverty faster.

The result of the low and unbalanced growth has been high unemployment, especially among the youth, as well as widespread underemployment. Youth unemployment is also compounded by lack of entrepreneurial skills, skills-job mis-matches, and overreliance on an already-choked public service for employment. Youth unemployment is a potential social problem that cannot be left unattended to.

Recommendations

- Structural weaknesses in the economy should be addressed through: a) measures to alleviate the perennial production/supply constraints and enhance productivity, including by creating business-enabling environment for the private sector to flourish; and b) increasing the economy's competitiveness by easing the business regulatory burden, lowering taxes, lowering the cost of credit, implementing supportive trade policies, promoting Research & Development, and leveraging modern technology.
- Pro-growth fiscal policy should be implemented by: a) rebalancing recurrent and development expenditure and increasing public investment to at least 10 percent of GDP supported by tapping additional revenue from natural resources; and b) reducing production-inhibiting business taxes to foster investment and growth.
- Development finance institutions should be established to fund long-term investments and strategic sectors, like agriculture and manufacturing.
- Targeted support should be provided to SMEs, especially fledgling, potentially-viable ones, rather than leaving them to compete with cheap imports that often benefit from subsidies in countries of origin.
- Growth-supporting monetary policy should be implemented, including through the creation of a low regime of interest rates through the use of effective tools and better coordination with fiscal policy.
- Specifically, for employment:
 - A compulsory entrepreneurial development course should be introduced in all universities in the country -whether private or public- for all first-year students.
 - Entrepreneurial training should be provided for the youth and the disabled to make them more self-employable.
 - Rural agriculture and agribusiness should be promoted to attract the youth into those sectors to replace ageing workers.
 - Public works should be expanded to employ the youth to the extent consistent with budget sustainability.
 - School curricular should be aligned with industry requirements to enhance skills-jobs matches.
 - Schools and industries should be linked to develop and leverage science and technology to support industries to grow and create jobs.
 - More flexible labour markets should be promoted to sustain employment.

- Government-trade union engagement should be enhanced to ensure that wage levels are consistent with labor productivity so as to sustain employment.

4. Infrastructure

Ghana's infrastructure remains inadequate and poor, belying its status as a middle-income country. Urban roads, highways and rural roads are all poor. Railways for transportation of people and goods are virtually nonexistent. Port facilities are inadequate and below international standards. Government budgets consistently make inadequate allocations to infrastructure, with disproportionate shares going to non-productive recurrent expenditure. Inadequate and poor infrastructure has increased the cost of doing business and economic inefficiencies and has been a drag on economic growth. Advancing Ghana's growth and development requires far-reaching measures to address the huge infrastructure deficit.

Recommendations

- Budgetary allocations for infrastructure should be substantially increased, while at the same time reducing recurrent expenditure.
- The private sector should be involved in infrastructure financing through Public-Private Partnerships (PPP) initiatives to reduce the burden on the budget.
- The Ghana Infrastructure Investment Fund (GIIF) should be regularly funded to ensure dedicated funding for infrastructure.
- An additional Fiscal Rule should be introduced in the Fiscal Responsibility Act to channel all government loans to capital investment to ensure that enough returns are generated to facilitate future repayments.
- Local contractors should be involved in infrastructure development to reduce the costs of projects.
- Infrastructure development and other public works should be deliberately designed to serve as a source of employment for the youth.

5. Energy Security

Energy is a critical driver of economic growth. However, Ghana has long faced unstable power, which has been a drag on economic growth. Installed power capacity had long lagged growing

demand. However, during 2013-16, installed thermal capacity was racked up significantly to cope with a protracted period of hydro-power generation shortfall. This led to excess installed capacity, some of which was contracted on a costly take-or-pay basis. However, the problem of unstable power has persisted due to several factors, including management deficiencies, financial constraints, transmission and distribution inefficiencies and tariff-cost mismatches. In addition to unstable power, the cost of power to both businesses and households is also high. As a result of the higher cost of power in Ghana relative to the costs in neighbouring countries—in addition to other high costs of doing business in the country—several companies have exited the country, majority of them relocating to Cote d’Ivoire, where energy is cheaper.

