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GHANA AND THE BRETTON WOODS INSTITUTIONS (BWIs) IN THE FOURTH REPUBLIC: AN ASSESSMENT

BY

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DECLARATION

I, Abdul – Basit Issahaku, hereby declare that this submission is the result of my own work under the supervision of Dr. Lloyd G. Adu Amoah and Dr. Seidu M. Alidu towards the award of Master of Philosophy (M.Phil.) degree in Political Science. I also declare that, to the best of my knowledge, this research contains no material previously published by another person nor material which has been accepted for the award of any other degree of the university, except where due acknowledgement has been made in the text.

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ABSTRACT

The Bretton Woods Institutions (BWIs) were formed in 1945 after the end of World War II, in response to the damages that the war had on the economies of European nations. These institutions later extended their activities to sub-Saharan African countries. Ghana, being the first country in sub-Saharan Africa to gain independence in March 1957, officially became a member of both institutions in that same year. As a result, since the 1980s, Ghana has implemented several programs with the IMF and World Bank including the Structural Adjustment Programmmes (SAPs) in 1983, Enhanced Structural Adjustment Facility (ESAF) in 1989; the Highly Indebted Poor Countries (HIPC) initiative in 2002; the Poverty Reduction and Growth Facility (PRGF) in 2009; the Three-Year Extended Credit Facility (ECF) in 2015.

Also, in 2020, during the outbreak of the COVID-19 pandemic, the IMF allocated about one billion dollars to Ghana to tackle the threats the pandemic posed for the Ghanaian economy. All these have led to a situation where public policy formation in Ghana is dominated by neoliberal ideas and philosophies, which raises concerns about how the interactions between Ghana and the BWIs have evolved in the Fourth Republic.

In this study, the qualitative research design was used. The analysis of the study was based on both primary and secondary data. The primary data was collected from participants through in-depth interviews whereas the secondary data was collected from existing literature on Ghana's relations with the IMF and World Bank.

The findings of the study reveal that the nature of Ghana's relationship with the BWIs constitutes a dependency relationship, and that public policy formation in Ghana to a large extent is rooted in neoliberal thinking as a result of these institutions. Again, the results indicate that the driving forces of Ghana's engagements with the IMF and World Bank are economic factors and history. Additionally, the study uncovered that Ghana's relationship with the BWIs

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has largely not witnessed any significant transformation and that any attempt by the country to wean itself from these institutions is highly impossible. To add to the above, the findings of the study prove that Ghana's interactions with the IMF and World Bank have both positive and negative implications.

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DEDICATION

This work is dedicated to the Almighty God who made it possible for me to complete this difficult task. The work is also dedicated to my family, friends and loved ones, including my late senior brother, Siraj M. Issahaku.

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LIST OF ABBREVIATIONS

BoG	-	Bank of Ghana
BWIs	-	Bretton Woods Institutions
COCOBOD	-	Cocoa Board
CSOs	-	Civil Society Organizations
ECF	-	Extended Credit Facility
EKE	-	Education for Knowledge Economy
ESAF	-	Enhanced Structural Adjustment Facility
FSHS	-	Free Senior High School
GDP	-	Gross Domestic Product
GNTTTA	-	Ghana National Tomatoes Traders and Transporters Association
HDI	-	Human Development Index
HIPC	-	Highly Indebted Poor Countries
IBRD	-	International Bank for Reconstruction and Development
ICSID	-	International Centre for Settlement of Investment Disputes
IDA	-	International Development Association
IEA	-	Institute of Economic Affairs
IFC	-	International Finance Corporation
IFIs	-	International Financial Institutions
IMF	-	International Monetary Fund

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ISSER	-	Institute of Statistical, Social and Economic Research
LECIAD	-	Legon Centre for International Affairs and Diplomacy
MIGA	-	Multilateral Investment Guarantee Agency
MNCs	-	Multinational Corporations
MoFEP	-	Ministry of Finance and Economic Planning
NDC	-	National Democratic Congress
NHIS	-	National Health Insurance Scheme
NLC	-	National Liberation Council
NPP	-	New Patriotic Party
PNDC	-	Provisional National Defence Council
PNP	-	People's National Party
PRSPs	-	Poverty Reduction Strategy Papers
RCF	-	Rapid Credit Facility
SAPRI	-	Structural Adjustment Participatory Review Initiative
SAPs	-	Structural Adjustment Programmes
SBA	-	Stand-By Agreement
SDGs	-	Sustainable Development Goals
SOEs	-	State-Owned-Enterprises
SU	-	Soviet Union
UGBS	-	University of Ghana Business School

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CHAPTER ONE

BACKGROUND OF THE STUDY

1.1 Introduction

After the end of the Second World War in 1945, the economies of most European nations were in tatters. This situation led to the establishment of the Bretton Woods Institutions (BWIs) in New Hampshire in July 1945 to resuscitate the ailing economy of European nations (Stephey, 2008). Indeed, it was there that the representatives of 45 countries led by Harry D. White and John M. Keynes came to an accord, to establish a form of an international cooperation in a postwar era that was unprecedented in its scope and ambition (Krueger, 2006). The International Monetary Fund (IMF) was designed to monitor exchange rates and lend reserve currencies to nations with trade deficits (Stephey, 2008). The World Bank, on the other hand, was to facilitate the restructuring and constructions of the war damaged Europe and at the same time contribute effectively in the development of the global backward areas or regions that later became known as the third world countries (Kapur, 1999). Indeed, each institution's role has changed over time.

Undoubtedly, sub-Saharan Africa has a long history with the BWIs. Indeed, the relationship that exists between Ghana and the BWIs dates back to the time of independence in 1957 when the country officially assumed membership in both the IMF and the World Bank. The country has benefitted and continue to obtain great benefits by belonging to the World Bank and IMF (Asante, 1997). Through these institutions, Ghana has implemented several programs with the most prominent one being the Structural Adjustment Programmes (SAPs) in 1983. Other IMF/World Bank programmes implemented in Ghana include the Stand-By Agreement (SBA) in 1966; the Enhanced Structural Adjustment Facility (ESAF) in 1989; the Highly Indebted

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Poor Countries (HIPC) initiative in 2002; the Poverty Reduction and Growth Facility (PRGF) in 2009; the Three-Year Extended Credit Facility (ECF) in 2015; and more recently, in April 2020, the IMF approved the disbursement of about one billion dollars to Ghana under the Rapid Credit Facility (RCF), to help address the challenges of the COVID-19 pandemic (IMF, 2020a).

Ghana is on record for being the first country in sub-Saharan Africa to rescue itself from the shackles of colonialism (Boafo-Arthur, 2008). For Justin Williams (2011), the country was undoubtedly regarded as the "Black Star" of Africa. This was partly because of the strong leadership exhibited by Dr. Kwame Nkrumah to liberate Ghana from the subjugation of colonialism by the British, as well as its economic strength with lots of such rich natural resources as gold, bauxite, cocoa and diamond. Within that period, Ghana was the largest cocoa exporter across the globe which enabled the country to attain the status of a "medium-income" economy (Insaidoo, 2012). As a result, the regime was able to embark on socialist-oriented policies, including free healthcare, education and housing. However, these achievements of Ghana were short-lived (Sithole, 2012), after the overthrow of Kwame Nkrumah in 1966.

Following the overthrow of Kwame Nkrumah in 1966, the country was plunged into almost two decades of political instability and economic hardships (Priscilla, 2019). The policies implemented by subsequent regimes after Nkrumah, from the National Liberation Council (NLC) to the Provisional National Defense Council (PNDC) could not mitigate the economic woes of Ghana. With respect to the PNDC era, the situation was made complex with a disastrous plummeting of the output of cocoa production, especially during 1982-1983 (Ministry of Information, 1986). There was also a downturn in the output of timber and gold. A huge external debt of US$ 1, 723 million by the end of 1982 added to the burden of the government (Boafo-Arthur, 1998).

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In addition, there was a severe decline in industrial production capacity as factories could only utilize around 20 percent of their installed capacity. Furthermore, the country suffered from a disastrous drought and bushfires in 1982-1983 leading to an unparalleled famine. The PNDC government was, therefore, left at the mercy of food aid, mostly from the West. As if that was not enough, the PNDC government was also confronted with the challenge of settling one million Ghanaians expelled from Nigeria (Boafo-Arthur, 1998). Lastly, maladministration over the years served as a serious barrier to economic and national development (Boafo-Arthur, 1999).

As a result of the aforementioned headwinds, by the year 1983, Ghana was rooted in deep economic crisis. And because of the inability of initial government policies to mitigate the economic woes, the country desperately needed support to resuscitate the economic crisis. The PNDC regime, therefore, turned to the IMF and World Bank for assistance. This led to the implementation of SAPs in Ghana in 1983.

1.2 Statement of Problem

As indicated above, Ghana by the year 1983 was engulfed in a severe economic crisis as a result of such factors as bushfires, drought as well as a plummeting cocoa, timber and gold prices among others. This situation compelled the PNDC regime to turn to the BWIs for assistance. The country, therefore, under the supervision of the IMF and World Bank embarked on SAPs in 1983 to revive the ailing economy. Indeed, the implementation of SAPs across many developing countries in general and Ghana in particular, generated mixed reactions.

The IMF and World Bank for instance, adjudged Ghana as a "good-client" (Akonor, 2013, p.13), as a result of the initial successes the programme achieved. Whereas several critics of SAPs such as Charles Anyinam (1994), Hutchful Eboe (2002), Kwado Konadu-Agyemang

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(2001) as well as Lynne Brydon and Karen Legge (1996) have all accused the IMF and World Bank of unleashing severe economic hardships on the Ghanaian populace. Hence, Ghana has found itself at the center of intense controversies and debates about the effectiveness and social cost of SAPs since the implementation of the programme (Paul, 1997).

Therefore, there exist a myriad of literature on the implementation of SAPs in Ghana and its aftermath effects in 1983. However, most of this literature largely feature an analysis of SAPs in the late 1990s, thus, rendering the literature outdated. As a corollary, this calls for a more contemporary analyses of the effects of SAPs on the development of Ghana under the Fourth Republic, which forms the central theme underpinning my research.

1.3 Research Questions

This study seeks to assess Ghana's interaction with the IMF and World Bank in the Fourth Republic. In that regard, the research seeks to answer the following questions:

1. How have the interactions between Ghana and the BWIs evolved?
2. What have been the effects of the BWIs on the development of Ghana?

1.4 Research Objectives

The overarching objective of the research is to assess Ghana's interaction with the IMF and World Bank in the Fourth Republic. However, the research seeks to achieve the following objectives specifically:

1. To critically examine how the interactions between Ghana and the BWIs have evolved.
2. To critically assess the effects of the BWIs on the development of Ghana under the Fourth Republic.

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1.5 Research Justification and Rationale

The rationale for the study is to assess the effects of the BWIs on the development of Ghana under the Fourth Republic. This will, therefore, contribute effectively to the body of knowledge about Ghana's relations with the BWIs which will be very useful to other researchers in future studies about the effects of the BWIs on development in Ghana under the Fourth Republic.

1.6 Scope of the Study

The scope of the study is mainly focused on Ghana's interactions with the IMF and World Bank in the Fourth Republic. Specifically, the study focused on the nature of Ghana's interactions with the IMF and World Bank in the Fourth Republic, how these interactions have evolved, the factors that underpin these interactions, and the possibility of Ghana distancing itself from these institutions. In addition, the study also assessed the impact of these institutions on the development of Ghana in recent times.

1.7 Organization of Study

The study is organized into six (6) chapters. Chapter one consists of the introduction, statement of research problem, research questions, objectives, justification, and scope of the study. Chapter two constitutes the literature review based on Ghana's relations with the BWIs under the Fourth Republic. Chapter three explains the theories within which the study is situated and how these theories are important for the research.

Chapter four deals with the research methodology. This includes the methodological approaches, research design, the population of the study, sampling techniques, data collection instrument, sources of data and data analysis, ethical considerations and limitations. Chapter

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five deals with the presentation of findings and discussions. Finally, chapter six constitutes the summary of findings, conclusion and recommendations.

1.8 Conclusion

This chapter briefly outlines what inspired the creation of the BWIs and the roles assigned to each institution. It also briefly discusses Ghana's relations with the BWIs and the factors that compelled the country to opt for the Structural Adjustment Programmes (SAPs). Again, it included the research problem, the research objectives, the scope of the study, the significance and organization of the study.

