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Ghana's Economic Development: Past, Present and the Future

1.0 Introduction

After a successful implementation of an unprecedented program of economic recovery over a decade, perceived by the international community as an example of adjustment with growth and a model for the rest of Africa, Ghana held its first multi-party elections in 1992, taking a decisive step to return to multi-party democratic rule. This paper focuses on Ghana's economic development since the return to multi-party democracy in 1993. It starts with a review of economic management during the transition period (1992) to provide the context for the move to multi-party democracy. This is followed by a discussion of the challenges of the economic policy reforms and development since then, the main achievements and failures. Finally, the paper looks at the critical issues to address in rethinking the country's development going forward.

2.0 Economic Management in the Transition Period, 1992

Ghana's economic recovery program (ERP), launched in 1983, aimed at reversing a protracted period of serious economic decline characterized by lax financial management and extensive administrative control over economic activities. By the end of the 1980s, the country had emerged as the frontrunner in successful structural adjustment reforms in Sub-Saharan Africa. Despite the country's successful economic recovery, the challenge of achieving sustained and accelerated growth and poverty reduction still remained. Private sector saving and investment were relatively weak and inflationary pressures continued to undermine business confidence and constrain the pace of economic activity.

From an economic perspective, 1992 was a crucial year for Ghana. The most immediate policy priority in the year was to quickly contain inflation and adjust to the higher world oil prices. There was also the need for perseverance to remove the remaining sources of fragility in the economy and to ensure a solid foundation for sustainable growth and development. Of critical importance to this end was the desire to maintain appropriate interest rates and the effective control of government expenditure. To this end, a medium-term program was designed to enhance employment opportunities and raise the standard of living in the country, as well as attain a viable external payments position consistent with a reduced reliance on external assistance.

Generally, the policy priorities in 1992 remained consistent with the ERP policies and medium term macroeconomic objectives of consolidating the successes in real GDP growth and inflation reduction. Fiscal policy in 1992 emphasized increased government savings and the lowering of the overall budget deficit (excluding foreign grants) to support the anti-inflation thrust of the monetary policy and contribute to reducing further the external current account. In addition, fiscal policy was to continue to enhance economic incentives and foster economic growth through additional tax reforms and the public investment program. Accordingly, the 1992 national Budget was planned to result in an overall deficit of 1.4% of GDP, which was just 0.1 percentage point higher than the deficit in 1991. The macroeconomic targets reflected policies aimed at strengthening the capacity of the economy to sustain the gains of the 1983-91 adjustment reforms. The Government also planned to maintain a broadly stable real effective exchange rate.

Real GDP growth slowed down to 3.9% in 1992 from 5.3% the year before. The year witnessed a fiscal shock, triggered by a large across-the-board increase in wages for civil servants and by a sharp fall in tax revenue. At the same time that revenue dropped, actual total expenditure exceeded the planned target by a significant margin, which together caused the fiscal deficit (including divestiture proceeds) to increase to 8.2% of GDP. The need to contain the rapid monetary expansion led to an increase in nominal interest rates in the latter part of 1992 and a step-up of sales of Bank of Ghana debt, but these efforts were not sufficient to absorb the huge excess liquidity in the system. The stock of domestic debt jumped from 4% of GDP in 1991 to almost 15% in 1992, reflecting the steep increases in domestic interest payments. As a result, the repayment of domestic debt increased from 2% of GDP in 1991 to 5% of GDP in 1992. The overall balance of payments also moved from a surplus of $171 million in 1991 to a deficit of $124 million in 1992 due to the sharp deterioration in both the current and capital accounts.