Recommendations

- Renewable energy sources, such as solar, wind, nuclear and biomass, should be actively exploited to increase the energy mix.
- Energy transmission and distribution should be improved to reduce the high losses to industry average levels.
- The high incidence of energy theft should be addressed to reduce losses to utility companies.
- More granular categorization of consumers should be introduced into a minimum of three bands—life line, medium users, and heavy users—with a view to ramping up revenue.
- Energy bill collections should be optimized via: a) installation of effective pre-paid meters for all users except critical national/public sector institutions, and b) requirement that all government appointees pay for their domestic electricity usage.
- A timeframe should be stipulated for manufacturing all pre-paid meters domestically to save foreign exchange and create domestic jobs.
- The use of solar energy should be progressively increased in all public institutions to ensure more stable power to the institutions.
- Independent Power Producers (IPPs) should be promptly reimbursed to assure uninterrupted supply of power.
- Past Power Purchase Agreements (PPAs) should be reviewed to reduce the budgetary burden of take-or-pay payments to the extent possible. Future PPAs must be wholly transparent to ensure cost-effectiveness.
- The Energy Sector Legacy Act (ESLA) should be reassessed with the view to bundling remaining PPA legacy debts and planning their liquidation over time.

- The operation of the Cash Water Fall mechanism, requiring regular payments by ECG to its suppliers, should be enforced to settle cross debts in the power sector to enhance efficiency and stable supply.
- Tema Oil Refinery (TOR) should be revamped with the infusion of private capital and allocated locally-extracted crude oil to it to reduce the cost of imported refined products, while also avoiding wasting TOR assets, reducing fuel imports, saving foreign exchange and creating jobs.
- Avoidable taxes should be removed from the petroleum price build up to reduce the cost and increase affordability of fuel.
- A national electric vehicle policy should be established to reduce reliance on petrol.

6. Health and Sanitation

Ghana has a poor health system by international standards. Health facilities and access are limited, especially in the rural areas. Affordability of health care is low in spite of the existence of a National Health Insurance Scheme (NHIS). This is because the scheme does not cover some prevalent diseases and, often, prescribed medications are not available at designated NHIS service providers and patients are compelled to purchase them themselves. Hospital bed/population ratio is extremely low. Doctor/patient and nurse/patient ratios are equally low. The result of these deficiencies is prevalence of premature deaths and a relatively short life span for the population. Because of poor facilities and service conditions, doctors' and nurses' exodus from the country to work abroad continues to grow.

Sanitation is also poor in Ghana, especially in the over-populated urban areas. Industrial and household waste is frequently dumped into open drains that do not only impede the flow of rain water but also lead to insanitary conditions. Poor sanitation fuels diseases and premature deaths.

Health and sanitation require utmost attention to prevent diseases, provide prompt care to patients and ensure a strong and healthy population able to support economic growth and development.

Recommendations

- First and foremost, adequate budgetary allocations should be made to the health sector. Also, it is important to ensure that budgetary allocations are used in a cost-effective manner to achieve their desired impact.
- Health infrastructure should be expanded, while ensuring even geographical distribution.
- The ‘no bed syndrome’ should be addressed as a matter of priority by improving the availability of hospital beds across various health facilities.
- More tertiary hospitals, i.e. teaching hospitals, should be built in the northern and middle belt of Ghana to bring quality care to the vast populations living in those areas.
- The doctor/patient and nurse/patient ratios should be improved through stepped-up training and motivation of health workers to stem their exodus to seek greener pastures abroad, while attracting some of those in the diaspora to return to Ghana.
- NHIS access and affordability should be enhanced. This requires adequate funding for NHIS to ensure uninterrupted supply of services and logistics by health providers.
- Waste collection services and recycling programs should be improved, along with revival of the Sanitation Inspectors system. The state should partner with private waste management companies and local governments for efficient waste collection, implement public awareness campaigns, and promote proper waste disposal.
- Infrastructure for water supply systems in rural areas should be expanded, while engaging local communities in managing facilities for sustainability and proper maintenance, thereby reducing pressure on government.
- New houses should be mandated to have adequate toilet facilities, while existing houses that do not have toilets should be required to have them within a stipulated time frame.
- Public toilets and sanitation facilities in urban and rural areas should be increased for safe access.
- Awareness campaigns about open defecation health risks should be promoted along with toilet use.
- Sanitation bylaws should be strictly enforced.
- Drainage infrastructure should be upgraded, incorporating sustainable urban planning practices, promoting market cleaning, strengthening regulations on industrial waste disposal and agricultural runoff, and organizing community clean-up initiatives. These measures would help prevent flooding, absorb rainwater, reduce runoff, and promote

