

Fixing Ghana's Economy: Addressing the Broken Glass

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ABSTRACT

This paper delves into the pressing issue of addressing the challenges faced by Ghana's economy, metaphorically described as "the broken glass." With a focus on economic reform and revitalization, the study examines the key factors contributing to the economic challenges in Ghana and proposes strategies for sustainable development and growth. By analyzing the root causes of the economic fragility and identifying areas for improvement, the paper aims to offer insights and recommendations for policymakers, stakeholders, and citizens to collaboratively work towards fixing Ghana's economy. Through a comprehensive exploration of economic policies, structural reforms, and innovative solutions, this study seeks to pave the way for a resilient and prosperous economic future for Ghana.

1. INTRODUCTION

The ultimate judgment on an economic policy is not so much have immediate problems been addressed but rather have too many more problems been created in doing so. This work will attempt to diagnose the causes of Ghana's past economic decline and determine alternative policy choices that would have more favorable long-run consequences. This work is targeted at a wide audience of policy decision-makers, researchers, and Ghanaians looking to gain a better understanding of their economy. It is hoped that the knowledge of where things have gone wrong will help the country avoid history repeating itself. (Abotebuno Akolgo, 2023; Boateng, 2020; Fischer & Storm, 2023; Boateng, 2021; Obeng-Okon et al.2024; Gatsinzi & Hilson, 2022; Pobee et al.2022; Gafa et al., 2024; Nutakor et al.2021; Kirk-Greene, 2022).

The purpose of this work is to examine past economic challenges. The consequences of economic policies are too often and too easily evaluated according to how well they have addressed immediate problems. Decision-makers then adopt the best of a bad job and muddle through or attempt to treat a problem long after policy changes of another sort have rendered the issue academic. In a desire to move to a brighter future, Ghana has often accepted the necessity of enduring short-run pains with the expectation that things will come good down the track. It has usually got the right diagnosis on what has ailed its economy, but the changes made have often not been the best or the timing right (Quartey and Antwi 2023; Akorsu & Okyere, 2023; Kamasa et al., 2022; Wittern et al., 2023; Adu et al., 2023; Olusola et al., 2022).

The situation Ghana's economy faces is a glass half broken as it has experienced significant declines in living standards. Reverse movement on such a path causes. There are a host of complex and intertwined economic challenges – the broken glass – it must address if its development is to be put back on a path of stable and sustained growth of higher living standards. Fixing the economy, but this time really fixing it, will involve doing several things differently to the past.

Ghana's attempts at economic reform in the past have been addressing symptoms. The consequences of its economic strategies have been treating rather than causing an overvaluation, as opposed to excess demand, has been corrected through deflationary fiscal and monetary measures involving high unemployment and low capacity utilization. The eventual adjustments it must make in the course of its present economic trajectory will involve writing down the value of this physical and human capital, which making an attempt to convert to an export-led growth strategy have not yet been forthcoming as an altered exchange rate serves to make imports relatively cheaper. This has not been an easy or painless path.

During the past decade, Ghana's economy has been on an economic roller coaster. Commonly cited as an economic success story, the country remains a poor one. Ghana runs an unusually large budget deficit, large public sector debt, high inflation, and a succession of currency overvaluations. In recent years, private sector activity, especially in the non-oil sector, has declined. The country's credit ratings have fallen, and it has repeatedly turned to the International Monetary Fund (IMF) for balance of payments support. Things seemingly have not been going too well.

1.1. Overview of Ghana's Economy

Ghana has become one of the most successful countries in Africa in terms of economic growth and political stability. Ghana's economic environment has improved since the discovery of oil. The Ghanaian government has emphasized economic development, putting Ghana on the global map. The oil industry has attracted investors, and the economy has diversified into sectors such as petroleum, communication technology, and transport. Despite these economic successes, Ghana still faces many challenges. According to the World Bank's collection of development indicators, Ghana is a developing economy with an upper middle-income level, similar to many other African countries. This is evident in statistics such as Gross National Income (GNI) per capita. In 2011, the GNI was \$1,410, which represented a 45.3% increase from 2010 (\$1,030). A high level of income is crucial for ensuring the functioning and deregulation of market systems. An improved economy also indicates an improvement in the country's welfare. Although data on Gross National Happiness (GNH) is not available, Ghana has demonstrated significant political stability since gaining independence, which would likely be reflected in the GNH (Luong & Azuma, 2022; Broadberry & Gardner, 2022; Ochi, 2023; Mogess et al., 2023).