The year 1992 thus witnessed a marked reversal in the country's record of successful adjustment, mainly in the area of macroeconomic and fiscal performance. Economic growth was low, per capita income growth was marginal, and fiscal consolidation was weak. The same elections that restored multi-party democracy to the country encouraged the Government to engage in excessive spending, leading to a huge fiscal shock which tended to undermine macroeconomic stability and growth, and rekindled inflation. The political constituency for the reform process appeared to be waning and losing popular legitimacy by the beginning of 1992. It is believed that it was mainly this extenuating economic and political circumstances that set the stage for the transition to multi-party democracy during the year. A democratic framework, it was thought, would create not only a new platform for the emergence of a popular, legitimate and responsible constituency for continued economic reform, but also establish and deepen the governance framework for achieving sustainable growth and development. The year 1992 therefore saw a transition to democracy, marked by a struggle to consolidate a political framework that will deepen democratic governance as the basis for sustaining the country's economic growth and development.

3.0 Economic Management in the Multi-Party Democratic Environment

3.1 First Eight Years of Multi-Party Democracy, 1993-2000

The period 1993-2000 covers the first term of the National Democratic Congress (NDC) government, headed by President Jerry John Rawlings. The country's economic strategy during this period, in general, continued along the same policy direction as in the previous decade, focusing on macroeconomic stabilization and structural reform in a democratic environment. The aim was to steer the economic recovery effort back on track and strengthen the prospects of sustained and accelerated growth of the national economy, even though different sets of policies and programs were implemented during this period.

The policies implemented by the government in 1993-1994 sought to stabilize the economy and regain control over the budget deficit but had only limited success. Economic growth dropped from 5% in 1993 to 3.3% in 1994 although the fiscal deficit also dropped from 7.4% of GDP in 1993 to 3.8% of GDP in 1994. Inflation continued to rise, reaching 34.2% in December 1994. The rate of depreciation of the cedi against the dollar dropped from 64.3% in 1993 to 27.9% in 1994 due to a significant turnaround of the external sector, resulting from the increases in cocoa, gold and other export commodity prices.

The government began the 1995-1996 period with less stress compared to the 1993-1994 period. A number of significant developments took place in the macroeconomic management scene during the period, including the resignation of the country's Finance Minister, Dr. Kwesi Botchwey, and his replacement with Mr. Kwame Peprah in August 1995. The government also signed on to a three-year (1995-1997) IMF-support program which sought to ensure macroeconomic stability, invest more into the economy to support high economic growth, reduce inflation through monetary restraint, and maintain a flexible exchange rate regime. Reducing the country's external debt burden by limiting the stock of long-term debt and new external borrowing was also pursued. A number of structural reform measures were also proposed to support the expected macroeconomic stability and the high economic growth.

Economic performance in 1995-1996 did not significantly differ, on average, from that recorded in 1993-1994. Real GDP growth averaged 4.3% in 1995-1996, the fiscal balance recorded a deficit of 4% of GDP in 1995, rising to 8.4% of GDP in 1996, caused mainly by revenue underperformance. Inflation continued to be a persistent problem, rising to a peak at 70.8% in December 1995 before dropping throughout 1996, reaching 32.7% in December 1996. The cedi depreciation that began in January 1994 slowed down in the early part of 1995, but took an upward turn thereafter, ending the year with a depreciation of 37.6% against the dollar. This was attributed to the poor performance of the external sector and the Bank of Ghana's limited intervention in the foreign exchange market during the period.

he period 1997-2000 covered the second term of office of the NDC administration, led by President Jerry John Rawlings. The objectives of the 1999-2001 IMF-support program remained largely the same as those of the 1995-1997 program, aimed at accelerating economic growth by removing the structural bottlenecks and increasing private sector investment. Fiscal policy continued to aim at improving domestic revenue mobilization and improving the efficiency and effectiveness of public expenditure through improved allocation and management of public resources. Monetary policy aimed at achieving price stability as the government saw this as a necessary condition for increased savings and investment as well as ensuring exchange rate stability. The institutional and structural reforms agenda sought to introduce fiscal decentralization and establish local government service; a divestiture of 21 state-owned enterprises; and the breaking of the Cocoa Board's marketing monopoly in the country to allow qualified Licensed Buying Companies to export, at least, 30% of cocoa purchases.