environmental protection. Additionally, penalties for violations should be strictly enforced.

7. Agriculture and Food Security

Agriculture employs over 60 percent of Ghana's workforce, yet the sector contributes just 20 percent to GDP. This is because the sector is characterized by largely small-scale, rain-fed crop and livestock farming. Average farm sizes of less than 1.2 hectares account for 80 percent of total agricultural production. Agriculture is also characterised by low productivity, due to a combination of factors, including poor seed varieties, lack of adequate irrigation facilities, and reliance on outdated technology with limited mechanisation. The result is food insecurity as seasonal shortages and the attendant high cost of food have prevailed. High food prices and general inflation have made it difficult for many households to afford adequate and nutritious food, intensifying food insecurity in the country. Averagely, Ghanaians spend at least half of their disposable income on food, an unacceptable situation in a country with abundant arable and fertile land.

Fighting poverty in Ghana especially in the rural areas and feeding a growing population in a sustainable way has been a challenge to policy makers, resulting in far more people becoming poor with food nutrition security worsening. A productive agriculture sector has a lot of benefit beyond food sufficiency when appropriately linked to sectors such as Industry, Trade, and Environment. Thus, an objective of a national policy on agriculture and food security should encompass food security and nutrition for all, improving incomes of farmers, improving production and productivity as well as ensuring good linkage of the agriculture to industry.

Recommendations

- Infrastructure serving agriculture should be improved, in particular access to land, plants and equipment, and irrigation facilities as well as roads from farm gates to markets.
- Comprehensive Agriculture-support services should be provided, including new & improved seed varieties and extension services.
- Access to affordable credit to the Agriculture sector should be promoted, while educating borrowers on sound project practices to reduce incidence of loan defaults.
- Agriculture should be modernised through mechanisation and adoption of new technologies to enhance productivity.

- Concerted efforts should be made to promote the consumption of local foods in Ghana to reduce food imports and the pressure on the cedi.
- An enabling environment should be created for more agro-processing and local food processing factories, not only to ensure food security, but also to foster industrialisation, exports and employment.
- Food storage, preservation and warehousing facilities should be improved and expanded to reduce post-harvest losses and ensure food availability and affordability nationwide all year round.
- Production of staples, such as rice, maize and poultry should be prioritised with a view to reducing imports of such staples.
- Regulations, in particular regarding the use of agro-chemicals, should be enforced, while increasing farmers' knowledge and supporting access to safe pesticides and fertilizers.
- The FDA should enforce all legislations and regulations on food safety to safeguard the health of citizens and to protect the environment.
- Safe agricultural practices should be promoted to help safeguard the environment.
- Export support systems should be developed to support private sector agriculture, particularly in producing export products.

8. Industrialization

The Ghanaian economy has retained its “*Guggisberg structure*” sixty-seven years after independence, producing primary commodities for export and relying heavily on imports. The economy is indeed less industrialised today (with manufacturing accounting for 12 percent of GDP) than it was 54 years ago in 1970 (when manufacturing contributed 15 percent of GDP). Lack of economic transformation puts incessant pressure on the exchange rate, which fuels the cost of living. Unfortunately, economic transformation has received much lip service from our leaders, but not much can be shown for it. Without transformation, however, the country cannot make much progress and it will continue to grapple with many economic problems, while lagging behind the rest of the world.

Recommendations

- A comprehensive industrialization policy should be adopted and targeted at building Ghana's industrial base through identification of strategic sectors and products and the development of well-crafted state support and partnerships.