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CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

As noted earlier, in the first chapter, the BWIs' interactions with Ghana in particular and sub-Saharan Africa at large, have generated a lot of scholarly works; much of which deal with the implementation of SAPs in sub-Saharan Africa in the late 1990s and 2000s, thereby, rendering the literature dated. This study, therefore, seeks to fill this gap and consequently, contribute to the body of literature on Ghana's relations with the BWIs.

The literature to be reviewed for the study will be classified into themes where relevant materials under each theme will be reviewed. These include;

1. The evolution and roles of the BWIs
2. The operations and dynamics of the BWIs
3. The BWIs relations with sub-Saharan Africa
4. The BWIs relations with Ghana
5. The factors that necessitate Ghana's request for assistance from the BWIs

2.2 The Evolution and Roles of the BWIs

This section reviews the history, formation and roles of the BWIs. It also compares the original objectives for its establishment with the current shift in policy prescription in addressing macroeconomic challenges of member states.

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2.2.1 The Conference of the Bretton Woods

The advanced capitalist economies, mainly in the global north, as a result of the Great Depression of 1929 and its accompanying hardships, coupled with the challenges of the Second World War, embarked on a quest to provide solutions to their problems. This quest birthed the Bretton Woods Institutions (Onyishi and Avoke, 2018). According to Moore-Sieray (1997), the emergence of a new form of an economic system was not evitable. After three weeks of deliberations at the Mount Washington Hotel in Bretton Woods, New Hampshire, representatives from 44 states adopted the Bretton Woods Agreements to establish the International Monetary Fund (IMF) and the World Bank. The name of the New Hampshire town where the agreement was established was adopted as the nomenclature of the system (Stephey, 2008). The representatives of the 44 states were guided by the ideas of Harry D. White (who was then an American minister of state in the U.S treasury department) and the British economist, John M. Keynes both of whom sometimes, had conflicting ideas about the emerging international monetary order. For instance, whereas Keynes wanted to preserve Britain's interest following the war, White wanted to ensure that the advent of United States as the strongest economic power was accepted (Moore-Sieray, 1997; Ahmed, 2018)

The plenary session was regarded as the highest body of the Bretton Woods Conference. This plenary session convened only on the first and last days of the conference and they largely approved the decisions made by the lower bodies (Schuler and Rosenberg, 2013). Three committees were set up to carry out the activities of the conference. The first committee which was under the supervision of Harry D. White, dealt with the International Monetary Fund (IMF), whilst the second committee which was under the supervision of John M. Keynes was responsible for managing the affairs of the World Bank. The final committee was supervised by Eduardo Suarez (the then minister of finance for Mexico) and it dealt with other means of international cooperation (Schuler and Rosenberg, 2013).

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The United States has enjoyed the largest control of the BWI since its evolution. This is because it was the only country that emerged from the Second World War largely unscathed and the major source of funds for the Bretton Woods system (Dammasch, 2007). The dominant posture of the United States was even conspicuous when their ideas were favored more than that of Great Britain during the formation of the BWIs. Indeed, the headquarters of the two main institutions (the IMF and World Bank) are located at Washington D.C. Although Keynes made several attempts to preserve the financial independence of Britain from the United States, the BWIs was and still largely being controlled by the United States (Dammasch, 2007).

2.2.2 The IMF

The creation of the International Monetary Fund (IMF) at the end of the Bretton Woods Agreement signaled a novel era in the global economic setting after the deadlock of the interwar period (Ahmed, 2018). The IMF begun its operations on March 1, 1947, although it was officially created on December, 27, 1945 – after the countries that participated in the Bretton Woods Conference signed its Articles of Agreement (Dammasch, 2007). At the time that the IMF was established, it had 29 members, however, today, its membership has increased to 190 countries (IMF, 2020b). Peter Kenen (2007) has argued that the effective mandate of the IMF at the time of its establishment was to control and provide assistance to the new economic order after the Second World War. The IMF was tasked with the role of preserving exchange rate stability and adjustment of external imbalances of member states as well as serving as a lender to states that were experiencing balance-of-payments problems (Minton-Beddoes, 1995).

Throughout the 1950s and 1960s, the majority of IMF lending consisted of short-term loans to developed countries to facilitate moderate exchange rate adjustments (Reinhart and Trebesch, 2016). Such Western European nations as the Britain, Iceland, France, and the United States

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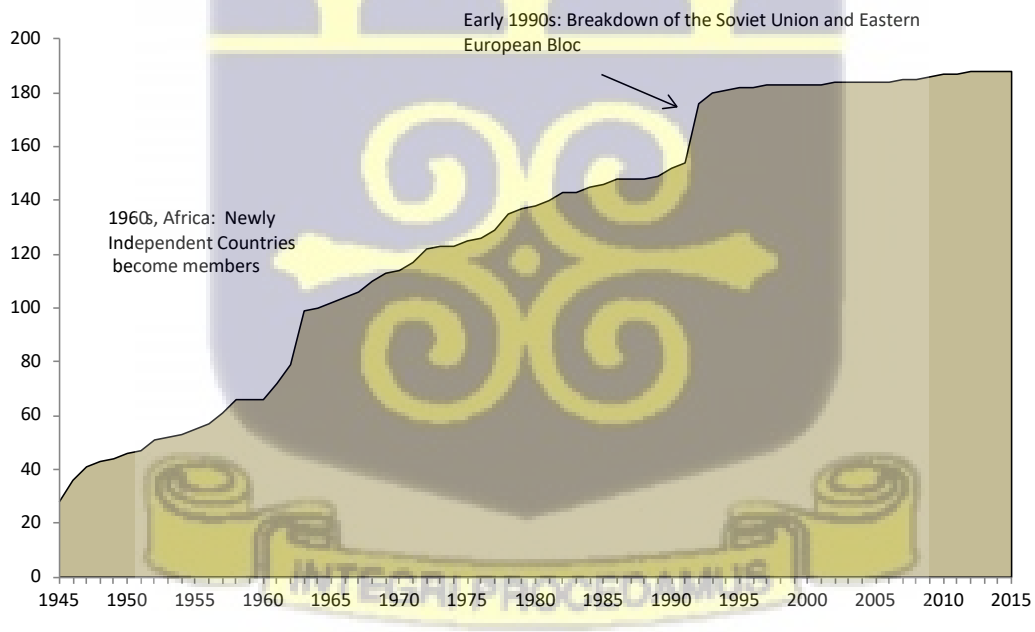
among others, borrowed from the IMF in the early years after its formation. Subsequently, the IMF extended its assistance to mostly developing nations in Asia, Africa, Latin America and evolving market economies in Eastern Europe (Ahmed, 2018). As a result, the IMF saw an increment in its membership from 28 countries in 1945 to 188 countries in the 1990s. The growth of the IMF membership occurred in two phases; one in the 1960s following the liberation of African countries from the shackles of colonialism whilst the other occurred in the 1990s following the collapse of the Soviet empire and the independence of Eastern European nations (Broughton, 2009). In the views of Reinhart and Trebesch (2016), new applicants usually request for IMF support immediately they become members, which in part justifies the surge in IMF programs with several countries in the early 1960s. This is depicted in the figure below.

Figure 1. International Monetary Fund: 1945 – 2015

Number of Member Countries



Source: Reinhart and Trebesch (2016)

Indeed, the IMF is not without criticisms. Since its establishment, there seem to be an apparent shift in what was formerly approved as part of its role, especially in dealing with global south

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countries (Onyishi and Amoke, 2018). As pointed out by Stiglitz (2001), the IMF was originally designed to maintain a stable international financial system and assist countries with balance-of-payment problems, however, the IMF appears to have reversed course in its original mandate in contemporary times. For him, the inconsistencies between the effective mandate and initial mandate resulted in tension that was evident in several ways including "intellectual incoherence" (p. 16).

Today, rather than assisting countries to ameliorate their currency crises, the IMF has consistently forced them into such problems by misleading them to abolish trade restrictions and finance flow, and other host of policies of such as privatization and removal of subsidies, which eventually result in huge trade imbalances, therefore, supporting the view that the BWIs have long discarded their initial mandate and taken a different dimension in recent times (Caragh and Menduza, 2003). The apparent mandate of the IMF in recent times appears to be that of a bill collector for lending global north countries. Its new task is now to ensure that countries that borrow from it have enough capacity to service all outstanding debt that they received (Onyishi and Amoke, 2018).

2.2.3 The World Bank

The World Bank, formerly known as the International Bank for Reconstruction and Development (IBRD), was founded in 1944 as part of the BWIs and currently boast of 189 members. The World Bank has expanded to consists of five closely connected development institutions; the International Development Association (IDA), the International Finance Corporation (IFC), the International Centre for Settlement of Investment Disputes (ICSID), the Multilateral Investment Guarantee Agency (MIGA) and the IBRD (World Bank, 2020). The Bank, as it is sometimes called, officially begun its operations on June 25, 1946. At the time of

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creation, the Bank's "Articles of Agreement" clearly spelt out the roles of it. The Bank was responsible for providing assistance for the reconstruction of the economies destroyed by the war whilst also playing a crucial role towards the development of third world countries (Blough, 1968).

The Bank in its operations encountered challenges in the supply of external capital. These challenges compelled it to search for alternatives to fill the gaps without significantly shifting the philosophy and ideals of the Bank. Initially, the IFC and the IDA were established to mitigate the challenges encountered in the supply of external capital (Blough, 1968), and subsequently, the MIDA and ICSID were also established. The establishment of the IDA in 1960 was intended to assist the Bank to provide long-term development credit facilities that were free from interest (soft loans), but a small fee charged yearly for services and also requiring no governmental guarantee. This was necessary because the Bank deemed it undesirable to be engaged in the provision of both soft and hard loans at the same time (Blough, 1968). Roy Blough (1968) also points out to the fact that the Bank lacked the versatility to offer specific promotion to private companies which led to the creation of the IFC in 1956 following several years of deliberations.

The formation of the IFC enabled the Bank to provide loans to private companies and financial bodies in the global south (World Bank, 2020). Blough (1968), however, does not talk about the MIDA and ICSID which are also important institutions of the World Bank.

The subsequent establishment of the ICSID and the MIGA in 1966 and 1988 respectively was to enable the Bank to link international financial resources to the needs of global south countries. In recent times, the Bank appears preoccupied with the task of combating extreme

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poverty and ensuring sustainability of the gains across developing economies (World Bank, 2020).

2.3 The Operations and Dynamics of the BWIs

Indeed, the World Bank and the IMF represent the two most superior institutions that drive international trade and finance (Ismi, 2004). Their operations complement each other, with the IMF dealing with macroeconomic and financial stability problems whilst the World Bank is in charge of long-term economic development and poverty reduction. The IMF and World Bank work together regularly and at various levels to support member countries, including joint collaboration in many activities. The agreements for their cooperation were established in the 1989 treaty, although subsequent plans were established to enhance their collaboration in areas of common concern. In their yearly assemblies of Boards of Governors, the Governors deliberate and put forward the perspectives of their countries on present matters in global economics and finance. They then decide on how to tackle the problems inherent in global economics and finance (IMF, 2020b).

Within the Development Committee, a group of the IMF and World Bank Governors also meet, and their meetings occur at the same time with the Spring and Annually Meetings of the BWIs. The Development Committee was created in 1974 and was tasked to advise the BWIs on matters of serious development and also on financial incomes that are required to advance economic development in low-income countries. Also, the Managing Director of the IMF together with the World Bank's president constantly meet to deliberate on key issues. In addition, they release joint statements and conduct joint research every so often. There is also a meeting between the First Deputy Managing Director of the IMF and the World Bank's Director of Operations to discuss country and policy issues (IMF, 2020b).

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The employees of both the IMF and World Bank operate closely on country support and policy matters that are of significance to them. The activities of the BWIs often correspond to each other and the staff take part in each other's missions. For the IMF, their assessments of a state's economic condition and decisions determines the World Bank's assessments of potential development plans or reforms. In the same way, the Bank's information on structural and sectoral reforms determines the IMF's policy advise. The staffs of both the IMF and World Bank also work together to determine the policy mechanisms in their individual borrowing projects (IMF, 2020b).