1.2. Importance of Addressing Economic Challenges

It is evident that first we must seek to understand what sets Ghana's current economic situation apart from the periods when the economy was in a much better state. What is it that simply having the knowledge of can be the key to steering the economy in the right direction? The answer is the current economic challenges. Economic challenges can be defined as an undesirable situation preventing the economy from moving to another desired situation. It is a well-known fact that for Ghana, the current undesired situation is an unfavorable balance of trade and high levels of poverty. People may ask what it is that makes identifying the challenges so important. The answer to this question is that an undesirable situation within a country's economy is a result of a problem or challenge in the past. Having an understanding of this problem is that it creates a situation whereby the people lose faith and hope in the economy and its future direction. This is exactly what has happened in Ghana today and is evident by the fact that many skilled Ghanaians have left or are leaving the country in search of a better life. In the not too distant past, Ghana was a net exporter of skilled labor workers, and the losing of these workers is another undesirable situation which has stemmed from the current challenges. (Kindo et al., 2024; Bayale et al., 2022; Duodu & Baidoo, 2020).

The stated purpose of this work is to help the people and government of Ghana during this economic crisis by doing research on their economy, locating the problems or challenges that are preventing the economy from growing, and developing possible solutions or strategies to fix these

issues. It would be a great disservice to the people of Ghana if the research that is being done only highlights the issues within the economy. This would not give them any direction to move forward from their current situation. For this reason, it was decided that a large portion of this research should be dedicated to explaining the importance of addressing the economic challenges and also clearly outlining when and how this can be done using the most effective strategy, which is by utilizing the knowledge of the people to come up with solutions (Tackie et al.2022; Thow et al.2021; Akinpelumi et al., 2023).

1.3. Purpose of the Work

This paper has been written to shed clearer insights on Ghana's economic despair and the seemingly unending woes in the development of this beautiful country since attaining independence for over half a century. The idea of writing this paper is borne out of a genuine concern for the future of this country, after uncanny personal experiences encountered at the workplace, at home, and in the political arena. After receiving education from pre-university to the tertiary level, we are still faced with the same puzzles, hitches, and mysterious uncertainties character in the way the economy is managed in the development process, especially with widespread endemic corrupt practices and self-aggrandizement. It is paradoxical that we end up being among the 25 poorest countries in the world. It is a fact that the potential for accelerated development in Ghana is very high, provided we can judiciously manage the abundant resources we have been endowed with. Due to numerous research and academic works that have outlined the various problems, causes, and effects of economic downturn in this country, the paper aims to provide concrete solutions. For the mere analysis of problems will only lead to what this author describes to be a redundant exercise of Neo-colonialism therapy and not to get out of the woods, into the realms of economic prosperity (Agyekum, 2020; Amanor et al., 2023)

2. IDENTIFYING KEY ECONOMIC ISSUES

Infrastructure, the key factor to the development of a country. It is such a way to provide the efficient ways to change the inputs to the output. Inputs mean resources that are available in the economy and an output means goods and services. By using the infrastructure, it will help to increase the efficiency of changing the inputs to the output. The well development of the infrastructure will increase the foreign investment to the country. Foreign investors will invest in the country if there are any efficient ways to do business because it will help them to save the cost of doing business. Their investment will provide job opportunities to the people in the country and it will increase the country's GDP.

Inflation is defined as the increase in price of goods and services in the economy over a period of time. The inflation rate is an important indicator of the health of an economy. The cause of inflation is the price increase of goods and

services. High price of the raw material leads to the high cost of production and manufactured goods. When the cost of the produced goods has increased, the supply to the market will decrease because the firms only want to gain more profit when the price of the supplied goods is increased. This situation will make some of the workers lose their jobs due to a decrease in supply of goods and services. High demand and low supply will force the price of the goods and services to increase (Bao et al., 2022; Wang et al., 2022; Musarat et al., 2021).