Economic growth averaged 4.5% in 1997-1998, while the country witnessed some improvements in its fiscal position, even though the overall fiscal deficit still remained high at 7.4% of GDP. Growth of broad money supply dropped but interest rate remained stubbornly high, especially in 1997, despite the good performance of inflation during the year. The cedi however, witnessed a great deal of stability in 1998.

Because of the significant macroeconomic gains made in 1997-1998, the government began the 1999-2000 period full of hope. The central objective of macroeconomic policy during the period was to consolidate the gains made in 1997-1998. Unfortunately, the 1999-2000 period saw a sharp deterioration in the country's terms of trade, caused by a sharp drop in the international prices of cocoa and gold amidst a sharp increase in the international price of crude oil. Real GDP growth rate dropped from 4.6% in 1998 to 3.7% in 2000; the fiscal position deteriorated, with the fiscal deficit rising to 8.6% of GDP in 2000 due in part to the 2000 general elections and the huge interest burden resulting from the debt build-up dating back to the 1980s.

3.2 Second Eight Years of Multi-Party Democracy, 2001-2008

The government of the New Patriotic Party (NPP), led by President John Agyekum Kuffour, which came into power in 2001, set the primary goal of restoring macroeconomic stability as an anchor to revive Ghana's economic growth, support the development of the private sector, manage the colossal national debt, fight corruption, and invest in human development. The government prepared a national development policy framework document, the "Ghana Poverty Reduction Strategy (GPRS I)'', and applied for a Highly-Indebted Poor Country (HIPC) debt relief. The country reached HIPC decision point in February 2002 and thus qualified for the HIPC debt relief. In July 2004, the country became the 14th country to reach HIPC completion point. In addition to the HIPC relief amounting to US$3.7 billion, the IMF approved for Ghana, a three-year arrangement under the Poverty Reduction and Growth Facility (PRGF) in the amount of SDR184.5 million (US$258 million) in May 2003 to be used to support the government's economic reform program for 2003-2005. The World Bank also approved for the country, three Poverty Reduction Support Credits (PRSCs 1-3), each in the amount of US$125 million on IDA terms, to support the government's policies aimed at promoting growth, incomes and employment; improving service delivery for human development; and improving public sector reform and governance. Ghana thus benefitted significantly from debt relief which helped to expand the fiscal space to support critical infrastructure investments, particularly in the energy and road sectors, as well as targeted social spending.

Indeed, the government matched-up its commitment with action, and by the end of the first term in office (2001-2004), some level of stability and recovery had been restored, placing Ghana on the path of accelerated growth and poverty reduction. By the close of 2004, the economy generally appeared robust and ready for a take-off. In fact, by the beginning of the second term of President Kuffuor's government in January 2005, a considerable rehabilitation of the economy had been achieved and international confidence had been restored in Ghana's economic prospects.

On the basis of the recovery, the government and its development partners proposed further reforms aimed at deepening and accelerating the growth prospects, investing in human development, and pursuing infrastructure development. These goals found expression in the government's succeeding strategic development policy framework, the Growth and Poverty Reduction Strategy (GPRS II 2006-2009).

Improvements in the macroeconomic fundamentals enabled the government to venture into the international capital market in 2007 to issue the country's first ever US$750 million sovereign bond on the London Stock Exchange to support the country's economic growth. A consolidation of multi-donor budget support (MDBS) framework also enabled additional predictable resources from development partners to be available at a much relatively reduced transaction cost to the government, contributing to the enhancement of the country's fiscal space.

In spite of these positive developments, the Ghanaian economy faced some challenges and major policy reversals, especially in the last year (2008) of the NPP administration. Faced by a combination of energy and food crises, and a deepening global economic melt-down, the government was caught in what was described as an “embarrassing and expensive'' expenditure spree that had major implications for fiscal and macroeconomic stability. The growing fiscal challenge became more worrying when considered against the backdrop of the fact that the country still remained and became more indebted after the cancellation of a big part of its external debt stock through HIPC and MDRI.