2.4 The BWIs Relations with sub-Saharan Africa

This section provides an insight regarding the interactions sub-Saharan African countries have had with the IMF and World Bank since the formation of both institutions after the end of the Second World War in 1945. Undoubtedly, the IMF and World Bank have long been engaged in the economic activities of Third World countries in general, and sub-Saharan Africa in particular. Hence, this section gives a background of the economic stress that pushed African countries into the grips of the BWIs and the policy measures that were designed by these institutions and implemented across sub-Saharan Africa including the Structural Adjustment Programmes (SAPs) that have received a substantial scholarly attention.

Moore-Sieray (1997) provides an account of what led African countries to join the BWIs. She noted that, in the early 1980s, the advanced industrial states were hit by a severe economic downturn with disastrous ramifications. This difficult situation compelled them to employ strategies to ameliorate their condition; and the provision of financial assistance to developing economies reduced drastically. There was also a severe decline in the demand for raw materials

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from the global south countries. Furthermore, the strengthening of trade barriers by the advanced countries resulted in decreased sales at lower prices, coupled with a massive rise in the prices of such imported products as oil, fertilizer and other petrochemical products, leading to huge trade deficits in many African states specifically, and the Third World at large. Sub-Saharan Africa was, therefore, left battling with economic crisis, political stability, healthcare, human development and other numerous human rights challenges. Consequently, several African countries were compelled to engage in severe borrowing, resulting in debt crisis for them (Moore-Sieray, 1997).

This debt crisis pushed African states into the grips of Western agencies such as the IMF and the World Bank. African states in an attempt to recover from their dire economic situation submitted themselves one after the other to the IMF and the World Bank and agreed to their hard 'reforms', also known as the Structural Adjustment Programmes (SAPs) (Moore-Sieray, 1997). Between 1980 and 1986, not less than 30 countries in sub-Saharan Africa agreed to the Standby and Extended Arrangements with the IMF, representing three-quarters of nations of this part of the continent; this included fully 25 out of 29 low income (IDA-eligible) sub-Saharan countries. Economic policy design in sub-Saharan Africa, hence, is largely dominated by the IMF, World Bank, and other international financial institutions alike (Loxley, 1987).

Although this work is very insightful regarding Africa's relations with the BWIs, the author failed to adequately elaborate on the conditions that African countries were subjected to when they turned to the IMF and World Bank for assistance, rather than just stating them.

INTEGRI PROCEDAMUS

According to Michel Camdessus (2000), at the time that the BWIs were being established in the 1940s, it was not anticipated that Africa as a continent, will one-day constitute an integral part of its membership or be central to its activities. He observed that, only three (3) countries

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(Egypt, Ethiopia and South Africa) were in Africa out of the 40 initial members, and they were barely representative. For him, Egypt, just like today, was more closely connected to the Middle East than Africa and South Africa was still dominated by the white minority, whereas Ethiopia was virtually isolated as an autonomous postcolonial state between the Sahara and the Transvaal.

However, that trajectory began to take a different shape in 1957 when Ghana and Sudan decided to join the BWIs following their liberation from colonialism. This inspired several other African countries to apply to join the BWIs and by 1969, 44 out of the 115 countries in the IMF specifically were from Africa, representing more than a third of the membership. Eventually, the IMF included all of Africa's states after Namibia became its member in 1990 (Camdessus, 2000).

In their report, *"Africa, the World Bank, the International Monetary Fund and the World Trade Organization"*, Daniel and Nagar (2016) argue that "the two Bretton Woods institutions – the World Bank and the International Monetary Fund – were established in 1944 to support major economic and political developments in the world. However, underlying ideological and governance assumptions about politics and development have largely shaped the policy interventions of these two institutions in Africa." (p. 29). To justify their assertion, they make a case that, the World Bank in 1963 disbursed an amount of 80 million British pounds for the construction of a railway system in the racist state of Rhodesia, whilst declining to fund the Tazara railway for socialist Tanzania; a project that was later completed by the Chinese government during the 1960s.

Nevertheless, they failed to recognize that conditionality has over the years, emerged as a central component of the BWIs' activities; which largely underpins the provision of assistance

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by the BWIs to member countries. Indeed, when a country turns to the IMF and World Bank, it means that it has accepted to adjust its economic strategies to tackle their problems, and not necessarily that they adhere to a certain mode of government. These policy adjustments are conditions for IMF and World Bank loans (IMF, 2020c). For instance, Structural Adjustments Programmes (SAPs) have been implemented across several African countries with various modes of governments. However, it is the case that these institutions are most comfortable working with liberal democracies.

Ismi (2004) elaborates on how the advanced industrial states have consistently used the BWIs to dominate the economies of developing countries. He postulated that since the 1980s, the United Sates has relied on both the IMF and World Bank to control the economies of countries in Africa. For him, the World Bank and the IMF have compelled developing countries to expose their economies to the advanced countries whilst also intensifying the exportation of primary goods to rich countries. These moves among others, according to him, have generated huge profits for multinational corporations (MNCs) based in the West, whereas African countries are left to suffer with abject poverty, unemployment, malnutrition, illiteracy and economic crisis.

Indeed, the IMF and World Bank have pressurized developing countries to adopt certain conditions which are favorable to companies in the advanced countries and their governments. Under these conditions (SAPs), African countries were made to reduce their public expenditure (such as subsidies on food, healthcare, housing and education); abolishing restrictions on trade and foreign investment such as tariffs (thereby opening up their markets for Western penetration); as well as privatizing state enterprises amongst other set of conditions – in order

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to create export-led growth that will woo foreign investors and to reduce debt and poverty (Ismi, 2004; Naiman and Watkins, 1999).

Ismi (2004) further argued that, "as a result of SAPs, Africa is more integrated into the global economy than ever. SAPs' emphasis on export-led growth has significantly expanded African trade levels" (p. 11). Citing World Bank (2002) data, he showed that Africa's trade rose from $175 billion in 1990 to $187 billion in 1999. There was also a significant increase in the foreign direct investment from $923 million t $7.9 billion within that same period. Moreover, debt servicing grew from 12.9 percent in 1994 to 13.9 percent in 1999. But in spite of all these, export-led growth did not automatically lead to the desired results – increased growth, reduced debt and poverty – as against the IMF and World Bank beliefs. Specifically, the considerable economic achievements were short-lived, and sub-Saharan Africa was left with lower incomes, reduced growth, lower Human Development Index (HDI) and increased poverty (Ismi, 2004).

The analysis of Ismi (2004) is very pertinent to the study because it underscores how the economies of several African countries have since been handicapped through the implementation of adjustment programmes from the IMF and World Bank.

According to Ibnouf (2008), ever since sub-Saharan Africa embarked on the IMF and World Bank's liberalization policies, they have undermined, and continue to undermine the rights of women, particularly, those in the rural settlements. This, in her view, is as a result of the failure of the liberalization policies to take into consideration other issues such as gender – a situation that has widened the gap between men and women in Africa. Ibnouf (2008) indicated that liberalization policies in sub-Saharan Africa are usually implemented devoid of social, cultural and environmental thoughts, which have largely been detrimental to the inclusion of women in economic activities, and the net results of this situation on them are: an increased illiteracy,

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lack of jobs and food security among women. This has seriously affected development in sub-Saharan Africa.

However, by limiting the assessment of the IMF and World Bank's policies to their impact on only women, the study is unable to present a holistic analysis of the impact of liberalization policies on the general populace in sub-Saharan Africa. This study, therefore, seeks to fill this gap by providing a holistic analysis of the impact of liberalization policies in Ghana under the Fourth Republic specifically and sub-Saharan Africa at large.

Amoah (2011) assesses public policy formation in Africa and contends that the IMF and World Bank have successfully aided the dominance of neoliberal thinking in Africa for several decades – a situation that has significantly affected Africa's public policy formation. In his view, through the assistance of policy advocacy groups and other Civil Society Organizations (CSOs), the IMF and World Bank have propagated the implementation of policies such as privatization, retrenchment and private-partnership among others across Africa. For him, the IMF and World Bank had created the notion that the market should operate without any form of interference, and that any form of intervention by the state in the market is detrimental to Africa's growth and development. However, the last global financial crunch offered Africa an opportunity to craft its own public policies beyond the dominance of neoliberal thinking.

Indeed, taking a clue from Asian countries like China and Singapore, there can be effective policy strategies other than neoliberal thinking, that African policymakers and intellectuals can adopt. This observation is very important because, if Africa is able to design its own public policies, the continent will be liberated from the dictates of the IMF and World Bank whose polices have over the years contributed to Africa's underdevelopment.

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In one of the works of Mawere (2018), he assesses the role of the Bretton Woods Institutions, particularly the International Monetary Fund (IMF) and the World Bank (WB) in the promotion of development and eradication of poverty in the developing world, especially in African countries. He argued that, these two institutions have been labelled as "gods" of development in Africa. Although the BWIs managed to solve the economic problems of some countries affected by the Second World War and the Great Depression, other member states, especially those of Africa have never mutually benefitted from the programs of the institutions. The intervention strategies and its socio-economic as well as the political impacts on nations which opted for IMF and World Bank's loans have been largely damaging to the extent that poverty, underdevelopment, inequality and human rights violations have amplified. It is for this reason that he claims that the IMF and the World bank have registered more failures than successes in Africa.

For Mawere (2018), the interventions by the BWIs in Africa manifested in Structural Adjustment Programmes (SAPs) – economic policy programmes which were widely implemented in many African countries including Ghana, Zimbabwe and Zambia among others. These policies were almost the same in all receiving countries However, African countries that implemented these policies experienced a significant decrease in their development in such a way that it was mainly at the implementation stage that SAPs were discontinued in many African countries. In his view, with the introduction of SAPs, the debt burden of many African countries significantly worsened, more than they could ever imagined, despite the fact that several billions of dollars were pumped into Africa.

This work, therefore, is significant to the problem being investigated because it identifies the way and manner in which the IMF and World Bank intervened in Africa, thus through SAPs, the implications of the reform initiatives, as well as the conditionalities attached.

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2.5 The BWIs relations with Ghana

A myriad of literature exists on Ghana's relations with the BWIs, especially on the country's experience with SAPS. Ghana, after attaining independence in 1957, officially joined the BWIs. The country, therefore, has a long history with both the IMF and the World Bank. Although SAPs dominated much of the literature on Ghana's relations with the IMF and World Bank, it is important to state that, it was not the first stabilization and adjustment programme that the country embarked on (Hutchful 1985; Jonah 1989; Libby 1976). For instance, in 1971, Dr. K. A. Busia adopted economic stabilization measures, although they were not successful. Stabilization policies were also extremely considered by the government of the People's National Party (PNP) led by Dr. Hilla Limann (1979-1981), but were not implemented for fear of being overthrown (Boafo-Arthur, 1999).

Boafo-Arthur (1999) provides an insightful explanation about the reasons that accounted for Ghana's implementation of SAPs and democratization during the first period of the Fourth Republic (1993-1996), without the adjustment programs affecting the democratization process. In his view, this period of adjustments undermines the perceived notion that adjustments and the democratization process in Africa are not well-suited. He, therefore, postulated that if economic distress and political liberalization make adjustment and democratization necessary for the development of Ghana, then it is prudent to "adjust adjustment" in line with democratic governance (p. 43). He highlighted the factors that accounted for Ghana's decision to adopt democratic practices and accept market reforms, contrary to J. J. Rawlings initial posture. For him, factors such as the decline in cocoa production and prices, maladministration, political instability, bushfires, drought, the inability of the PNDC regime to craft policies to overturn

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the downward economic spiral as well as the expulsion of over one million Ghanaians from Nigeria, among others, compelled Ghana to adopt the IMF and World Bank backed adjustments, in order to resuscitate the ailing economy.

Furthermore, Boafo-Arthur (1999) outlined the impact of the adjustment programmes on Ghana's economy and argued that, the impact of the programmes on economic development and growth was mixed. On one hand, the adjustment programmes initially overturned the downward economic spiral. On the other hand, citing various scholars, he argued that the adjustment programmes led to massive unemployment, high levels of inflation, immobilization of industrialization, and over reliance on external financial assistance among others (Arthiabah, 1994; Panford, 1997; Gibbon 1992)

Also, Boafo- Arthur (1999) maintained that incumbent governments have been able to maintain equilibrium between democratic governance and adjustments within the Fourth Republic as a result of the nature of the Ghanaian politics and foreign assistance. Specifically, the willingness of the PNDC regime to continue with adjustment programmes and make it appealing to the populace, the unavailability of a practical substitute to the structural adjustment programmes as well as the weakness of civil society organizations (CSOs) and other social groups, are some of the factors that accounted for the implementation of SAPs alongside democratization.