High unemployment rate is a ratio to the labour force. This ratio will be decreased if the number of employment is increased and it will increase. This is an indicator to show the welfare of the country. Unemployment does not provide goods and services to the people and it is decreasing the country's GDP. It also depends on the supply and demand factor of the labour market. If the demand of the labour is too low, it will result in unemployment because of no job that is offered. These issues are affecting Ghana's economy and causing the country to not be able to move forward to generate better GDP.

2.1. High Unemployment Rate

Ghana's small and overhead public sector is also a major cause of unemployment. Bangalore believes that a target of employment should be provided. According to her, unemployment is too big a burden for the youth to bear and those who cannot bear it drop out of the labour force, and that the unemployed must be equipped with skills to raise their productivity and increase their prospects of getting a job. Rescission of job security legislation and greater wage flexibility is also necessary. According to India's planning commission, unemployment is one of the principal failures of India's development strategy. This has been an inward-looking import substitution strategy pursued through development planning. This strategy was not employment-oriented to begin with, a mistake in development thought, and led to adverse employment effects. From the first five-year plan, a surplus labour was created step by step and country-wise, and the duration of the strategy has been characterized by maldistribution of productivity from agriculture to modern sectors and by labour-saving biased technology. This trapped surplus labour and today India has nearly 7.5 million unemployed, which is more than equal to the entire labour force in a number of less developed countries. The outlook for employment in the near future is not bright because the rapid increase in the production of recent years has been diminishing the marginal absorptive capacity of new capital and technology (Geoffrey et al., 2021; Senna, 2021; Ojo, 2020).

Unemployment is "a situation in which the individual is capable of working at the current wage rates but cannot find work even though he is willing to work". A person is said to be unemployed if he is looking for work or is willing to work at the prevailing wage rate. The unemployment situation in

Ghana has become chronic. It is not only the rate of unemployment which is high, but the problem is of a structural nature. The structure of the economy militates against employment creation. Modern sector industries are not creating jobs while our agriculture, which engages the bulk of the labour force, is of a type which does not need to be labour intensive. The end result is that the capacity of the economy to generate employment is limited.

2.2. Inflation and Price Instability

Inflation is recognized as a sustained increase in the general level of price for goods and services. It is measured as an annual percentage increase. There are two types of inflation: demand pull and cost push inflation. The main causes of inflation are either excess aggregate demand (economic growth too fast) or cost push factors. Demand pull inflation occurs when AD is increasing at a rate faster than the economy's productive capacity. If there is excess demand in an economy, firms will respond by raising the price for their goods and services. Over a period of time, demand pull inflation will tend to increase the cost of living. Cost push inflation occurs when there is a decrease in aggregate supply, this may be due to an increase in the price of raw materials, wages increase, etc., leading to firms being unable to supply all of the goods and services demanded at the current prices. In order to combat this, firms will increase the price of the goods and services. Both types of inflation have harmful effects on an economy (Jaravel & O'Connell, 2020; Carstens 2022; Ha et al., 2023).

2.3. Weak Infrastructure Development

Ghana's economic infrastructure assets are relatively low compared to any measure. The significant decline was in the 1970s, when the nation's infrastructure was among the most developed in sub-Saharan Africa. Maintenance culture is extremely poor and the public utilities provided are well below consumption levels. This may be illustrated by the frequent power outages which have become a norm in the country. Throughout the 1990s, not only were the consumption levels for utilities far below what was needed, but Ghana's infrastructural development had been steadily declining and has gotten worse at the beginning of the new millennium. This has been reflected in investment trends and the inability to maintain output levels compared to previous years. Increased input has not produced increased output due to the inefficiency and low quality of infrastructure. It has been suggested by the World Bank that the solution to Ghana's infrastructure problem would be to go for accelerated development. This could raise economic growth by an additional 2-4% per year and this increase would thus have a major impact on poverty reduction. In addition to this, it has been suggested that because the private sector is the main user of infrastructure assets, the government should alter its priorities and search for improved ways to involve the private

sector in developing and delivering infrastructure services. (Osei et al., 2020; Osei et al.2022; Dye, 2023).

