

UNU-WIDER DEMOCRACY AID EFFECTIVENESS WORKSHOP

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by

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Overview

The study reviews the role external donor support has played in the democratic governance achievements of Ghana in its Fourth Republic, highlighting strengths and limitations.

Central arguments/contentions:

- a) “External aid” helped to induce Ghana’s early 1990s democratic transition.
- b) External aid, particularly, democracy assistance has helped to keep Ghana’s democracy on track and to attain the status of an electoral democracy.
- c) But it has had a mixed record in helping the country to consolidate its democracy (i.e. institutionalize democratic norms and deepen the quality of its outputs) – esp. in the short and medium terms.
- d) Further, the impact of external aid on Ghana’s democratic development is likely to wane in the wake recent developments
 - I. emergence of a significant oil and gas (and other natural resource) sector and reduction of reliance on conditioned aid
 - II. emergence of China and other non-traditional development partners who are normally less inclined to emphasise democracy/democratic governance reforms;
 - III. decreasing importance of Western bilateral aid to Ghana and increasing resort to budget support.

Background to Ghana's early 1990s transition

At independence, Ghana attempted to practise multi-party democracy, at least in formal constitutional terms. But this proved fairly short lived. A succession of military and short-lived governments proved unable to return the country to the path of democracy.

After nearly 11 years of quasi-military rule under the Flight Lieutenant Jerry Rawlings-led PNDC, Ghana embarked on its latest re-democratization project in the early nineties.

External factors played, at least, an indirect role in this democratic transition

The transition was initiated partly in response to external pro-democracy pressures/developments in the late 1980s, especially:

- a) Imposition of 'political conditionalities' on Ghana by its international financial backers – World Bank/IMF/Western donors. But also
- b) Collapse of communism and the PNDC's loss of its East Bloc backers
- c) Implosion of the apartheid and democratic reforms in South Africa; the convening of 'national conferences' in Francophone Africa

Ghana's early 1990s transition to democratic constitutional rule, however, started on an inauspicious note and was dubbed by sceptics as "transition without change" because:

- a) The eleven-year old authoritarian PNDC rebranded itself as a political party - National Democratic Congress (NDC) to contest the transition polls against an assortment of poorly organized opposition parties under fairly stage managed transition arrangements.
- b) The NDC's candidate Jerry Rawlings won the disputed presidential polls; and the party and its allies won 198 of 200 parliamentary seats.

Ghana's democratic and governance achievements

In spite of its unpromising beginnings and notwithstanding numerous challenges and deficits, multi-party democratic rule has flourished in Ghana's Fourth Republic.

While other newly democratizing African states have suffered reversals or stagnated since the continent joined democracy's "third wave," Ghana's democracy has gained in strength:

- Five previous multi-party elections have been highly competitive yet reasonably clean and peaceful
- The country's two main political parties (National Democratic Congress – NDC and New Patriotic Party – NPP) have taken turns serving in government and opposition

Democratic and Governance achievements (contd.)

- Ghana now boasts of a highly vibrant media and active civil society
- Civil-military relations have been substantially democratized, especially since 2001
- Parliament revived
- The country remains fairly united despite significant religious and ethno-regional diversity (which produces episodic localized conflict)

Democratic and Governance achievements (contd.)

- Popular support for democracy in Ghana is high and continues to grow, at least according to evidence from Afrobarometer surveys since 1999. (Almost 80 percent expressed a preference for democracy to other forms of government in the 2008 survey)
- Ghana has maintained a fairly sound and stable macro-economic environment with annual growth rates averaging over 5 percent since 2001 (estimated 14 percent in 2011); become a nominally middle income country with per capita at over \$1500 in the period; reduced poverty (from more than 50 percent of the population in the early 1990s to 28.5 percent in 2006)

Shortcomings of Ghana's democracy in spite of external aid/external aid's democracy promotion limitations

External aid has proved less effective in helping to move Ghana beyond electoral democracy to 'liberal democracy' and to improve the quality of governance. It has been less effective in abating deeply rooted structural and cultural democratic governance gaps. Thus:

- Elections continue to be fraught with tension, sporadic violence and considerable incumbency abuse; integrity of voters' roll still questionable
- Legal and constitutional power remains over-concentrated in the hands of the executive branch/president/governing political party. Thus,

Shortcomings of Ghana's democracy in spite of external aid (contd.)

- Political patronage prevails; and politics and public administration are increasingly “clientelized” – making state capture the sole purpose of electoral competition. [For instance, the chief executives, chairs and other governing board members of the country's large public sector agencies/parastatals/public utilities/trusts/councils/committees are appointed by presidential fiat and largely on the basis of partisan political criteria rather than merit, which undermines the effectiveness of the public service and delivery of key state services.]
- Constitutionally-mandated political, administrative and fiscal decentralization have stalled despite two decades of external support

Shortcomings of Ghana's democracy in spite of external aid (contd.)

- The civil society and media sectors are fraught with technical, financial, political and ethical shortcomings in spite of significant external donor support.
- Governmental transparency and accountability, institutional checks and balances, responsiveness and adherence to the rule of law remain weak. For example:

Shortcomings of Ghana's democracy in spite of external aid (contd.)

- a) Salaries and other conditions of service attached to the position of the president, ministers of state, parliamentarians and other key state functionaries not formally disclosed.
- b) Resistance to popular pressure for credible and transparency-promoting legislation and related instruments (such as Right to Information and Public Office-Holder Asset Disclosure) and effective enforcement of public procurement rules.
- c) Widespread abuse of constitutionally guaranteed media freedoms and free expression in political discourse

Shortcomings of Ghana's democracy in spite of external aid (contd.)