Konadu-Agyemang (2001) evaluates the IMF and World Bank sponsored programmes in Africa in general and Ghana in particular, and draws a conclusion that the adjustments programs did little to reverse the economic stress of Ghana. He observed that in a forum organized by the Structural Adjustment Participatory Review Initiative (SAPRI) in 2001, Peter Harold, the then World Bank Country Director, conceded that adjustment programs did not lead to the desired results after several years of implementation. This was because of the failure

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of the BWIs to pay special attention to the social needs of Ghana. He further observed that on the same platform, the then Minister of Economic Planning and Regional Integration, Dr. Paa Kwesi Ndoum made the following comments:

> *"After 20 long years of implementing structural adjustment programs, our economy has remained weak and vulnerable and not sufficiently transformed to sustain accelerated growth and development. Poverty has become rather widespread, unemployment very high, manufacturing and agriculture in decline and our external and domestic debts much too heavy a burden to bear."*

This is important to the problem being investigated because it shows that the BWIs themselves acknowledged that the adjustment programs that Ghana embarked on did not salvage the economic crisis that it was facing, but rather deteriorated the already existing economic challenges.

Tsikata (2007) assesses the major factors that impede the economic growth process in Ghana within a period of democratic practices and market liberalism. In his view, several analysts have been entangled with the challenges of economic growth and development in Ghana since the 1960s. He, therefore, opined that economic growth remains a major problem to all governments ever since Ghana became independent. He echoes the assertion of Boafo-Arthur (1999) that Ghana's experience with the reform programmes led to mixed reactions by arguing that whereas the World Bank generally regarded the outcomes of SAPs as being successful, a contrary view provided by Kraus (1991) belittled the outcomes of the reform programmes in Ghana. For him, since the inception of the Fourth Republic in 1992, growth performance in

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Ghana has had a varied history, although the reform exercise in the 1980s initially overturned the negative growth rates within the previous years.

Tsikata (2007) identified the removal of subsidies within the agricultural sector; the sluggish growth in the industry sector largely caused by the privatization of most State-Owned-Enterprises (SOEs); difficulties in the development of human capital; the seemingly unchanging structure of the economy even after the adjustment exercise and the challenges of Foreign Direct Investment (FDI) amongst others as some of the challenges of economic growth and development in Ghana within a period of democratic governance and market liberalization. He concludes by providing solutions that can enable Ghana to overcome the challenges of economic growth and development. He advocated that there is the need for Ghana to adopt a strong leadership as has been the case of Malaysia, strengthen its human capital by building strong educational systems, as well as seeking measures that will boost both agricultural and industrial expansion (as in the case of Malaysia) among others.

Indeed, Ghana is still faced with the factors identified by Tsikata (2007) as the major barriers to economic growth and development since the inception of the Fourth Republic which makes his work relevant for the study.

Ninsin (2007) in his chapter, *"Markets and Liberal Democracy"*, discusses the level at which the present market reforms in Ghana have advanced the growth of the liberal Ghanaian state. He suggested that an effective democratic society can be attained only on the foundation of a 'welfare compromise', that is, when there is an equilibrium between the provision of the welfare of the citizens and the demands of the market (Cited in Palma, 1997, p.292). In his view, the market can lead to wealth creation in general, however, it is incapable of promoting equity and justice. For him, market reforms have exacerbated the conditions of a significant

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section of the Ghanaian populace and consequently serving as a barrier to liberty, equity and justice – particularly when the state's intervention to correct the failures of the market is limited.

According to Ninsin (2007), Ghana's experiences with adjustments over the period, thus, demonstrates that it is limited in its ability to intervene to protect its citizens from the damages of market reforms, like the advanced economies do. Market reforms have worsened the conditions of several Ghanaians because the market is not efficient with regards to the creation of wealth for the state, thereby, serving as a barrier to building a democratic society. This is because, markets only lead to the generation of a small amount of wealth that is tremendously distributed unequally among the citizens – a situation that weakens their ability to participate in the governance process.

This work provides a fair assessment of market reforms in Ghana's Fourth Republic by discussing the benefits derived from its implementation and challenges faced, and also provides a possible solution to these challenges. However, even though the study sought to assess whether or not the market reforms have performed well in the liberal Ghanaian state, other reforms such as the abolishing of trade restrictions that was also implemented is barely mentioned.

Crawford and Abdulai (2009) in evaluating the Word Bank and IMF-sponsored poverty reduction strategies in Ghana show that the governance agenda within the World Bank and IMF-backed poverty measures adopted in Ghana do not represent a shift away from neoliberal ideas, but an organized process aimed at invigorating neoliberal triumphalism. They contended that the Poverty Reduction Strategy Papers (PRSPs) was touted by the IMF and World Bank as a homegrown development agenda.

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However, after years of implementation in Ghana, this does not represent an attempt to resuscitate an economy that has been so much harmed by adjustment programmes, but clearly depicting an uninterrupted fulfillment of earlier neoliberal transformations. In concluding, they cautioned that Ghana has embarked on neoliberal reforms for several years, which perhaps signals that the era of neoliberal policies in the country will not be ending soon.

Onyisi and Amoke (2018) argued that Ghana's condition after its encounter with the BWIs in 1983 was more pathetic, per their description. They argued that under SAPs, more than 130 state-owned enterprises were privatized. This development grossly affected the mining sector; a sector from which government generated most of its revenue. Subsidies on health, agriculture and education were abolished. The result of these was the loss of jobs of more than 20.05% Ghanaians, increased cost of living as well as a decrease in per-capita income. This ultimately promoted a "culture of poverty" and underdevelopment, reinforcing the argument that the IMF and World Bank policies contributed to the underdevelopment of Africa in general, and Ghana in particular.

Amoah (2020) demonstrates how the Corona Virus (Covid-19) pandemic has reinforced the dependency relations between African countries and the BWIs as well as how the African state is germane to the growth and development process of Africa, regardless of the opposing views of public administration literature and neoliberalism, using the Ghanaian experience. He observed that, although Ghana emerged as a significant political power in Africa after independence, it has now evolved into one of the countries in Africa that has largely been influenced by the IMF and World Bank's policies for a period of time – thereby, making it a "hollow state" (p. 1). For him, the hollow African states relies on entities such as IMF and

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World Bank, hence, these entities control their affairs (cited in Amoah, 2015). Amoah (2020) attributed the rise of the hollow state in Africa to neopatrimonialism and neoliberalism. The excessive privatization of many SOEs under the auspices of the IMF and World Bank is one of the indicators of the hollowing out of the Ghanaian state.

Again, the Covid-19 pandemic has pushed Ghana into the grips of the IMF due to the disbursement of about one billion dollars under the RCF to Ghana to fight the outbreak of the pandemic. African states including Ghana, therefore, have adopted unprecedented steps such as the provision of free electricity and water among others, to help shield their citizens from the dangers of the pandemic. This brings the African state to the center of development contrary to the views of neoliberalism and neopatrimonialism. He concludes by suggesting that if there is the need for the construction of the developmental state, then it is for two critical reasons. First, at the administrative level, it will solve Africa's over reliance on the markets for solutions to their problems. Second, at the praxis level, the realization of the state as critical to Africa must trigger the deployment of its capabilities for Africa's transformation. This will consequently lead to a better operation of the market and the state simultaneously towards Africa's development.

The suggestions by Amoah (2020) are very crucial for Ghana's development. This is because, the country has been overly dependent on the market and other interventions from the BWIs over the years. However, not much has been achieved from this. The realization of the state as a key instrument for development will enable the country to balance the operation of the market and the state to the benefit of Ghana.

2.6 The factors that necessitate Ghana's request for assistance from the BWIs

Indeed, one of the alternatives available for countries that are experiencing economic crises is to opt for assistance (either financial, technical or both) from the BWIs. As a result, several

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countries in the developing world have relied on the assistance from the BWIs for many decades, and Ghana is of no exception. It is, therefore, imperative for this research to examine the factors that necessitate Ghana's request for assistance from the BWIs.

Aryeetey and Kanbur (2017) as well as Boafo-Arthur (1998) provide a very useful insight regarding the events that led Ghana to the reform programmes of the BWIs. They observed that, Ghana (formerly Gold Coast) adopted a Ten-Year Development Plan from 1920-1930 under the governance of the British. During this period, economic activities were largely dominated by international trade as opposed to internal growth. For them, concerns over the changing global market price of cocoa which constituted a greater portion of the government's export at the time, compelled the government to diversify agricultural exports. There was also a significant improvement in transportation infrastructures that boosted international trade. In spite of all these attempts, economic growth and development still remained a major headwind for the colonial administration – partly caused by the Great Depression and lack of financial assistance from the British government.

Furthermore, Aryeetey and Kanbur (2017) argued that in 1957, Ghana, led by Dr. Kwame Nkrumah gained independence from the British government. The Nkrumah regime was able to implement socialist-oriented economic practices as a result of the gains from cocoa exportation. However, the over reliance on cocoa exports, which was hit by a global price reduction during the early part of the 1960s crippled the government's ability to continue with its socialist' policies. The CPP government was also chastised by the private sector individuals for its involvement in the market with such measures as import and price controls. In addition, the regime was severely criticized for adopting economic practices that were favorable to foreign investors but detrimental to its political opponents, all of which resulted in its overthrow (Aryeetey and Kanbur, 2017).

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When the NLC led by General J. A. Ankrah toppled the Kwame Nkrumah's regime, they took charge of the country's administration. However, this new regime and subsequent ones did little to overturn the economic crises of Ghana and the PNDC was of no exception. For Boafo-Arthur (1998), the PNDC was confronted with several setbacks including a downturn in the output of cocoa, timber and gold; a huge external debt; maladministration; bushfires and drought among others.

In the view of Aryeetey and Kanbur (2017), the PNDC administration paid so much attention to attaining economic independence through the improvement of the agricultural sector, at the expense of other sectors. As a result, industrial infrastructure and capacity developed by the previous regimes were largely sluggish. Consequently, with this sector of the economy performing inefficiently, coupled with the inability of government policies to arrest the general economic and political instability, Ghana was confronted by commodity shortages and surging inflation rates. These unfavorable economic circumstances compelled the PNDC regime to request for assistance from the BWIs in 1983, which has since being used as a foremost point of reference regarding the relations between Ghana and the BWIs (Priscilla, 2019), before the inception of the Fourth Republic.

Undeniably, the works of Aryeetey and Kanbur (2017) together with Boafo-Arthur (1998) highlights the unfavorable economic conditions that necessitated Ghana's request for assistance from the BWIs before the inception of the Fourth Republic, making them significant for the present study.

Priscilla (2019) examines the relationship of Ghana with the BWIs from 2001 to 2019. She postulated that after decades of adjustments, Ghana was yet again plunged into political and economic instability in 2001. The country, therefore, was regarded as a highly indebted poor

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country (HIPC) – a program of the IMF and World Bank intended to decrease the external liabilities of countries with severe poverty.

Within that period, the improvements Ghana achieved with the previous reform programmes had completely eroded. Severe exchange rate depreciation, high inflation and very low external reserves left the economy in deep crisis. This crisis was also partly caused by high debt service requirements which had negative consequences for the budget and balance-of-payments. In an attempt to overturn the economic woes facing the country, the newly elected administration, New Patriotic Party (NPP), decided to join the debt relief package under the HIPC programme – a move that generated intensive public outcry. Indeed, most Ghanaians had the notion that the country had lost its accolade of being the inspiration of Africa to being a very poor country. Whereas others became alerted of the implications of 16 years of IMF and World Bank's policies towards the development of Ghana and thought that Ghana had fallen into the shackles of the BWIs and needed to free itself from these institutions (Priscilla, 2019).

Priscilla (2019) further observed that in 2013, external shocks, policy slippages and a surging interest cost frustrated the NDC administration's efforts of attaining fiscal consolidation. This problem persisted till mid-2014. In fact, within this period, Ghana's net external reserves position had significantly deteriorated. The rapid depreciation of the exchange rate led to inflationary pressures. Undeniably, these macroeconomic challenges occurred vis-à-vis the issuing of the Eurobond and a short-term credit facility borrowed by the Cocoa Board (COCOBOD). However, public debt still rose at an unsustainable rate. As a result of this, Ghana opted yet again for the IMF Three-Year Extended Credit Facility (ECF) to ameliorate the severe economic woes.