- A raw material development strategy should be adopted with a view to developing value chains, increasing resilience in supply and output and reducing imports.
- A comprehensive programme should be adopted targeting strategic industries, such as: petrochemicals, pharmaceuticals, poultry, rice, textiles, salt, rubber, chocolate, leveraging Ghana's comparative advantage and making savings on imports.
- A development strategy should be drawn up for SMEs, in particular, including targeted support in the form of affordable credit and low taxes for them to be able to compete and thrive.
- A rural industries development strategy should be designed to promote rural development and reduce rural-urban migration.
- Industrial parks, comprising conglomerates, should be promoted to benefit from contagion, economies of scale and shared technology.
- The rule of law reinforced, in particular relating to Intellectual Property Rights, to promote product innovations.
- Generation of an educated, skilled and healthy workforce should be prioritized to enhance technology development and application.
- Access to financial services should be improved to alleviate an important constraint to production, including through the use of development financial institutions, guarantee fund schemes, pension funds, and diaspora remittances and capital.

9. Education, Human Capital and Technology

Ghana's education system is plagued by inadequate and poor infrastructure and teaching facilities at all levels. Tertiary education is very costly and barely accessible to the poor. The Free Senior High School Policy (FSHSP) appears good on access but poor on quality, including with respect to infrastructure, other facilities, teaching materials and feeding. The large numbers of students involved have led to reduction in contact hours to the detriment of teaching needs and teachers' leisure time.

The education system does not also produce the type of human capital—particularly the practical career-oriented and middle-level manpower—needed to foster economic development. Also, technology development has lagged behind what is needed to accelerate Ghana's growth and enable the country to compete under the fourth industrial revolution.

Recommendations

- Proper balance should be ensured between development of basic, secondary, polytechnic, and tertiary education.
- Infrastructure and allied facilities should be improved at all levels. Private development of infrastructure should be encouraged to help eliminate all schools under trees.
- The FSHSP should be reformed to address quality shortcomings, including relating to infrastructure, other facilities, teaching materials and feeding. An academic calendar should be provided that ensures that all students are at school at the same time.
- A favourable regime should be created to enable private polytechnic and tertiary institutions to thrive alongside their public counterparts.
- The student loan scheme should be strengthened to support needy polytechnic and tertiary students.
- Polytechnic and tertiary education should be restructured towards graduating more students into professions than just job pools. Here, all university programs (but especially the sciences) should be structured in a way similar to the law and medical programs. The same way that medical, nursing and law students are required to do ‘practical training’ as part of their training, all programs should have an industry-focused ‘practical training’ component such that students are well trained for industry and the job market before they graduate.
- Human capital should be enhanced through education and training to improve skills and employability.
- Indigenous technology development should be promoted, including through Science, Technology, Engineering and Mathematics (STEM), education.
- Acquisition and mastery of foreign technology should be promoted, including through FDI, and local content legislation.

10. Youth, Sports, Gender and the Disabled

Ghanaian youth represent a huge resource potential to be tapped. Unfortunately, the youth face high unemployment, with huge socio-economic risks. In the rural areas, in particular, the youth face low access to education and training, which hampers their development. Lack of support systems also lead to criminal activities and substance abuse by the youth. Also, limited sporting activities restrict opportunities for the youth and increase the temptation to involve themselves in social vices.

Women form the majority of the Ghanaian population (about 51 percent) but are largely marginalized. Women participation in public life is limited while they operate at the fringes of the economy, largely in informal activities. As such, women and girls suffer economic deprivation, which forms a basis for their exploitation. Women face low representation in national decision making (e.g. in Parliament, at the Board Room levels, etc), discrimination at work, limited support for working mothers, under representation in STEM, and high maternal mortality rates. There is also inadequate funding for organizations defending women's rights. The UNDP reports that women are paid 59 percent less than men for the same work, and existing rights are less enforced. A society where more than half of the population are marginalized cannot achieve its full potential.

The disabled are yet another important group that are marginalized in Ghana. Access to education, employment, social amenities by this group is limited; and they tend to live in isolation, excluded from their communities. The result is that they live a life of deprivation and abject poverty.