3. STRATEGIES FOR ECONOMIC RECOVERY

Education is the most important factor for any country to improve the living standard of its citizens. An increase in literacy rate has a direct relation to a decrease in fertility rate. Education and skill development are critical to Ghana's future. This is because, as the economy stands now, a high proportion of Ghanaians are based on subsistence agriculture. However, it is also an economy that is filling up with very low-skilled migrant workers. What Ghana needs is an educated workforce who can use modern techniques in agriculture or diversify into other sectors of the economy. It is especially important to educate the younger generation. Understanding various country reports and literacy rates in under 24s, a study has shown that better-educated people are more likely to adopt agricultural technologies and free themselves from the drudgery of subsistence farming. Promoting entrepreneurship and small businesses is an effective method of increasing employment and generating income in Ghana. It is known in other developing nations that small and medium enterprises are actually the backbone of an economy and eventually become the foremost source of employment and income. An example is Indonesia, which ever since the 1997 economic crisis has implemented strong growth of SMEs and has since seen a decrease in the unemployment rate and poverty level. The logic behind this is that it is much easier and quicker to set up a small business than try and find a position in a large corporation. Small businesses also have relatively low barriers to entry and are more likely to take on unskilled workers. With schemes to help promote this, such as providing better access to small loans, Ghana could drastically improve the state of its economy in the long run. (Bongaarts, 2020)(Kassim & Ndumbaro, 2022)

3.1. Enhancing Education and Skill Development

The problem with the average level of education in Ghana still lies with the education system that draws its structure from the colonial administration. The system was designed to cater for the elite who were to be groomed to serve as civil servants; it was never meant to educate the masses. Government spending on education is generally low, with the average being 28% of its annual budget. This is well below the 40% set by the African Union in the Dakar Education for All agreement. The free Universal Basic Education system is a good initiative, but lacks the resources to be effective. It is designed to move all children through the education system and change dropout trends, but while more children are completing basic education, there are no places available for them to continue. At the end of the 6-year cycle, there are limited spaces in Secondary Education, with it virtually all being privatized. Government commitment to university education is low, with it recently being only 0.5% of GDP.

To end the poverty cycle in Ghana, it is necessary to encourage people to continue higher education and enter the workforce in a skilled job. The level of technical and vocational training is generally low, with many people entering apprenticeships. In the past, training was successful, as organizations had government incentives through tax relief and subsidies to train apprentices, making it cheaper for the organization to hire skilled workers. Now, the training levy is expensive and companies have moved away from providing training. For the educated to want to stay in the country, there must be jobs available for them to move into. High-quality education is becoming increasingly expensive, and the public sector is dwindling in job availability. This is resulting in a 'brain drain' of educated Ghanaians moving to work abroad. In order for the educated to want to stay in the country, there must be skilled job opportunities available to them. (Asiedu-Akrofi, 2022)(Emehelu and Oboreh2023)(Poku et al.2022)

3.2. Promoting Entrepreneurship and Small Businesses

Policies specifically aimed at creating an enabling environment for small businesses and entrepreneurship are needed. This will involve implementing institutional reforms and changes to the regulatory framework. Setting up a 'business one-stop shop' to provide assistance and information on starting a business and that assists in getting through licensing and registration procedures would greatly reduce the time and resources incurred in setting up a business. Reforms of the judicial system are necessary to provide inexpensive and timely enforcement of contracts. This will increase faith in the formal sector, which will reduce informality and the size of the underground economy. Various forms of tax relief, subsidies, and technical assistance programs should be offered to small businesses. The goal is to increase the survival rate and growth of these businesses until they become a significant part of the economy. To reduce entrepreneurship that leads to 'brain drain', policies that facilitate 'intrapreneurship' where individuals work within a company to create new products or markets should also be encouraged (Muoki, 2022; Mokaya, 2022; Win et al., 2023).

Entrepreneurship is the cornerstone for empowering individuals to strive for better living standards and to develop the economy. By formulating policies that encourage entrepreneurs to establish business ventures, this will create a dynamic environment in the economy. Currently, there is a lack of dynamism in the economy, and this can be attributed to various reasons. The current education system places emphasis on seeking employment in the public sector. Since there is a hiring freeze in the public sector, educated Ghanaians are looking for employment opportunities overseas. Students also lack basic entrepreneurial knowledge and skills that would enable them to create opportunities for themselves. High startup costs and the difficulty in obtaining finance also discourage mostly everyone from creating their own business. Rather than doing so, Ghanaians opt to engage

in various 'petty trading' activities which have limited potential for growth and do not contribute significantly to economic development. At the macroeconomic level, exchange rate misalignment and trade liberalization policies have often crowded out small businesses. In order to correct this, policies to create an enabling environment for private enterprise must be formulated, and priority should be given to the interests of Ghanaian-owned businesses.