Priscilla (2019) provides a very crucial insight about Ghana's relations with the BWIs under the Fourth Republic, specifically, from 2001 to 2019. However, she failed to acknowledge the

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impact of these institutions toward the development of Ghana. This work, therefore, will address this challenge by assessing the impact of the IMF and World Bank on the development of Ghana.

More recently, the outbreak of the Covid-19 pandemic compelled Ghana to opt for a loan from the IMF. As a result, the IMF has disbursed about one billion dollars under the Rapid Credit Facility (RCF) to Ghana, to help combat the negative consequences of the virus. This loan has enabled the NPP government to provide essential services such as free water and electricity to Ghanaians (Amoah, 2020).

2.7 Conclusion

In the literature reviewed above, one significant trend that the scholars have come to consensus with is that the results of the activities of the BWIs in Africa have been mixed over the period, although the overarching results have largely been negative. These include: massive loss of jobs as a result of excessive privatization, high levels of inflation, abject poverty, loss of industrial capacity and over dependence on external financial aid (Kraus, 1991; Boafo-Arthur, 1999; Ismi, 2004; Tsikata, 2007; Mawere, 2018; Twumasi-Baffour, 2019). This makes the effects of the BWIs to the development of Ghana under the Fourth Republic central to the study because these effects still persist and keep worsening (Ninsin, 2007).

Furthermore, the literature reviewed demonstrates that the relationship between Ghana and the BWIs remains largely unchanged, thus, the country has long depended and continue to depend on these institutions for assistance over the years. This leads to a situation whereby public policy formation in Africa is dominated by neoliberal ideas. (Amoah, 2011; Crawford and

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Abdulai, 2009; Twumasi-Baffour, 2019 and Amoah, 2020) as well as the inability of Ghana to shield its citizens from the adverse effects of market reforms (Ninsin, 2007).

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CHAPTER THREE

THEORETICAL FRAMEWORK

3.1 Introduction

The theories that will underpin this research are neoliberalism and Critical Theory. The choice of these theories is based on a number of factors. One of such factors is that neoliberalists' thoughts and practices have become an integral part of the operations of the BWIs and implemented across sub-Saharan Africa and other developing countries including Ghana (Bakre, 2008). Thus, the use of this theory will help us to understand the BWIs interactions with sub-Saharan African countries in general and Ghana in particular. In light of this, Critical Theory will, therefore, be deployed to expose the trajectory and impact of neoliberalism on Ghana.

3.2 Neoliberalism

According to Saad-Filho and Johnston (2005), the social and economic woes that took hold of Western European nations in the 1920s – characterized by a downturn in growth rates, sharp increase in inflation and massive unemployment – created the foundations for the neoliberal drive to begin to flourish (Cited in Amoah and Quame, 2021). Free markets (and its accompanying set of prescriptions including a subsidized healthcare, retrenchment and pensions among others), therefore, emerged as an unquestionable alternative to the interventionist state. Hence, within that period, Western European countries begun to overhaul their economies and societies in light of free markets, which saw a shift away from the philosophies that accounted for the social and economic quagmire (Amoah and Quame, 2021).

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A group of European liberals, most notably, Friedrich von Hayek; therefore, proposed a new kind of liberalism, "neoliberalism" which would maintain laissez-faire markets and at the same time, adding a role for what they considered as a minimal state. This minimal state would ensure that private property is protected, maintain order, and to shield the poor. Despite its anti-state rhetoric, neoliberal policies did not intend to abolish the state, but rather forge a new one (a powerful state) – that can create and sustain a minimal state. Liberal scholars observed that, only powerful states can implement policies such as deregulation, abolishing trade barriers and making "austerity" budget cuts to areas like education and healthcare (Bockman, 2013).

Indeed, various scholars such as Springer et al (2016) have maintained that neoliberalism means different things to different people in the sense that it has been altered into varied components as it moved around the globe. Therefore, the meaning and practice of the term have evolved over time (Boas and Gans-Morse, 2009). Neoliberalism can be viewed from two perspectives; an approach to government as well as an important political movement that has influenced policies across the globe since its evolution (Bockman, 2013). Undeniably, virtually all states in this contemporary era have accepted some form of neoliberal ideas; either willingly or through forceful means, and have implemented at least some neoliberal policies (Harvey, 2005). Smith (2019) has argued that neoliberalism can be construed as an ideology that puts emphasis on the value of free market competition. He further posited that there is no consensus about the defining features of neoliberal thought and practice, however, it is often linked with laissez-faire economics.

For Harvey (2005, p. 2), neoliberalism is "a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong property rights, free

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markets and free trade". And on the part of Overbeek and Van Apeldoorn (2012, p. 5), neoliberalism could be described as "a mix of liberal pro-market and supply side discourses (laissez-faire, privatization, liberalization, deregulation, competitiveness) and of monetarist orthodoxy (price stability, balanced budgets, austerity)".

According to Amoah (2011), the global spread of liberal policies can be seen as a neoliberal public policy formation project that garnered momentum after the victories of Margaret Thatcher and Ronald Reagan in 1979 and 1980 respectively. For him, these two administrations had their neoliberal policies widely accepted both locally and internationally. He further observed that the collapse of the Soviet Union (SU) in the 1990s coupled with the subsequent reliance of Russia on experts from the International Monetary Fund (IMF) for policies to rescue the country from its economic woes, was an indicator that the ideological struggle regarding the role of the state and the market appeared to have been resolved in favor of the United States (US) and its associates. The neoliberal creed, therefore, enjoyed global dominance until the global financial crunch in 2008 put its ideas in doubts.

The spread of neoliberal practices in Africa can be attributed to the efforts made by a host of institutions (including academic institutions, the media, foundations, journals, as well as incentives) to ensure that neoliberalism brooks global dominance (Amoah, 2011). This project begun in the early 1980s, after several African countries gained independence. Indeed, within this period, several African countries were experiencing severe economic headwinds caused by political instability, unstable global commodity prices and huge debts. Specifically, the sudden surge in oil prices in the 1970s consequently led to huge debt distress for Africa, for developing countries were compelled to contract loans to overcome their woes. Therefore, as the majority of African countries were compelled to turned to the IMF and World Bank for

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assistance, it provided an ideal opportunity for neoliberals to begin to promote their ideas in Africa (Amoah and Quame, 2021).

Undoubtedly, through the activities of the IMF and World Bank, neoliberal thought and practice came to be entrenched on the African continent in the 1980s. This point has been captured well by Amoah (2011), who argued that, "these two institutions in particular have served as the key vectors of neoliberal ideas in Africa and have been particularly successful at this in the last three decades." (p. 334). He further indicated that, as African countries were pushed into the grips of the IMF and World Bank, neoliberal thinking took a center-stage in the public policy formation of African states with policies such as retrenchments, privatization and deregulation among others.

In Ghana particularly, efforts to entrench the neoliberal agenda begun in the post-independence period, under the Provisional National Defense Council (PNDC) in the 1980s, when the country was severely suffering from economic and political instability. To illustrate this point, the country was experiencing the following setbacks: an astronomical reduction in the production of cocoa, timber and gold which led to the plummeting of the prices of these commodities; the decimation of industrial capacity; an enormous external burden of over one million dollars; severe bushfires and drought which led to a disastrous famine; excessive corruption, and over-staffing of public entities among others. In the face of all these hardships, attempts by the PNDC government to overturn the downward economic spiral proved largely unsuccessful, and this compelled the regime to resort to the IMF and World Bank for assistance (Boafo-Arthur 1998; Hutchful, 2002). These were the conditions that pushed Ghana into the grips of the IMF and World Bank, and therefore, a target for the propagation of neoliberal thinking in the country. Hence, since that period, neoliberal thought and practice became increasingly

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stitched in the policy formation of Ghana and is still largely present. The supremacy of neoliberalism in Africa is a function of the dependency relationship between the postcolonial African state and International Financial Institutions (IFIs). In essence, the momentum that neoliberalism garnered in Africa over the period is as a result of the continent's poverty (Amoah, 2011).

3.2.1 Features of Neoliberalism

The features of neoliberalism are often linked with the policy prescriptions of the Washington Consensus. These policy prescriptions established mainly by the IMF, World Bank and the United States Treasury Department in Washington, were regarded as the acceptable policies for Third World countries. Indeed, the IMF and World Bank adopted these economic policy prescriptions as the conditions attached to loans for developing countries, (Williamson, 2004). As stated by Amoah (2011), in Ghana, these economic policies featured prominently in much of its public policy formation since the 1980s. Some of these policies include the following:

3.2.1.1 Privatization

Just like traditional liberalism, proponents of neoliberalism are of the view that privatization of the markets leads to the greatest optimal outcomes. This is because of their view that public possession of resources is not effective (Boyce, 2020). Privatization refers to a comprehensive set of measures through which previously performed activities of government is shifted to private individuals in various levels (Ayee, 1989). In the view of Amoah (2020), privatization in Ghana evolved to symbolize the passing over of entities owned by the state, typically industrial concerns, to private investment.

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3.2.1.2 Deregulation

Ezirim et al (2016) offer a very precise definition of deregulation. For them, "deregulation is a systematic and deliberate activity wherein government through legislation withdraws its regulatory role of determining what is to be produced, when it is produced, how it is to be produced and how it is distributed in the state, thereby allowing the forces of demand and supply to play this vital role in an economy" (pp. 1519). Neoliberals are of a strong belief that governments should not be involved in the activities of the market because their interferences in the market will affect the forces of both demand and supply, resulting in either the undersupply or oversupply of resources (Boyce, 2020).

3.2.1.3 Removal of Subsidies

A subsidy is an assistance given directly or indirectly to a person, group or an organization, generally by the government, in order to avert some form of a burden. Subsidies are usually provided for the benefit of the collective society and can be in the form of cash payment or tax decrement (Scott, 2020). Myers (1998) defines a subsidy as a form of a fiscal assistance provided to an economic sector, either a business or an individual, with the aim of achieving economic and social policy. However, proponents of neoliberalism advocate for the abolishment of subsidies in areas such as healthcare, housing, agriculture and education. This is because, they consider subsidies as dangerous to the efficient functioning of the market and also leads to the diversion of resources from more efficient uses to less efficient ones (Scott, 2020).

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3.2.1.4 Free Trade

Free trade is regarded as one of the fundamental features of neoliberalism as it is strongly advocated for by neoliberals (Gertz and Kharas, 2019; Dieter, 2012). It is the elimination of restrictions on trade (both tariff and non-tariff) among countries (Acharya, 2016). Under a free trade agreement, there is a free flow of goods and services among countries with little or no government's restrictions (Barone and Scott, 2020). Indeed, neoliberals are of the view that free trade is essential to the global economy as it facilitates economic growth and eradicates poverty among countries (Moe-Lobeda and Spencer, 2009; Worstall, 2012). Also, proponents of neoliberalism denounce protectionism because they consider it as inimical to customers and stifles investment (Milton and Rose, 1997).

3.2.2 Importance of Neoliberalism

With the aid of such IFIs as the World Bank and IMF, neoliberal policies have shaped the policy formation of governments across the globe, including Ghana. Neoliberal thought and practice have led to the following benefits:

To begin with, neoliberalism promotes higher investment. This is because, with the absence of government's interference in the market, private investors (both local and foreign) are encouraged to invest in the market. In addition, the practice of free trade among countries reduces the cost of goods and services. This is as a result of the abolishment of trade barriers including quotas and tariffs which consequently reduces the amount of money that a consumer pays for a particular product or service. Simultaneously, this leads to competition which compels domestic companies to lower their prices in order to survive in the market. Furthermore, the limited role of governments in the markets reduces the amount of taxes citizens are being charged, thereby, maximizing their choices of consumption (Boyce, 2020).

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3.2.3 Criticisms of Neoliberalism

Regardless of the importance of neoliberalism, it is not without criticisms. Apparently, after the global economy came tumbling down in 2008 in a shocking fashion, the effectiveness of neoliberalism as a theory and ideology was strongly challenged. Within this period, states in the advanced countries had to craft measures to salvage internationally dominant companies. As a result, the philosophies and ideals of market fundamentalism became vulnerable for attacks by most scholars (Amoah, 2011). This period also marked an escalation of sharp rebuttals to neoliberalism (Pradella and Marois, 2015). Those who were at the forefront of the crusade against the theory were mostly academics, civil society organizations (CSOs), opinion leaders and even journalist among others (Amoah, 2011; Laurie and Grealy, 2017). The following are some of the criticisms leveled against neoliberalism:

First, critics of neoliberalism such as David Harvey (2005) maintained that the theory breeds imperialism indirectly – a situation that results in the exploitation of resources from third world countries using financial means. This, according to him, is facilitated by international financial institutions (IFIs) such as the IMF and World Bank who negotiate loan agreements that satisfy the interest of developed countries with developing economies. In essence, neoliberal policies have empowered Western countries to control the affairs of developing countries indirectly.