Recommendations

- The youth, women and the disabled should be included in policy formulation to enhance their inclusiveness and harness their potential for development.
- Vocational training programs should be developed tailored to the disabled, youth, and women focusing on sectors with high growth potential.
- Entrepreneurship through grants, mentorship, and business development programs should be encouraged specifically targeted to the disabled, youth, and women.
- Investments should be made in improving the quality and reach of education, including sports education, in rural and underserved areas.
- Scholarships and financial aid programs should be introduced for disadvantaged groups to pursue education and specialized training.
- Community-based programs should be implemented providing recreational activities, counselling, and mentorship for the disabled and the youth.
- Partnerships should be established with NGOs to create rehabilitation and support centers for at-risk youth.
- Grassroots sports initiatives should be launched that identify and nurture talent from a young age.

- School and community-based sports programs should be created that are inclusive and accessible to all children, the youth and the disabled.
- Gender parity should be ensured in political participation and governance, with a set minimum target representation for each gender in Parliament, ministerial positions, and at the board level.
- The recently-passed Affirmative Action Bill, of which IEA was a pioneer sponsor, should be accented to by the President as a matter of urgency to give practical meaning to gender equality.
- The Labor (Amendment) Bill introduced in 2023 should be speedily passed. Laws and institutions should be strengthened to protect the disabled and women's work rights.
- Gender equality should be further promoted through targeted campaigns and programs that encourage female participation in sports.
- Equal funding and support should be provided for girls' and women's sports teams and events.
- Building codes should be enforced to allow the disabled easy access to public buildings.
- The Criminal Offences (Amendment) Bill should be passed to proscribe witchcraft allegations, especially against elderly women.
- The Persons with Disability Act, 2006 (Act 715) should be amended to incorporate relevant portions of the Convention of Rights of Persons with Disabilities.
- The Commission for Human Rights and Administrative Justice (CHRAJ) and the National Human Rights Institution (NHRI) should be adequately resourced to ensure effective investigation of violations of human rights.
- The Department of Social Welfare and allied CSOs should be adequately resourced to be able to cater for minorities and disadvantaged people.

11. Corruption

Corruption remains pervasive in Ghana both in perception and reality. One encounters on a daily basis corruption across almost the entire Ghanaian society, including, not in any particular order, the executive arm of government, the judiciary, the legislature, police service, passport administration, driver licensing and vehicle registration administration, and lands registration administration. Indeed, the Corruption Perception Index (CPI) published by Transparency International scores Ghana poorly among 180 countries and indicates that not much progress has been made in tackling the problem over the years. The fact is that, in spite of the

pervasiveness of corruption, only a tiny number of people are prosecuted and/or jailed for corruption, indicating the lack of seriousness in dealing with the canker. Corruption emanates from greed, economic hardship and socio-economic culture. The Special Prosecutor Office (SPO) has been unsuccessful in fighting corruption because of inherent executive influence and control in its law. The Auditor General's (AG) annual reports consistently reveal widespread pillage of state funds by public officials. While the Public Accounts Committee (PAC) of Parliament is clothed with the mandate to investigate the AG's indicted officials and prosecute them, as needed, most still go scot free. Corruption is hugely perpetrated with impunity under the public procurement system. Ultimately, corruption benefits individuals at the expense of the state and impoverishes the citizenry, while retarding the country's development.

Recommendations

- The Attorney General and the Minister of Justice should be separated so that the former is free to prosecute corruption cases, including those among the ranks of Government, while the latter acts as lawyer to Government.
- The Special Prosecutor Act should be amended to insulate the office from the influence of the President and Attorney General.
- The courts should be resourced to adjudicate corruption cases expeditiously.
- Anti-corruption institutions should be strengthened and resourced to enable them investigate and prosecute corruption cases promptly and effectively.
- Steeper sentences should be introduced for corruption as a deterrent.
- A Law on unexplained wealth should be introduced to deter unbridled tendency of public office-holders to amass wealth.
- The Code of Conduct for Public Office Holders should be passed to strengthen the public officers' asset declaration regime and deter unexplained wealth and corruption. Assets should be declared before taking public office and 3 months after leaving office.
- The National Anti-Corruption Action Plan should be continuously implemented and reviewed upon expiry.
- Guidelines should be developed to promote transparency and accountability in all state institutions. In particular, the Right to Information Act should be strictly enforced.