In addition to the macroeconomic reversals and fiscal challenges, there were also other structural limitations of the economy as evidenced by the serious gaps in infrastructure and the low productivity, especially in the agriculture sector outside of cocoa. Alongside these challenges were the emerging increasing incidence of public sector corruption, a resurgent patronage of politics, and public sector ineffectiveness.

The Ghanaian economy at end-2008 was thus characterized by severe imbalances, reflected in a high fiscal deficit driven by large increases in public spending amidst stagnating revenues. The expansionary fiscal stance caused inflation to rise significantly although rapid increases in private sector demand, fueled by strong credit expansion, were contributory factors. Attempts at fiscal restraint were seriously undermined by the expansionary fiscal stance of the government, which was reinforced by the high world prices of food and fuel. Although the economy registered a strong growth in 2008, this was largely the result of strong domestic demand, caused by the massive injection of funds from increased government spending, the issue of sovereign Eurobond in 2007, sale of majority stake in Ghana Telecom, and the draw- down of foreign currency reserves. The demand pressures weakened the balance of payments and the cedi exchange rate. Non-oil imports rose sharply in dollar terms, causing the current account deficit to also rise significantly. With insufficient financing, the country's foreign reserves were heavily drawn down, even as the cedi was depreciating sharply.

3.3 Third Eight Years of Multi-Party Democracy, 2009-2012

Clearly, the NDC Government led by the late President John Evans Attah Mills, on coming into power in January 2009, faced a number of risks that posed serious challenges to prudent fiscal management and the establishment of macroeconomic stability. Indeed, the World Bank Country Director for Ghana had this to say about the economy in his letter of January 3, 2009 to the President-elect: *"As you will be aware, the macroeconomic situation that your Government is inheriting is unfortunately extremely worrisome. Both the fiscal deficit and the balance of payment deficit are high and at unsustainable levels. Given the current state of international financial markets, we do not believe that these deficits can be financed in 2009 as they were in 2008".*

The challenge for economic management in 2009 was to address the economic imbalances inherited from 2008. The new government's strategy was centered on the implementation of an austerity budget which was introduced in March 2009. The budget was designed to lay a firm foundation for fiscal consolidation and macroeconomic stability to pave way for the resumption of sustainable economic growth and job creation to support poverty alleviation in the country.

In July 2009, the IMF approved a three-year Poverty Reduction and Growth Facility (PRGF) arrangement in an amount of SDR387.45 million (about US$602.6 million) to support a program of fiscal consolidation and tackle macroeconomic instability, which had become the main obstacle to sustained strong growth and poverty reduction.

The rebasing of Ghana's GDP in 2010 and the resultant significant increase in per capita income placed the country in a lower middle-income country status. The coming on stream of oil production in 2011 also boosted Ghana's growth, making the country one of the fastest growing economies in Africa. A combination of higher output growth, declining inflation, and improved social spending under the GPRS and the Ghana Shared Growth and Development Agenda (GSGDA) also contributed significantly to lower poverty levels. At this stage, Ghana was poised to achieve the Millennium Development Goal (MDG) of halving extreme poverty ahead of the 2015 deadline. Ghana also made significant progress towards improving access to education, reducing gender disparities in primary education, and providing access to improved water supply. Despite these achievements, challenges continued to exist in areas of reducing maternal and child mortality and increasing access to improved sanitation.

In mid-2012, government and its development partners signed the Government of Ghana/Development Partners Compact 2012-2022 dubbed "Compact for Leveraging Partnership for Shared Growth and Development'' to implement the GSGDA. Indeed, the 2012 Compact marked the beginning of the sharp drop of aid to Ghana and pointed to a "Ghana Beyond Aid'' by the year 2022.