Second, critics of neoliberalism, specifically Baptist (2021), have widely opposed neoliberals' belief in the market to operate efficiently on its own and to provide solutions to most economic and social problems. For them, market fundamentalism does not offer efficient answers to most societal and economic challenges constantly (Baptist, 2021). In addition, some opponents of

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neoliberalism are of the view that market fundamentalism breeds a culture of disregard for public goods (Holmwood, 2014).

Third, the neoliberal policy of privatizing several State-Owned-Enterprises (SOEs), particularly, health institutions, has come under serious condemnation. For the neoliberals, the control of state enterprises by the government brings about the mismanagement of resources, leading to inefficiencies (Scott, 2020). They, therefore, advocated for the privatization of many state enterprises in the various sectors of the economy, including the healthcare sector. In effect, the control of several state institutions was shifted to private hands and the result of this was the lack of funds for many healthcare institutions which seriously undermined public health and democracy in several developing countries (Rowden, 2009). Furthermore, privatization of state enterprises in many African countries including Ghana, has seriously affected the industrial capacity of sub-Saharan African countries (Amoah, 2020).

Lastly, Tsikata and Kerr (2002) are of the view that the removal of subsidies in Africa seriously affected the living conditions of mostly women, children, elderly and the disabled; who are already in the midst of economic crisis and diseases (Cited in Bond, 2005).

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3.3 Critical Theory

Critical Theory is a social theory that aims at critiquing and transforming society in general, unlike a traditional theory that concentrates only on describing a particular society. Indeed, the critical approach provides an in-depth analysis of social life to expose the beliefs that prevents individuals from a true reflection of how the world operates (Crossman, 2020). For Fuchs (2015, p. 1), "Critical Theory is an approach that studies society in a dialectical way by analyzing political economy, domination, exploitation, and ideologies". Critical Theory, therefore, can be construed as a theory that offers a criticism of the existing status quo of a given society. This theory has its ontological foundations in the works of the Institute for Social Research (*Institut für Sozialforschung*) in Germany in the 1920s (Mills et al, 2012).

Scholars of this institution such as Max Horkheimer, Theodor W. Adorno, Jurgen Habermas and Herbert Marcuse among others who were influenced by the works of Karl Marx developed the critical perspective that became known as the Frankfurt School (Thompson, 2017). However, since its emergence, it has been developed into a more broader and various strands. Capitalizing "Critical Theory" denotes the earlier version related to the Frankfurt School, whilst "critical theory" refers to, among others, the broader critical theories in social sciences including feminism and critical realism (Mills et al, 2012). This work, therefore, deploys the Critical Theory as one of its frameworks.

Horkheimer postulates that Critical Theory has two significant tasks: first, it must approach society from a historical perspective and second, it must seek to provide a comprehensive critique by integrating views from all social sciences. In addition, he contends that Critical Theory should be explanatory, practical and normative at the same time. The theory must,

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therefore, provide a robust description of the problems pertaining to society, suggest pragmatic remedies to mitigate the problems, and carefully apply the norms of criticisms conventional to the field (Crossman, 2020).

Critical Theory has six dimensions, three of which are related to the study. The first dimension is that it deploys dialectical reasoning as a tool for analysis which helps to expose contradictions in modern societies (Fuchs, 2015). As Box (2005, p. 11) rightfully observes, "Critical Theory is intended to identify contradictions between what is and what might be, and to show the potential for constructive change". "In a dominative society (such as capitalism), contradictions cause problems and are to a certain extent also the seeds for overcoming these problems" (Fuchs, 2015, p. 5).

The second dimension is that Critical Theory is a critique of domination and exploitation. Critical Theory interrogates all views that rationalize subjugation and exploitation. In addition to its preference for self-determined, participatory and just democracy, the theory intends to reveal that a good life is attainable for all, and that domination and exploitation defeat that purpose. Thus, Critical theory aims at making society aware of its prospects and potentials (Fuchs, 2015).

Lastly, Critical Theory can be viewed as a critique of ideology. Although ideologies are often presented as historical and not transformable, the theory seeks to expose that the existing status quo is a product of human's social relationships that can be altered. Thus, the Critical Theory intends to make individuals cognizant of their challenges in society and the sources of these challenges. As Karl Max (1997) puts it, the theory aims to bring "problems into the self-

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conscious human form" (p. 214). Debates such as 'there is no substitute for capitalism, neoliberalism and competition among others" ignores the social nature of society and paints a picture that the outcome of social interaction cannot be transformed (Fuchs, 2015).

3.3.1 Importance of Critical Theory

The critical approach has value for the present study. First, the critical perspective would engage the power and dependency relationship between Ghana and the BWIs and the implications. In addition, this approach will uncover the specific contradictions embedded in the neoliberal ideology. Lastly, by stressing on the power and dependency relationship between Ghana and the BWIs and the implications, this approach will be utilized to suggest ways for fresh directions in contradistinction to the status quo.

3.3.2 Criticisms of Critical Theory

However, just like other schools of thought, Critical Theory is not without weaknesses. For instance, Jay (1996, p. 41) draws our attention to the argument that the theory is "a gadfly of other systems", rather than advancing a particular ideology or theory. This means that, for him, Critical Theory merely criticizes other schools of thought without appropriately suggesting useful alternatives, usually posing only upsetting questions. Similarly, the theory has been rebuked by Corradetti (2020) for failing to provide a clear framework for political action (praxis), usually rejecting any possible remedy offered by other philosophical ideas.

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3.3.3 Conclusion

To conclude, this section has given an account of neoliberalism, its origin, features, importance, as well as its criticisms. Indeed, proponents of neoliberalism make arguments that are central to the activities of the IMF and World Bank and also related to the study. It also presents Critical Theory and how it will serve as the basis of analysis for neoliberalism. These theories, therefore, are essential for the study.

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CHAPTER FOUR

RESEARCH METHODOLOGY

4.1 Introduction

This chapter discusses the research methodology as well as the procedures that were used to carry out the study. Research methods can be defined as the specific steps or methods performed in order to make an inquiry about a given topic. This aspect of a research, therefore, deals with how a particular set of data was gathered and analyzed (Potgieter, 2017). The research methodology, on the hand, is an in-depth analysis of the research methods in order to address a particular problem. An appropriate methodology, therefore, guides a researcher to carefully select a method that is suitable for his or her study (Kothari, 2004). In the view of Denzin and Lincoln (2005), the nature of the research questions determines the choice of a particular methodology that is suitable for any type of study. Precisely, this chapter will deal with the research design, sampling, sources of data collected, steps used to gather the data, data analysis and presentation, ethical considerations that the researcher followed to collect the relevant data, as well as the limitations of the study.

3.2 Research Design

A research design refers to the blueprint or general strategy that determines the processes a researcher adopts to collect and analyze a given set of data in order to satisfy the research objectives (Zikmund, 1988). In essence, the research design assists the researcher to achieve the objectives of the study and to address the research problem at the same time. The fundamental aim of a research design, according to Yin (2009), is to ensure that the evidence provided answers the research problem satisfactorily.

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In this study, the qualitative research design was adopted because it is appropriate for responding to the research questions. Hennink (2020) argues that the qualitative approach enables the researcher to gain valuable insights from the perspective of the study participants of the researcher and understand the meanings and interpretations they ascribe to a particular behavior, events and objects. This means that the approach seeks to explore and understand the meanings that individuals assign to a given phenomenon. Qualitative researchers are concerned about the understanding of the meaning people have constructed, thus, how people construe their world and the experiences they have in the world (Merriam, 2009).

According to Rossman and Rallis (2011, p. 4) "qualitative researchers seek answers to their questions in the real world. They gather what they see, hear and read from people and places and from events and activities. They do research in natural settings rather than in laboratories or through written survey. The purpose is to learn about some aspects of social world and to generate new understanding that can be used".

Indeed, qualitative research design is very significant for social science researches. One of such significance is that qualitative research approach results in a comprehensive explanation of respondents' feelings, thoughts and experiences; and interprets the meanings of their actions (Denzin, 1989). The use of qualitative method in this study will, therefore, help in gaining and providing a better understanding of the evolution and effects of the BWIs on the development of Ghana. Regardless of the importance of qualitative research design, it is not without limitations. For instance, it has been criticized because of participant reactivity. Participant reactivity is the tendency for people to behave differently when they are being observed. That

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notwithstanding, qualitative method was the most suitable design for achieving the objectives of the study.

3.3 Data Collection

Data collection is an integral part of any academic research. For the purpose of this study, the data was derived from both primary and secondary sources. The primary data was collected from participants through in-depth interviews. The researcher adopted a semi-structured interview guide to conduct in-depth interviews from the following selected interviewee institutions: Ministry of Finance and Economic Planning (MoFEP), the Institute of Economic Affairs (IEA), Institute of Statistical, Social and Economic Research (ISSER), the IMF office in Accra, as well as other scholars from the University of Ghana Business School (UGBS) and the Political Science Department who can speak to the subject matter.

Information was gathered from academic papers, journals, articles and books written on the topic. Other relevant information was collected from useful websites of the Bretton Woods Institutions (the IMF and World Bank). The study also made use of news media and press releases to obtain information from government officials pertaining to the research questions. In addition, the study consulted books relevant to the subject matter from the Balme Library, Political Science department library, Legon Centre for International Affairs and Diplomacy (LECIAD) and other important libraries.

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3.4 Sampling

The study adopted the purposive/judgmental and snowball sampling methods to obtain useful information from 11 respondents. Snowball sampling is a method in which "participants or informants with whom contact has already been made use their social networks to refer the researcher to other people who could potentially participate in or contribute to the study" (Mack, 2005, p. 5-6). Whilst purposive or judgmental sampling on the other hand is a strategy in which particular settings persons or events are selected deliberately in order to provide important information that cannot be obtained from other choices (Maxwell, 1996). Here, the researcher includes participants in the sample based on the researcher's knowledge. Pertaining to the nature of the study, the participants will be purposefully selected based on their expertise on the subject matter. Both of these techniques are non-probability sampling methods which were vital to the study. However, one limitation of these techniques is that they can sometimes lead to biases.

3.5 Data Analysis

Content analysis was used to analyze the collected data. The interpretation of what is contained (content) in a message is what is known as content analysis (Parveen and Showkat, 2020). It is a "method of analyzing written, verbal or visual communication messages" (Cole, 1988, p. 53). According to Virginia Wilson (2011), this method of analyses can be used for both quantitative and qualitative studies. For her, the content may be from books, manuscripts, drawings, photographs, recorded conversations, videotaped events, and messages on electronic mailings, as well as a wide variety of other sources. Through an organized grouping process of coding and identifying themes or patterns, content analysis is a "research method for the subjective interpretation of the content of text data" (Hsieh and Shannon, 2005, p. 1277).

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In essence, content analysis is the analysis of what has been said, written or recorded. Using this method of analysis can help to identify trends and themes in a given data. However, one problem associated with content analysis is that it is time-consuming (Parveen and Showkat, 2020).

3.6 Ethical Consideration

Ensuring the safety and integrity of individuals by adhering to certain ethical principles is very significant for any particular research (Orb et al, 2001). This means that a researcher who seeks to gather information with the intention of addressing a particular phenomenon in society, should stick to certain ethical issues at all times. Fouka and Mantzorou (2011), therefore, draw our attention to the fact that researchers ought to guard the integrity of their respondents and publish well the data that has been collected. As a corollary, the consent of participants was only obtained after the purpose of the study was carefully explained to them, and they had the freedom to decide whether to partake or decline.

In addition, the names and identity of respondents and interviewees was concealed during the process of data gathering, analysis and presentation of the research findings to ensure their confidentiality and anonymity. Other ethical procedures such as obtaining the agreement of the participants to record their answers; respecting the responses that they offer; using their responses only for the declared purpose; not asking biased questions; and acknowledging all sources for the research was strictly followed.