- Consideration should be given to embedding a US-type independent Inspector General—reporting directly to Parliament—in every MDA to check their finances so as to prevent corruption from occurring in the first place.
- Education on ethics and corruption should be introduced in basic schools to inculcate good behavior and civic duty in children at the early stage of their development.
- The NCCE should conduct public sensitization programs against corruption.

12. Constitutional Review

Ghana's 1992 Constitution has generally served the country well in terms of engendering the practice of multi-party democracy. Under the Constitution, we have had eight successful elections and three peaceful transfers of power between the two dominant political parties, the NPP and NDC. Nevertheless, the implementation of the Constitution has revealed flaws that limit full realisation of the country's governance and development goals. As a result, there has been a general clamour for reforms to address the observed flaws. The first attempt to review the Constitution was made in 2012 when a Constitutional Review Commission (CRC) was constituted to collate the views of a cross-section of Ghanaians domestically and in the diaspora. The Commission produced a report detailing key proposed amendments. The Commission's report was, however, not implemented. Subsequently, the call for reforms continued to grow. On its part, the IEA initiated a Constitutional Review Series to collate the views of various stakeholders. It is from the collated views, many of which echoed the CRC's proposals, that form the basis for our recommendations here.

Recommendations

- The powers of the President, generally seen to be excessive, should be reduced, especially regarding appointment of public office holders.
- Article 71 public office holders are seen as an elitist group that overburdens the budget. The Article should be scrapped and those office holders placed under the general public service with comparable emoluments.
- To accommodate run-offs and give enough time to elected presidents to form a government, both presidential and parliamentary elections should be held at least 60 days before the inauguration of a new government.

- A ceiling should be placed on the number of Ministers to reduce public expenditure.
- Article 78 (1) should be reviewed to end the appointment of Ministers from Parliament and ensure strict separation of powers and independence of the Legislature.
- Article 144 should be reviewed to promote integrity and the independence of the Judiciary in the appointment of Justices.
- There is also the need to limit access to the Supreme Court with a view to cap the number of Justices that can be appointed to the Court under Article 128(1).
- Articles 181 and 182 should be reviewed to place ceilings on borrowing and debt.
- There should be an additional clause to Article 183 to ensure that Central Bank lending to Government does not exceed 5% of the previous year's revenue at any time within the fiscal year, and any lending by the Central Bank to Government should be repaid by the end of the fiscal year to which it applies.
- Articles 55(3), 243(1), 243(3)(b), and 248 should be reviewed to allow for the election of all MMDCs on a partisan basis to enhance the country's local government and decentralization system.
- The country's Asset Declaration regime under Article 286(1) should be reviewed to ensure it becomes a useful tool in the fight against corruption.
- The Constitution should be reviewed to introduce quota and non-quota measures to ensure that all public institutions are composed of at least 30% of each gender.

13. National Development Strategy

Ghana has experimented with several national development plans since independence in 1957, but none appear to have been fully implemented. The Ministry of Finance and Economic Planning, as it then was, had responsibility for both finance and economic planning until 1992, when the planning wing was hived off and constituted into the National Development Planning Commission (NDPC). The NDPC, composed of regional representatives and appointees of the President, was clothed with the mandate to produce national development plans. However, the Commission has been rendered virtually redundant as its plans are continuously ignored by succeeding governments. The Ministry of Finance, as it has been called since 1992, however, specializes in revenue mobilisation, spending and borrowing, with little or no concentration on economic planning and development. The consequence of this has been low growth and stunted

development. Political Parties substitute their manifestos for development plans. These manifestos, however, tend to promote parochial interests and fall short of national development goals.