Ghana's economic growth of 9% per annum during 2009-2012, with a peak of 14% in 2011, surpassed that of China which was believed to be the fastest growing economy at the time. The pronounced pick-up in the country's economic growth attracted considerable global attention, with several studies concluding that Ghana was making a decisive break with the past. The economy had by end-2012 been put on a high growth trajectory, reflecting both the strong economic fundamentals that had been put in place, expanded agricultural production, strong growth of the services sector, and the coming on stream of oil production and exports. Strong macroeconomic policies, in particular, the fiscal consolidation efforts of the government, supported by tight monetary policy contributed immensely to the decline in inflation, while a strong build-up of gross foreign reserves supported the stability of the cedi. The sharp decline in inflation (single digit for nearly three years) also provided concrete evidence of an economy that was recovering at a fast rate from the deep crisis it found itself in the pre-2009 period.

Economic growth slowed down in 2013 under the new leadership of President John Dramani Mahama, due mainly to the energy crisis and the fall in gold production due to the drop in world prices. Government's efforts to achieve fiscal consolidation was undermined by policy slippages, external shocks and rising interest costs. Inflation surged, mainly on account of removal of subsidies on petroleum prices and utility tariffs, as well as the pass-through effect of the cedi exchange rate depreciation, the latter reflecting a general weakness of the external sector developments in 2013. Up to mid-2014, Ghana's net international reserve position had seriously weakened, and the exchange rate depreciated sharply, fueling inflationary pressures. Against this gloomy economic situation, the government requested for a three-year arrangement under the Extended Credit Facility (ECF) in an amount of SDR 664.20 million (US$918 million) from the IMF to support the medium-term economic reform program.

Despite the implementation of the IMF-support program, Ghana went through a prolonged and severe macroeconomic crisis during the second term (2013-2016) of the NDC government. Economic growth decelerated rapidly from the petroleum-induced boom in 2011-2012 to rates that were well-below the pre-crisis period and below the average rates of the previous two decades. The budget deficit rose to 9.3% of GDP in 2016 together with a negative primary balance of 2.4% of GDP and a debt/GDP ratio of 73%. The trade balance became unsustainable and the cedi came under intense pressure and depreciated significantly. Inflation increased rapidly and stayed close to 18% in less than four years when the previous government succeeded in bringing it to single digit in 31 consecutive months.

3.4. The Current Situation, 2017- 2018

The NPP Government, led by President Addo Dankwa Akuffo-Addo, which assumed office in January 2017 after winning the December 2016 general elections thus inherited a difficult economic situation which made it impossible for it to achieve the IMF-support program objectives by year-end 2017. The government committed to complete the program by end of December 2018.

Given the depth of the challenges, the government announced a number of policy initiatives to tackle the structural rigidities in the budget, strengthen domestic revenue mobilization, and tighten expenditure controls to minimize inefficiencies. The President's Coordinated Program for Economic and Social Development Policies (2017-2024) released in October 2017 titled "An Agenda for Jobs: Creating Prosperity and Equal Opportunity for All'' also outlined policies to support growth, job creation and poverty reduction.

In support of economic growth, the government announced the following: the Infrastructure for Poverty Eradication Program (IPEP), aimed at improving basic infrastructure at the constituency level, especially in rural and deprived communities; the National Entrepreneurship and Innovation Plan (NEIP), aimed at providing integrated support for start-ups and small businesses; the National Industrial Revitalization Program (NIRP), to support viable existing local companies that are currently distressed or are facing operational challenges but are deemed viable; and a

Nation Builders Corps (NABCO), designed to provide employment to unemployed graduates, improve their skills and employability to help deliver public services, including mobilization of government revenue.

Other flagship initiatives announced by the government included the Akufo-Addo Program for Economic Transformation (AAPET), designed to mobilize and leverage public and private investments, modernize and transform agriculture, develop linkages that will accelerate the industrialization of the economy, and develop major infrastructure projects to support the agricultural zones of the country and industrialization agenda of the government. Under the AAPET are the Planting for Food and Jobs (PFJ) and the One Village One Dam (1V1D) programs to increase food production and raw materials for industrialization and agriculture-business; industrializing Ghana with the One-District One Factory (1D1F) Program as the main vehicles for supporting private sector development to tackle the growth and job creation challenges. Poverty reduction is also to be pursued through cross-functional poverty-related expenditures which support the provision of basic education (including free public Senior High School), primary health care, poverty-focused agriculture, rural water , feeder roads and rural electrification (IMF, 2018).