- Exclusion/inadequate inclusion of women, persons with disability and other social minorities.
Discrimination against sexual minorities

External aid's contribution to the transition:

- a) World Bank/IMF/Western donor imposition of “political conditionalities” on assistance to client states such as Ghana facilitated the decision of quasi-military Rawlings administration to open up the political system/liberalize politics in the early 1990s.

- b) The IFI push also bolstered previously rebuffed domestic opposition demand for the Rawlings/PNDC to return the country to civilian democratic rule.

External aid's post-transition contributions

- a) External support to election admin reform, media/civil society and media development, parliament, etc., in the nineties helped to avert the premature death of Ghana's democracy project
- b) Though not directly targeted at democracy and governance, the timing and prequalification criteria of some development assistance packages (such as HIPC reliefs and the MCC grant) provided subtle encouragement and positive incentive to Ghana's democratic project.
- c) External aid has helped to keep Ghana's democracy on track:
 - I. It has helped to make the machinery for election administration relatively efficient and the election outcomes more credible
 - II. It has promoted civil liberties, especially freedom of speech, association, media freedoms and civil society participation.

Lessons from the Ghanaian experience with external aid and external democracy promotion

- External aid matters. It rendered the Rawlings/PNDC government less reluctant or more willing to embark on a democratic transition despite the real risk of losing power to trenchant opponents
- And once initiated, it helped to keep the transition on track, especially in averting the transition from dying in infancy

Lessons from the Ghanaian experience with external aid and external democracy promotion (contd.)

- But the domestic environment, including commitment by the political elite to reforms and cooperation with donors is equally important. E.g.,
- External assistance has succeeded in pushing democratic reforms in Ghana when the commitment of political elites, especially those in the incumbent regime, has been strong. For example,
- The elected Rawlings-NDC administration's commitment to the democratic transition partly explains why it allowed reforms to the electoral system, which rendered the second transition and subsequent polls more competitive, reduced the certainty of its electoral victory, and paved the way for power alternation in 2000; the same holds for NPP-Kufuor when it conceded power to Mills-NDC after a narrow electoral defeat in 2008.

Lessons from the Ghanaian experience with external aid and external democracy promotion (contd.)

- Domestic opposition and civil society demand for external democracy assistance is also crucial to the effectiveness of the external support proffered. The domestic opposition's insistence on substantial improvements in election transparency and fairness as the prerequisite for their participation in the 1996 election, which most media and civil society supported, created the right environment for extensive donor involvement in the mid-1990s' reforms.
- External assistance appears to have a better chance of achieving significant impact when sustained over a relatively long period, as in the case of support to elections. The success of Ghana's elections is partly accounted for by sustained high levels of donor funding. By contrast, support to parliament has been modest and not sustained.

Lessons from the Ghanaian experience with external aid and external democracy promotion (contd.)

- But there are limits to external aid's ability to democratic promote reforms. Sustained external donor support and push by civil society and media for the passage of a right-to-information legislation as well a reform of public officeholder asset disclosure rules since have not yielded the desired outcome - in the face of the reluctance of the bipartisan political elite to impose such discipline on their own power.

Lessons from the Ghanaian experience with external aid and external democracy promotion (contd.)

- Some desired changes/improvements in the quality of democracy and governance simply lie beyond the control/leverage of foreign aid. Some deeply rooted structural and cultural obstacles not easily amenable to change on account of external stimulus.
- I. Over-concentration of power in the executive branch, presidency and ruling party is key factor driving the attractiveness of “state capture,” winner takes all politics, clientelization of democracy and constriction of the space for the further growth of democratic institutions.*
 - II. Parliament’s weakness, in spite of external aid partly arise from disempowering provisions of the 1992 Constitution with respect to the legislature (which subordinates parliament to the executive branch); and the internal rules of the institution itself (notably the power wielded by a president-appointed speaker)*

Implications of recent domestic and global developments for external aids impact on democracy promotion in Ghana

- Ghana's growing natural resource wealth, notably oil from which the per year government revenue in the next twenty years would roughly equal the development assistance the nation currently receives annually.
- It is putting additional strain on Ghana's democratic institutions and legal/constitutional arrangements and institutions, especially their ability to promote transparent, accountable and responsive government
- Seems to be altering the nature of the Ghana's relations with its traditional developed country partners, potentially reducing their influence and their ability to promote D&G reforms, esp. those deemed unpalatable/inexpedient from the standpoint of incumbent administration and regardless of national/public interest benefits.

Implications of recent domestic and global developments for external aids impact on democracy promotion in Ghana

- d) Oil appears to be making Ghana attractive to lenders especially non-traditional donors and private markets (who show little or no interest in political governance and democracy matters). Oil revenue expectations have facilitated the Mills administration's borrowing spree, mainly from Chinese sources, taking advantage of a provision in the new oil sector regulatory and revenue management legislation permitting the state to use approximately 30 percent of revenue as collateral for public borrowing.

Implications of recent domestic and global developments for external aids impact on democracy promotion in Ghana

- e) Oil and other natural commodity resources together with the global financial crisis appear to be driving Ghana's traditional development partners to recalibrate their own established governance benchmarks in their bid to retain access to the state and incumbent administrations or keep some leverage. Important governance triggers negotiated with the Ghanaian government as part of budget support to Ghana since 2006/7, notably RTI, remain unrequited to date.

THE END !!!

THANK YOU
FOR YOUR
ATTENTION.