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3.7 Limitations of the Study

This study is not without limitations, just like other researches in the social sciences. The researcher encountered some challenges on the field whilst attempting to collect data for study. A fundamental challenge of the researcher had to do with the difficulty in getting participants to be interviewed. Some of the participants from the targeted institutions were feeling reluctant to participate in the interviews, claiming that they had very tight schedules. Others who had initially scheduled meetings with me for the interviews, failed to honor their promises, for reasons such as the outbreak of the Covid-19 pandemic.

Another limitation of the study has to do with its generalizability. Indeed, the qualitative research design adopted in the study makes it difficult to make any scientific generalizations. As Myers (2000, p.3) argued, "despite the many positive aspects of qualitative research, studies continue to criticize it for its lack of objectivity and generalizability". However, it is important to state that the qualitative research design was selected because of its ability to provide a thorough explanation of Ghana's interactions with the IMF and World Bank in the Fourth Republic. Regardless of the challenges stated above, the researcher took steps to ensure that the quality of the work was not compromised.

3.8 Conclusion

In this chapter, the methodology used for the study is appropriately presented. The chapter discussed the research design, sampling technique, sources of data collected. In addition, the chapter outlined the steps used to gather the data, data analysis and presentation, as well as the ethical considerations followed. Finally, it presented the limitations of the study. This chapter, therefore, provides the groundwork for the subsequent chapters.

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CHAPTER FIVE

DATA PRESENTATION, ANALYSIS AND DISCUSSION

5.1 Introduction

This chapter presents and analyzes the data collected from the field with the purpose of answering the research questions as well as achieving the objectives of the research. It does so, within the context of the existing literature on Ghana's experience with the IMF and World Bank. The discussions are presented in themes and sub-themes that were developed from the transcribed interviews. Based on the objectives of the study, this chapter discusses the nature of Ghana's interactions with the IMF and World Bank under the Fourth Republic, the factors that underpin these interactions, how it has evolved, the possibility of Ghana weaning itself from the BWIs and the measures to take advantage of their interactions. It also discusses the impact of these institutions on Ghana's development in the Fourth Republic. Finally, this chapter will provide the basis for drawing appropriate conclusions and recommendations in the subsequent chapter.

5.2 The Nature of the Relationship Between Ghana and the BWIs in the Fourth Republic

Undoubtedly, the nature of the relationship between Ghana and the BWIs is a complex one. Some of the major characteristics of the relationship between Ghana and the BWIs in the views of the respondents for the study include the following:

5.2.1 A Dependency Relationship

All the respondents for the study were of the view that the relationship between Ghana and the BWIs can be described as a dependent one. Thus, the respondents unanimously iterated that Ghana's interactions with the IMF and World Bank constitute a dependency relationship,

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where the country heavily relies on these institutions for financial assistance. For instance, an official at the Ministry of Finance and Economic Planning (MoFEP), maintained that although there are alternative sources of external financial assistance available to Ghana, the country has over the years, been overly dependent on the IMF and World Bank's bailouts. This, in his view, is responsible for the country's huge indebtedness to these institutions. In addition, a respondent from the Political Science Department of the University of Ghana observed that there can only be a "cordial asymmetric relationship" between Ghana and BWIs, where the IMF and World Bank are more powerful and influential. He added that Ghana's relationship with the BWIs has never been on equal terms, and the country is always at the receiving end of their engagements with each other. Certainly, the responses of the respondents corroborate the argument of Amoah (2015) who makes the case that the states in Africa, including Ghana, form a dependent relationship with external entities such as the IMF and World Bank, who in turn, regulate the activities of these countries.

5.2.2 The domination of Public Policy Formation by Neoliberal Ideas

Public policy formation in sub-Saharan Africa in general and Ghana in particular, is dominated by neoliberal ideas. As has been revealed by the data collected, the design of economic policies in Ghana is largely influenced by neoliberal thinking. Majority of the respondents agreed to this fact and contended that the political landscape in Ghana, ceases not to witness the implementation of neoliberal policies. Respondents from the Institute of Economic Affairs (IEA), the University of Ghana Business School (UGBS), the Institute of Statistical, Social and Economic Research (ISSER) and the Political Science Department all bemoaned how neoliberal thinking has taken center-stage in public policy formation in Ghana, and the potential consequences of these policies on the Ghanaian economy. For instance, a respondent from ISSER made the following remarks:

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> *All the regimes that came after the overthrow of the Nkrumah's administration in 1966 have in one way or the other, allowed dominant international financial institutions (IFIs) such as the IMF and the World Bank to determine the framework within which the country's economic policies and programs are designed. The results of this is an economy that is one of the most liberalized in sub-Saharan Africa (Field Note, 2021).*

This view was further reinforced by a lecturer at the Political Science Department, who also made the following assertion:

> *They (IMF and World Bank) largely influence public policy formation in Ghana. No finance minister since Kwesi Botchwey has prepared a budget without going to the IMF and World Bank, especially the IMF. So, they heavily influence our policy direction. Even if we want to go one direction, when we go to Washington and they draw our attention to certain issues, we leave our direction and follow them. And to the extent that President Mahama stated in 2014 that Ghana had to go the IMF for policy credibility tells you the amount of power these institutions wield over our public policy (Field Note, 2021).*

The opinions of the respondents above are strengthened by Amoah (2011) who assesses the neoliberal agenda in Ghana and Africa at large by concurring with the assertion of Crawford and Abdulai (2009) that the activities of the IMF and World Bank in Ghana are a concerted scheme to consolidate the supremacy of neoliberal ideas. Indeed, Amoah (2011, p. 334) draws our attention to the fact that since the 1990s, "the neoliberal policy paradigm had taken hold in African countries as the most dominant and in the period in question, policy narratives in Africa have come to be decidedly marked by concepts such as – among others – down-sizing, retrenchment, contracting out, efficiency, institution building, privatization, and public-private partnership".

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5.3 The Factors that Account for Ghana's Relationship with the BWIs

The respondents for the study made efforts to identify some of the factors that contribute to Ghana's continuous relationship with the IMF and World Bank in the Fourth Republic. Through the data collected, the following emerged as the factors that underpin Ghana's relationship with the BWIs in the Fourth Republic:

5.3.1 Economic Challenges

That economic challenge is the major factor enforcing Ghana's interactions with the IMF and World Bank is evidently manifested in the literature on Ghana's experience with the IMF and World Bank. Since the time that Ghana was compelled to seek assistance from the BWIs, several studies including Boafo-Arthur (1999); Konadu-Agyemang (2001); Hutchful (2002); Hilson (2005); Arthur (2006); Tsikata (2007); Ninsin (2007) as well as Aryeetey and Kanbur (2017) all attributed Ghana's request for assistance from the BWIs during the 1980s to economic headwinds.

Therefore, in line with this, on the field, the respondents for the study were asked if Ghana's engagements with the IMF and the World Bank in recent times could be attributed to economic hardships, and the results revealed that Ghana's relationship with the IMF and World Bank is still tied to the country's economic situation. This, they claimed, is evident in the country's continuous reliance on the IMF and World Bank's budgetary support. For instance, a lecturer from the Political Science Department of the University of Ghana stated that:

> *Budgetary bottlenecks and obstacles are a major driving force of the relationship that exists between Ghana and the BWIs. Every country would want to be in a position that it will be able to prepare a budget, and it came to a point where every year, Ghana would have to go the IMF first, before we can even contemplate on putting a budget*

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> *together. Budget here includes expenditure for the year, the revenue, volumes of trade and reserves. Ghana cannot do without the BWIs because the country's economy is so tied to the apron of the IMF to the extent that if you take our budget, there are certain provisions that are dependent on IMF and World Bank support. So, in every pre-budget, our officials always go to Washington to meet IMF and World Bank officials concerning our budget (Field Note, 2021).*

The argument that economic challenge is a major factor influencing Ghana's relationship with the BWIs is not in doubt. In fact, economic stress was and continue to be the major driving force of Ghana's relationship with the IMF and World Bank in recent times. To buttress this point, prior to Ghana's implementation of the Three – Year Extended Credit Facility (ECF) programme in 2015, for example, the economy of Ghana was in a very dire condition. This situation was as a result of the sudden surge in the wage bill and interest on debt repayments as well as poorly targeted subsidies. In addition, the severe energy crisis that gained notoriety within that period led to a sluggish growth in the industry and service sectors, all of which added to the woes of the NDC government. Economic growth, therefore, decreased by an astonishing 4.2 percent. The above economic challenges coupled with the inability of the Bank of Ghana's (BoG) policies to control inflation, compelled the NDC administration to seek for financial assistance and advice from the IMF (IMF, 2015; Francis, 2014). The IMF, thereby, approved the disbursement of about US$ 918 million to Ghana under the ECF.

Furthermore, the recent outbreak of the Corona Virus (Covid-19) pandemic in 2019 left a significant mark on the economy of Ghana and other countries in sub-Saharan Africa. As a result, the IMF provided about one billion dollars for the country under the Rapid Credit Facility (RCF) to mitigate the economic suffering that the pandemic had posed for the country

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(IMF, 2020). This enabled the government to provide free essential services for the citizens including free water and electricity.

5.3.2 History

The study revealed that the history between Ghana and the BWIs is considerable for explaining their current engagements. For example, a respondent at ISSER posited that another factor that can be attributed to Ghana's engagements with the IMF and World Bank in the Fourth Republic is their longstanding history. He maintained that, any assessment of the driving forces of Ghana's relationship with the IMF and World Bank in the Fourth Republic that does not take into account, the historical perspective, may not be complete. In his view, history is very significant for contemporary explanations. He further argued that one can trace our interactions with these institutions to the period that we gained independence from the British government. For him, Ghana has always been integral to the activities of the IMF and World Bank for at least six decades. The country, therefore, has had a longstanding relationship with these institutions that is always important to make reference to when discussing Ghana's relationship with the IMF and World Bank.

5.4 Have the Interactions Between Ghana and the BWIs evolved?

The respondents for the study had opposing views on how Ghana's relationship with the IMF and the World Bank has evolved. On one hand, some respondents argued that Ghana's interactions with the IMF and World Bank have not altered in any shape or form. On the other hand, some respondents were of the belief that the country's interactions with the IMF and World Bank have witnessed a considerable transformation. For instance, a respondent from the

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University of Ghana Business School argued that, the IMF and the World Bank have not altered their policy prescriptions in dealing with such developing countries as Ghana. He stated that:

> *Several decades ago, the BWIs claimed to have made changes to their policies in terms of their dealings with developing countries. This included the recognition of the state as instrumental to the development of Africa, as well as a shift from SAPs to PRSPs. However, several years down the line, it turned out that the claims of the BWIs were a mere rhetoric as most of their policy prescriptions to developing countries were still rooted in neoliberal ideas like the previous policies. So, for me, the fact that elements of neoliberal ideologies are still at play in Ghana in recent times indicates to me that there has not been any significant transformation in IMF and World Bank's dealings with the country (Field Note, 2021).*

This was further corroborated by an official at the IEA who iterated that Ghana's interactions with the IMF and World Bank have not gone through any critical transformation. For him, the county's economic decisions are still very much tied to teachings and ideals of the IMF and World Bank. He stated that:

> *So, if we are still dancing to the tune of the IMF and World Bank like we did several years ago, why then would I argue that there is a significant transformation in our relationship with these institutions? (Field Note, 2021).*

This is in contrast to the view expressed by an official at MoFEP who believes that the country's interactions with the BWIs have altered in the Fourth Republic. She maintained that Ghana does not strictly adhere to the dictates of the IMF and World Bank in recent times, as compared to the 1980s and the 1990s where the country's economic policies were strictly modelled against neoliberal ideas. Citing the National Health Insurance Scheme (NHIS) and the Free Senior High School (FSHS) policies which are clearly not in line with the neoliberal

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ideas of privatizing the health and education sectors respectively, she argued that Ghana does not strictly adhere to the principles of the IMF and World Bank and has been able to maintain some form of influence over her economic decisions in recent times, unlike several decades ago. Thus, she believed that Ghana's interactions with the IMF and World Bank have undergone some form of transformation.