Since mid-2017, the economy appears to be regaining its strength, with a sharp and positive turnaround in growth, caused predominantly by increased oil production as TEN fields came on stream. However, the expected ramped-up activity in the manufacturing sector following the much-improved electricity supply situation is yet to be seen. Government expenditure has been kept under control, resulting in a large fiscal deficit adjustment and a primary surplus for the first time in 15 years. Nonetheless, gross public debt still remains very high at 69.8% of GDP. Macroeconomic stability has been restored through tight monetary policy which has helped bring inflation down and stabilize the exchange rate after some volatility in the early period of 2017.

Despite the impressive recovery, serious challenges remain as a still elevated debt burden and the economy's exposure to risks limit the country's fiscal space, and progress in meeting the structural benchmarks of the IMF program remains mixed. Weak domestic revenue mobilization has become the country's key fiscal challenge and risk, the root cause of fiscal imbalances, and the biggest single threat to the government's development plans. More revenue is needed to finance the numerous growth and job creation flagship programs, and also preserve social intervention programs such as the Free Senior High School, National Health Insurance Scheme, School Feeding Program, etc.

4.0 Rethinking Ghana's Future Development

Ghanaian governments have since the restoration of multi-party politics in 1993 pursued a development agenda that emphasizes the urgency of economic growth, poverty reduction, and investment in human development. The economy has recorded growth levels that have restored the country to its immediate post-independence promise. By this development, relative to the average prospects in sub-Saharan Africa, Ghana appears particularly promising and has re- emerged as a model state of development in Africa. In spite of this notable achievement, however, Ghana's growth and development has been somewhat limited, unresponsive and uneven. The most visible reflection of these challenges is the economy's continued lack of deep structural transformation and the seeming inequity in the distribution of the benefits of growth There still remains major policy and structural challenges, particularly in the apparent lack of response to policy dynamism by the private sector, and public sector ineffectiveness.

While the country continues to enjoy strong economic growth, employment opportunities remain grossly inadequate to absorb the growing labour force. The economic growth has also not helped much to reduce income inequalities or redistribute wealth in an equitable manner. Poverty and inequality remain unacceptably high and the pace of reduction unacceptably slow. Large disparities in access to quality education and health services persist. Access to education has improved, but quality remains poor. The rapid increase in school enrollment has placed enormous strain on the system's capacity. The health problems include low access, quality, and use of family planning and child health care services; lack of effective management and diagnostics; poor water quality and access to sanitation facilities; mismanagement of health resources; weak health management systems, etc. These challenges make it difficult for the country to achieve meaningful and sustainable development.

Article 34 section 5(d) of the 1992 Constitution requires the state to "make democracy a reality by decentralizing the administrative and financial machinery of government to the regions and districts, thereby creating all possible opportunities for the people to participate in decision- making at every level in national life. After 25 years of implementation of decentralization and local governance, the envisaged ends have only been partially achieved and the country's decentralization process is still ongoing. Ghana's decentralization process cannot wait any longer. In Ghana today, where the politics of "Winner-Takes-All" is plunging the country into an abyss of underdevelopment, good governance is a sine qua non for development. It is very important therefore that any political party in power or seeking to be voted into power should not only demonstrate its commitment to good governance but must outline clearly, policies and strategies toward this end.

Corruption, greed and wanton display of affluence have become serious problems currently confronting the country. A large majority of Ghanaians are of the view that corruption has increased in the multi-party democratic environment, and that the pre-1992 revolutionary strategies to curb this destructive canker have been thrown out of the window. The perception of deepening corruption in the public sector is perhaps driven by the numerous scandals that have recently hit public institutions, public servants and political office-bearers. Public confidence and trust in public institutions and state-appointed officials have been eroded with the repeated blatant scandals involving massive impropriety and wanton dissipation of public resources. Rethinking Ghana's future development therefore calls for a critical need to seriously and swiftly deal with the corruption. Political parties aspiring to be voted into office should demonstrate their willingness, capacity and strategies to clamp down on corruption in the public sector. The recent appointment of a Special Prosecutor to deal with corruption in Ghana is therefore a welcome step.