Recommendations

- A separate Ministry of Economy (MoE) is needed in addition to the current Ministry of Finance (MoF) to give due attention to economic planning and development while promoting transparency, accountability, and efficiency in economic management.
- The MoE should absorb the NDPC and be charged with preparing National Development Plans to be reviewed and updated periodically.
- The MoF's primary focus should be managing government finances in line with the development strategy prepared by the MoE. Its specific responsibilities should include: formulating and implementing government's fiscal policy in terms of preparing the national budget and managing public revenue (tax and nontax revenue) and expenditure; managing loans and the public debt; and managing state-owned assets.
- The MoE's primary focus should be broader economic policy and development. Its specific responsibilities should include: developing and implementing economic policy and strategies; promoting economic growth and development; supporting industry, trade and commerce; fostering innovation, entrepreneurship and competitiveness; addressing structural economic issues such as unemployment and low productivity. As one of the ministries, the MoE's budget should be funded by the MoF.
- The MoE should receive political party manifestos, review them and incorporate good programs in its National Development Plans. Thus, political parties would still issue their manifestos, and good programs should be implemented by the MoE, and by implication, the MoF.

14. Policy Transparency and Inclusiveness

In Ghana, government policies tend to be decided by an exclusive elite minority with limited transparency and public input. This practice does not only limit grassroots democracy, but it is also potentially inimical to economic growth and development. Indeed, there is enough empirical evidence to show that countries that are less fiscally transparent, in particular, tend to experience poor economic performance generally. Therefore, there is every reason for our

governments to prioritize transparency in their management of the economy to promote inclusiveness and enhance economic performance.

Recommendations

- Throughout the budget formulation and implementation process, the public must be actively engaged.
- MDAs and other public institutions should engage their constituents on planned policies, programmes and projects through regular public information and education sessions. This would allow public discussions and debate to inform actual policy decisions.
- There is a need for regular publication of full statistical data on the economy for the information of the public.
- Transparency and accountability should be instituted in all government procurements, in particular.
- The Right to Information Act should be strictly observed and enforced to ensure ready citizen access to public information.

15. Natural Resource Ownership and Value Addition

To implement the foregoing policies to foster growth and development, resources are critically needed. Ghana has remained poor because it has not been able to mobilise enough resources to support its developmental policies, no matter how good or well-intentioned they may be. The fact, however, is that the country does not lack the required resources. Indeed, Ghana is uniquely endowed with a wide range of natural resources—gold, manganese, diamonds, bauxite, uranium, copper, lithium, silicate, iron ore, oil, gas, etc.—believed to be worth trillions of dollars. It is therefore, difficult to understand why the country remains poor and has to depend on foreign aid that come in trickles and plunge the country into indebtedness. The reason is that almost the entire value of the resources being extracted goes to foreign companies through colonial-type concession contracts, while Ghana receives paltry shares in the form of surface rentals, royalties and taxes. Meanwhile, because the natural resources are exported in raw form, the computed receipts from which Ghana's gets its share tend to be undervalued. Depriving Ghana of the full benefits of its natural resource wealth has stifled the country's development and impoverished the people. Natural resources represent the low hanging fruits

available to be harnessed for the development of Ghana and every effort should be made to maximise the benefits to the country.

Recommendations

- Existing mineral contracts should be renegotiated, to the extent possible, to maximise Ghana’s ownership and benefits. A minimum level of ownership for Ghana should be incorporated into the Minerals and Mining Act through appropriate amendments.
- Future mineral agreements should be based on “product-sharing” or “service contracts.”
- A GNPC-equivalent company should be set up for minerals with the mandate to negotiate with foreign mining companies to participate directly in mineral exploration and development.
- The Ghana Geological Survey Department should be regularly and adequately resourced to be able to map out mineral deposits so as to avoid reliance on foreign experts for exploration and the need to compensate them through disproportionate share of mineral proceeds.
- Ghanaian mineral and petroleum engineers should be trained to be able to take charge of future exploration and development. Part of this training could be incorporated into local-content provisions in mineral contracts.
- Mineral processing factories should be set up based on a national policy to turn raw minerals into refined products to maximise their values. This will have many advantages including higher export values and job creation. END