3.3. Strengthening Agricultural Sector

The importance of agriculture in a typical developing economy is clear. However, its relevance, contributions, and potential in sub-Saharan Africa in general, and Ghana in particular, is not so obvious. The current emphasis on increasing the pace of economic growth in Africa and making it more sustainable provides an appropriate and crucial indication of agriculture's contribution to development as a means and as an end. Although agriculture is the means of providing food and livelihood for the vast population of Africa's poor, it is also the most viable way for Africa to achieve sustainable economic growth. One way to explain the linkage between agriculture and economic growth is through the concept of the "domestic resource cost," which represents the ratio of the amount of resources required to produce goods to the amount of output in the same sector. Aggregating this across all goods and services and using the basic nominal rate of protection, the economy can compute the difference between the average and domestic rates of production for both tradable and non-tradable goods.

3.4. Attracting Foreign Direct Investment

Foreign Direct Investment (FDI) is what occurs when a firm directly invests in facilities to produce and/or market a product in a foreign country. The FDI can take the form of either "greenfield" investment, or mergers and acquisitions. Various forms of FDI exist including, Horizontal, Vertical and Conglomerate FDI, of which each have different implications for the host country. The growth and sustainability of developing nations have been significantly boosted by increased FDI, of which advocate groups claim free market access conditions are essential for LDC's to attract. The general goal of FDI is to increase the amount of production in a host country, thus increasing income, economic growth and welfare. This in effect raises the standard of living. Foreign firms that invest in a host country can exploit their comparative advantage to assist in the production of a certain product. For example, in Ghana the most abundant and cheapest resource is labour. It is likely that a foreign firm may use Ghanaian labour to produce a certain product, because it may be cheaper than doing it in their home country. This can be very beneficial for the development of host country as it can use the technology, skills and capital brought in by the foreign firm to help expand its own resources and capabilities. Raising the level of skill of Ghanaian workers can lead to important spillover effects in

human capital enhancement (Rauf et al., 2023; Okwu et al., 2020; Muhammad et al., 2021)

Stated that when it comes to FDI, nothing can change the dynamic of a developing nation coming out of a crisis like the capital, knowledge, technology, skill and jobs that FDI brings (Yamamoto, 2002). Ghana's economic slippage over the past 30 years has been out of control, and in times of crisis like the present it is even more important for Ghana to change course and attract FDI in order to get itself on a sustainable growth path.

4. IMPLEMENTATION AND MONITORING

Resource allocation in Ghana faces the same problem as ineffective past policies. UNDP claims that Ghana must move from a vicious circle of poverty to a virtuous circle of sustainable development, but at present, Ghana does not have the means to escape the former and enter the latter. This is no mean feat and requires a vast amount of resources, many of which are not currently available in Ghana. ODA remains one of the most viable forms of external resource, but in light of stories like Ghana Health Service's report of no new posts funded by the government in five years and given the uncertainty of the future level of aid, Ghana cannot depend on external sources for all of its resource requirements. The key will be to mobilize a higher fraction of domestic resources and to ensure that present and future resources are used efficiently and effectively. The government must be able to show that all new spending in any sector will lead to genuine social or economic development. Programme Budgeting and Analysis has been adopted by Ghana, but the recent Oxfam report suggests that it is not yet being done effectively. All relevant stakeholders must be involved in a PB process which can assign service cost and performance information to specific MDA activities. This will enable assessing the efficiency and effectiveness of resource use, guiding the future allocation of resources, and potentially identifying areas where the current policy can be changed. (Nyasapoh et al., 2022; Adu et al.2023)

Given the current fiscal constraints in Ghana, policy effectiveness and efficiency are paramount. No effective policies will have no chance of solving the crises however beneficial they may seem. An effective policy will take Ghana closer to achieving sustainable long-term economic growth. To ensure any kind of policy effectiveness, there must be a clear and concise policy framework which can guide the policies through successful implementation. Good policy often requires trade-offs among different sectors and involving different groups of people. The policy framework should identify strategies to mitigate the negative impacts on the poor, the environment, and equity. It should also outline the specifics of policy timing, sequencing, and coordination. This framework must be a public document that is easily accessed by Ghanaians and thus can be scrutinized by the

various different stakeholders in society. This public scrutiny may, in turn, lead to better policy design.