Despite Ghana's demonstrated capacity to advance democracy, weak institutions, a concentration of power in the executive, over-centralization of authority, and politics of exclusiveness present serious challenges to the country's efforts to provide the citizens of the country with the services they require to improve their livelihoods in a sustainable manner. The country is also challenged by conflicting legislation, parallel structures, overlapping responsibilities, and insufficient and ineffective coordination between government institutions at the national, regional and district levels. Rethinking Ghana's future development requires a review of the 1992 Constitution to have a critical look at a number of issues, including the following. Under the present Constitution, it would be difficult for any political leader to place the country and the general well-being of all citizens above all other considerations. A leader of any political party will find it difficult to make appointments based on competence, integrity and patriotism rather than party loyalty because of the resentment it would engender among members of his/her own party. The current expectation is for the leader of a party to discriminate in favor of party members against his/her compatriots outside the party. This development has come about as a result of certain flaws in the Constitution and this needs to be reviewed.

First, there is the need to strengthen the separation of powers among the three arms of government; provide checks and balances on presidential powers; prescribe the qualifications and/or requirements for the positions of Chairperson of the Electoral Commission, Chief Justice, and Chairman of the Council of State; and adopt a binding non-partisan national development plan. Second, to overcome the issue of concentration of powers in the Executive and over-concentration of authority, we may have to consider a hybrid presidential system of government, comprising a President as Head of State and a Prime Minister as Head of Government, each with clearly defined powers. Third, the four-year term of government, which makes policies to be driven by short-term political interest instead of the national interest, needs to be reviewed. Fourth, to enhance transparency and strengthen accountability and good governance, the Council of State should be composed of Ghanaians with a wealth of experience, well-respected and knowledgeable statesmen, distinguished and knowledgeable traditional leaders, credible and experienced entrepreneurs, renowned university academics, and the like. The Council of State should also be made to act as an Upper Chamber of the Legislature, with supervisory powers that would enable it to call for a review of government policies and decisions that are not deemed to be in the national interest.

Ghana continues to be an island of peace in a neighborhood full of political and social turbulence. However, there are a lot of questions about the quality and character of the progress the country has made, particularly that of socio-economic development.

The socio- economic problems are acting as points of frustrations and depleting the tolerance and patience of the people. The evidence of this is not only the intolerance and lawlessness, ethnic and communal clashes that have become rampant in recent times, but the daily report of robberies taking place in cities, towns, communities, and on the country's highways. This calls for inclusive economic growth where the benefits of the growth as well as revenues from the country's resources are equitably distributed to ensure that the material welfare of all Ghanaians is improved. Rethinking Ghana's future development requires prioritizing the security of Ghanaians, not only their safety but also their dignity, welfare and well-being. Security is a precondition for economic and social development as much as economic and social development is a precondition for national security. By ignoring economic and social development of the people the country will be slowly setting itself on the path of lawlessness and destruction.

5.0 Conclusion

The Government of the PNDC, led by President J.J. Rawlings and the people of Ghana took a decisive step to return to multi-party democracy in 1992 after a virtual meltdown in the early 1980s. What has been all the more laudable in Ghana's case, is the steady progress made since the return to democratic rule in enhancing the democratic environment and pursuing economic transformation. All the ingredients of a democratic environment have been present in the country since 1992, although a few things need to be accomplished for Ghana to claim that democracy has fully matured.

Economic growth and transformation have continued to elude the country due mainly to lack of leadership, policy discontinuity, weak public institutions, lack of transparency and accountability, corruption, and Winner-Takes-All politics. A sustainable growth and development that will ensure equitable distribution of the benefits of growth and development is what is needed. To achieve this, however, will require restoring the values and leadership traits espoused by former President J.J. Rawlings during the revolutionary era and beyond.

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