4.1. Establishing Effective Policy Framework

Since policy is a blueprint of the desired change, any intervention aimed at bringing change must deal with policy (Heidenheimer and Heads 1983: 5). This makes establishing an effective policy framework key to successful national development. The Ghana Poverty Reduction Strategy of 2003-2004 acknowledges the importance of policy in determining the success of development initiatives; "one of the lessons learned from past failure in sustainable development is that the major constraint has been weakness in policy and institutional arrangements" (Government of Ghana 2003:9). This document goes on to identify three broad challenges facing policy formulation and implementation in Ghana - "the inability to maintain a stable policy environment between changes in government, the incomplete understanding by all actors, and the lack of coherent policies across different sectors" (ibid). Successfully meeting these challenges would entail generating and maintaining a policy environment that could survive changes in ruling parties, engaging all relevant actors in the policy-making process, and formulating policies that are consistent and coherent across sectors. A report by the Overseas Development Institute on decision-making processes in selected less developed countries, including Ghana, identifies various issues negatively impacting on policy making and execution. The report states that the generation and fuelling of new policies is frequently a means of increasing the wealth and status of the decision-makers as new policy tends to offer new opportunities for patronage, clientelism, and rent-seeking. The lack of monitoring and evaluation of policies means that often there is no clear linkage between objectives and the means used to achieve them and decisions may simply be reactions to immediate problems with no long-term vision. Agencies may be prone to policy fads and the emulation of policies being instituted elsewhere regardless of their appropriateness in terms of the local context. Finally, the report identifies fragmented decision-making as an impediment to coordination between policies and different sectors. These factors combine to render the policy-making environment in Ghana typically inefficient and characterized by adhocism and incoherence. This is also confirmed by the report's interviews with Ghanaian decision-makers who stated that "policies were often prepared without a clear analysis of what was wrong and what needed to be changed" and "there are so many policies...just bringing some coherence to them will be an achievement" (Pinfold and Stephen 1997; Wireko-Gyebi et al., 2022; Antwi-Agyei & Stringer, 2021; Schoeberlein, 2022)

4.2. Allocating Adequate Resources

In Ghana, investment has been varied and sporadic, fluctuating wildly as a result of changes in both domestic and

global economic climates. To achieve the necessary increase in investment to reach a point of sustained growth, Ghana must look to alter its physical and human capital stock. This involves sectoral and structural changes but more important is the level of education and skill of the nation's workforce. An increase in human capital cannot occur without an increase in savings allocated to education and health. As outlined in the World Bank report on Assessing Aid, education is seen as a way out of the poverty trap though the initial levels of spending on education can best be achieved through increased aid. This highlights another issue in achieving growth, in that certain forms of investment are more feasible than others. However, it is not until a sustained increase in savings has been achieved that Ghana will start to accumulate the resources needed to escape from its development trap (Kinyondo and Byaro2020; Asamani et al., 2021).

Where “S” is aggregate savings and “I” is aggregate investment. In the context of Ghana's economy, aggregate savings is depressed due to low incomes and consumption by both consumers and the government. With savings low, the funds available for investment are also low, leading to investment shortfalls. This has been exacerbated by fiscal and current account deficits that have led to increased borrowing from foreign countries and subsequent increase in Ghana's foreign debt. Step one in attacking this problem is to increase the savings rate. This can be done through a combination of fiscal and monetary policies aimed at reducing consumption and increasing both public and private savings. However, the key to sustained economic growth lies in a simultaneous increase in investment. This is identified in the Solow model as the only means by which productivity and subsequent increases in GDP per capita can be achieved (Bukari et al.2021; Ansong et al., 2021; Boachie & Adu-Darko, 2022).

$$S = I$$

Using the saving-investment identity and the Solow model as a basis for analysis, it becomes clear that inadequate resource allocation has been a major stumbling block in the development process. The most simple form of the saving-investment identity is:

Lack of resources has been self-perpetuating for generations as a result of low growth and lack of incentives. Many state that development partners have failed to provide adequate resources, citing failed promises of increased aid, loan conditionality that has stifled growth, and myopic adjustments in agricultural and social policies which simply replaced one set of problems with another. Regardless of intentions, what is clear is that successful resource accumulation has not occurred in many Sub-Saharan African countries, including Ghana, in the last 20 years. And not until a country is able to commit a sufficient level of resources to investment in physical and human capital can self-sustaining development be initiated (Calderón and Zeufack2020).

4.3. Ensuring Transparency and Accountability

Successful implementation of a macroeconomic stabilization and structural adjustment program requires a clear understanding of the actions being taken and their associated costs, a high level of confidence on the part of the population that the resources will be used as planned, and an assurance that the stated goals are the ones actually being pursued. Over time, even if a plan is successful in resolving an economic crisis, the development of 'rent-seeking' behaviors siphons resources into unproductive activities. Elite or other special interest groups use their political power to influence policy choices in their favor, leading to a deterioration in the stance of fiscal or monetary policy; price, trade or exchange controls may be established or modified in a way that favors certain industries; and the goals of the program may be altered to benefit one group at the expense of the welfare of the country as a whole. Periodic adjustments or outright changes in the program are often veiled in rhetoric so that it becomes difficult for the general population to discern what is happening. In order for this not to happen, and to prevent these disruptive influences in implementing the PRGF, it is imperative to have the management and decision-making process open to a wide audience. This will foster confidence that resources will be used as planned and increase the likelihood that the policies that are being implemented are those that are stated. A high level of transparency and accountability will not only ensure that the goals and policies of the PRGF are the ones actually being pursued, but will also increase the chances of long-term success in poverty reduction and fostering a sustainable environment. (Chitongo et al.2020)(Mawejje & Odhiambo, 2021)(Ewane and Elvis2023)

4.4. Evaluating Progress and Making Adjustments

Awareness of the need for policy abandonment may prevent duration of the old project and waste of resources, with in depth analysis being the most critical part of policy adjustment. Steps can be taken to make the effects and means of a policy more clear before and during implementation.

If evaluation results show that there has been little or no progress compared to the situation prior to policy implementation, or that opposite effects to those intended have occurred, it may signal the need for policy abandonment. This means stopping the implementation of a particular policy and using its resources elsewhere. This is what the government should have done with the failed state owned enterprises reforms under the more recent Vision 2020. These solely compounding debts of enterprises, and resultant increases in government expenditure we not worth the intended long term efficiency gains. An alternate policy was needed to initially relieve the enterprises of the debts and losses. Finally there was investment in private sector provision of similar services, which without prior examinations of the effects, has recently been negated and the sector is again being nationalised.

Any discrepancies between expected and observed outcomes are pointers to deviations where policy adjustments may be required. Any feedback from the public will also be a strong indicator of where policies are not meeting the needs of the people. So government must be open to critique and utilise information from all sources in assessing progress.

This brings us to an example from the SAP era. According to the 1983 Programme with the IMF, Ghana was supposed to have released 1200 extension agents to the agricultural sector. Yet this target was not adhered to and by 1989 only 1046 agents had been released. This information was drawn from the 1996 Evaluation for the European Union, where it was raised as conditional factor for releasing future aid in the agricultural sector. This is the sort of accountability that Ghana must aim for in the future (Mapedza, 2024; Ayanwale et al., 2024).

If progress is to be evaluated against objectives, these objectives must be known. Hence, it is important to disseminate policy aims and targets to the public and other stakeholders. This will involve indication of resource allocations, so that the public knows what they should expect from government. This in turn becomes the criteria for assessment of progress. So the link from resource allocation to expected outputs and outcomes must be clear.

In many sectors, Ghana has suffered from the absence of conclusive data and evidence on the effects of policies. In such cases, it is difficult to evaluate progress. This creates a strong case for investment in statistical services so that future progress can be assessed.

The primary objective of evaluating progress is to determine the effectiveness of policies and to ascertain whether they are resulting in desired outcomes. This is the surest way of holding government accountable. Thus, evaluating progress must be based on the objectives of policies and their effects. It must be systematic and based on evidence. It should cover the entire policy cycle - from formulation to implementation.

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