To buttress her point, a respondent from the Political Science Department also argued that there has been some form of transformation in Ghana's engagements with the IMF and World Bank, although he acknowledged that majority of the citizens will not subscribe to that observation. He stated that:

> *After the overthrow of Nkrumah, the BWIs always had its way with successive governments including the National Liberation Council (NLC). But at least now, Ghana, somehow has a certain amount of leverage in dealing with these institutions. If you talk about the evolution of our relationship with the BWIs, I will say it depends on the government in power and the strength of our economy without the IMF and World Bank and how we can leverage that strength to negotiate for better conditions. But a lot of people will argue, and also even in the literature, that Ghana's relationship with the IMF and World Bank has not witnessed a considerable transformation. This is because, to the extent that we still run to them for financial assistance, indicates the state of our relationship with them (Field Note, 2021).*

Indeed, most contemporary studies that seek to analyze Ghana's engagements with the IMF and World Bank will side with the former view that the relationship between Ghana and the BWIs has not seen any significant transformation. To illustrate this point, Crawford and Abdulai (2009) and Amoah (2011) – among others – are of the view that the recent activities of the IMF and World Bank in Africa, particularly Ghana, should be seen as an element of the

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grand agenda by these institutions to perpetuate the neoliberal hegemony. Therefore, deducing from their assertion, one can make the point that the ongoing interactions between Ghana and the BWIs have not taken a different trajectory, but on course to assert neoliberal dominance.

5.5 The Possibility of Ghana Distancing itself from the BWIs

In 2015, the BWIs' advice to the NDC administration to place an embargo on public sector employment, for instance, caused severe hardships to several citizens. This compelled many Ghanaians to chastise the decision of the administration and demanded that it wean itself from the engagements of the BWIs (Ghanaweb, 2015). When the NPP took control of the country's administration in 2017, President Nana Addo made public pronouncements about his government's decision to end the IMF programme the NDC started. However, the government suddenly opted to extend the programme to 2018, although it denied consistently extending the programme (Joynews, 2017).

In light of the above, the respondents were asked about the likelihood of Ghana distancing itself from the IMF and World Bank and the results revealed that it is highly impossible for the country to divorce itself from the engagements of the BWIs. All the respondents were unanimous that considering Ghana's economic conditions with successive governments, no government in Ghana can do without the IMF and World Bank. For instance, an official from IEA had this to say:

> *I think that it will take radical leadership and a change of mind set for us to be able to wean ourselves from these institutions. The economy is run by human beings, and as human beings, once you know that you are going to get "cheap things" from somebody, you go for it. So, we have a culture in Ghana that we can spend irresponsibly because the IMF and World Bank will come and bail us. Therefore, if you ask me, I will say*

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chances that we will wean ourselves from the BWIs are very slim. President Kuffuor believed and actually worked hard to get us off the IMF, and thought he had done so after the HIPC initiative, only for us to be going back to the IMF and World Bank for policy credibility in few years later. I can tell you that no country, except may be the developed countries can do without them (Field Note, 2021).

In addition, a respondent at the MoFEP cautioned that, although the relationship between Ghana and the BWIs may largely not be favorable according to how one assesses our relationship with them, the IMF and World Bank are two institutions that are critical to our economy in terms of financial assistance. Therefore, Ghana needs to take the necessary steps to take advantage of our engagements with the IMF and World Bank, rather than calling for its separation from them.

The above responses are corroborated by Priscilla (2019) who believes that given the sequence of the country's engagements with the IMF and World Bank, it is less likely for the country to separate itself from the IMF and World Bank. For her, the nature of Ghana's economy has largely not transformed and is still prone to external shocks. To this end, she argued that the IMF and World Bank are inevitable to Ghana's developmental agenda.

5.6 The Impact of the BWIs on Development of Ghana

The impact of the BWIs on the development of Ghana has been discussed extensively in the literature. However, this debate is far from being settled. It is generally agreed that the impact of the IMF and World Bank on the development of Ghana is mixed. Therefore, the respondents for the study made efforts to identify some of the positive and negative impacts of these

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institutions on the development of Ghana. The responses are then supported with the available literature on Ghana's relations with the IMF and World Bank. Through the interviews conducted, the following emerged as some of the positive and negative impacts of the BWIs on Ghana's development:

5.6.1 Negative Impacts

5.6.1.1 The Health Sector

That the policies of the IMF and World Bank left a mauling effect on the health sector in Ghana is obviously not in doubt and very well documented in the literature. At the global level, the IMF and World Bank propagated that the privatization of the health sector, as well as a minimal government interference in the market was the surest way to go. This approach prohibited countries in the Global South to invest heavily in public health infrastructure and, consequently, the healthcare industry was deprived of funds. The result of this was deteriorating working conditions of health workers, which encouraged brain drainage and destabilized health conditions of Global South countries in general (Rowden, 2016). Similarly, Pfeiffer (2003) contended that the policies of the BWIs in Africa shattered domestic healthcare systems and affected the national control of health policies, which increased social inequality.

In relation to the above, the healthcare industry in Ghana was also not spared the negative consequences of the new policy agenda of the IMF and World Bank. As a result of the privatization of the healthcare sector, it evolved from a free health service under Kwame Nkrumah to a one that is largely oriented in the market approach, in which the limited health infrastructure available in the urban towns are always understaffed and congested (Amoah, 2020; Alatinga & Williams, 2014). In the view of Kusi-Ampofo et al (2015), as the Ghanaian

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state begun to give way to the market-oriented approach in the healthcare industry, it created a "cash-and-carry" system where the government ceased to provide subsidies for the sector. Under this system, user fees are now demanded from patients before they are attended to, unlike the previous universal healthcare system practiced in Ghana for several decades. As a result, the healthcare industry in Ghana is now characterized by an "acute shortages of drug, medical supplies and equipment and widespread poor quality of healthcare" (Alatinga & Williams, 2014, p. 367). This has exacerbated the inequalities in the provision of healthcare in the country.

As a corollary to the above, it became increasingly clear to BWIs and other international organizations that the "cash-and-carry' system had decimated the healthcare sector, and the only solution to this was an extensive reform. The NHIS, therefore, was established to tackle these problems (Kusi-Ampofo et al, 2015; Williams et al, 2017). However, access to healthcare under the NHIS policy since 2013 remained a serious challenge, which means that a large section of the Ghanaian population still had to contend with the "cash-and-carry" system operated in the health centers (Williams et al, 2017).

Regarding this issue, most of the respondents lamented on how the health sector in Ghana has been brought on its knees as a result of the activities of the IMF and World Bank. Commenting on this, a respondent from the IEA intimated that:

> *One of the negative legacies of the IMF and World Bank in Ghana and other countries in sub-Saharan Africa is manifested in the struggles of the healthcare sector. For me, in a developing country like Ghana where majority of the citizens are battling with*

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> *abject poverty, I think that privatizing the health and other sectors of the economy is not a good path to take. In fact, the privatization of the health sector has denied majority of the citizens, who everyday are struggling to even earn their daily bread, access to quality healthcare. Even the introduction of the National Health Insurance Scheme (NHIS) to address this situation, later turned out to be a mirage (Field Note, 2021).*

On his part, a lecturer at the University of Ghana Business School postulated that the health of each and every citizen of Ghana should be of a primary concern to any government in power. To this end, it is the responsibility of the state to ensure that people have equal and nonstop access to health facilities. He noted that:

> *If we want to operate our health facilities along the IMF and World Bank market-driven approach, I can tell you for sure that the conditions of the health sector will remain the same or even grow worse than what we are currently experiencing (Field Note, 2021).*

Finally, a respondent at MoFEP acknowledged the harm that the IMF and World Bank policies caused for the healthcare sector, including under-funded, insufficiently staffed, and poorly prepared health facilities in Ghana, although she believed that these policies were geared toward bringing about quality health care in the country. Therefore, she admonished the state to take appropriate and responsible steps to improve the conditions of the healthcare sector in Ghana.

5.6.1.2 The Manufacturing Sector

The manufacturing sector has also been identified as one of the sectors that has largely been affected by the IMF and World Bank policies. For instance, a lecturer at the University of Ghana Business school was of the view that the removal of trade restrictions has created a

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situation where several goods are imported into the country. This, according to him, has largely been detrimental to the manufacturing and industrial sector because most of the goods that are produced in Ghana usually cannot compete with the imported goods.

To buttress this point, a lecturer from the Political Science Department was of the view that most of the goods manufactured in Ghana do not have the capacity to compete with the imported goods because, these imported goods are usually cheaper than the ones produced locally. For him, unlike the local industries that do not receive much support and attention from the government, foreign companies are mostly supported by their governments, and this makes their goods less costly and of a higher quality. Hence, consumers in Ghana generally prefer imported goods to locally produced ones, which is detrimental to the manufacturing sector.

These views are corroborated by Nti (2015), who argued that competition from imported goods is one of the critical issues affecting industrial capacity in Ghana. He observed that a large chunk of the goods that are produced in Ghana are also imported into the country; most of which are often low-priced and of improved quality. For him, whereas some of these imported products are less-expensive because they are used goods, others are not expensive because producers usually enjoy subsidies from their states, unlike in Ghana where there is limited government support for industrialization because it is largely driven by the private sector. This can be attributed to the activities of the IMF and World Bank, who through their policies, prevented Ghana from pursuing policies that will shield its local industries. As a result, the industrial capacity in Ghana has not witnessed a considerable growth. To support this, Amoah (2019) postulated that the shifting of the manufacturing sector into private hands, devastated

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Ghana's industrial capacity which was visible in the sluggish growth of -0.8% chalked by the sector in 2014.

5.6.1.3 Decimation of the Agricultural Sector

Majority of the respondents bemoaned how the activities of the IMF and World Bank have negatively affected the agricultural industry. A respondent from the Political Science Department, for example, indicated that:

> *One area of policy that I think it has not helped with our situation is this subsidy withdrawal on agriculture. I can understand education and other things, but as for agriculture, I thought it was not a fair policy that they imposed on us. But we accepted and implemented it and I think we are suffering and paying the price for it. Our agricultural industry continues to be affected by this and is taking a very long time to take-off (Field Note, 2021).*

To support this assertion, a respondent from the IEA intimated that one of the sectors in Ghana that has suffered severely from the IMF and World Bank policies is the agricultural sector. In his view, the country's agricultural capacity has still not been successful as a result of the advice of the IMF and World Bank in the 1980s. For him, this can be attributed to the initial removal of vital subsidies on agriculture, which left a significant scar on the sector till today.

Similarly, a respondent from the MoFEP acknowledged the consequences that IMF and World Bank activities had on the agricultural sector. In her opinion, as a result of the policies of the IMF and World Bank, Ghana now imports a lot of its agricultural products such as rice and

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maize – a move that is detrimental to local farmers who find it very difficult to stay in the market. This, according to her, has negatively affected the agricultural sector.

These responses were not different from the view of a respondent at ISSER, who projected that it will take a lot of time and effort for the agricultural sector to stand on its feet, considering the degree of harm that the IMF, World Bank and their policies had inflicted on the sector. He suggested, therefore, that there is the need for government to commit more resources to the agricultural sector which is one of the major contributors to the Ghanaian economy.

The above explanations by the respondents are supported by Abdulai et al (2018), who argued that the Northern region that is largely driven by agriculture, for instance, used to be a net exporter of rice. However, Ghana's adoption of the IMF and World Bank policies such as the abolishment of public subsidies for the agricultural sector, coupled with the relaxation of protectionist policies on imports severely affected the ability of local growers to compete. As a result, the country now spends approximately US$ 500 million to import rice annually. This indicates that the IMF and World Bank policies have negatively affected the agricultural sector. Furthermore, that the IMF and World Bank policies have decimated the agricultural sector is evident in Ghana's yearly loss of about US$ 99.5 million to Burkina Faso as a result of the importation of fresh tomatoes, as reported by the Ghana National Tomatoes Traders and Transporters Association (GNTTTA) in 2018 (Ghana Business News, 2018).

5.6.1.4 Regional Inequalities

Some of the respondents were of the view that the IMF and World Bank policy prescriptions have strengthened regional inequalities in Ghana. For instance, a lecturer at the Political

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Science Department averred that the persistent poverty of the Northern regions as compared to the South, can be attributed in part to the policies of the IMF and World Bank several years ago. Demonstrating this, he argued that although the Northern regions, to a large extent, are underpinned by agricultural activities, the climate of these regions and the mode of farming are not favorable for cash crops such as cocoa. As a result, these regions were marginalized because the IMF and World Bank assistance were largely focused on the Southern regions that had the capacity to produce cocoa and other cash crops for exportation. This, in his view, reinforced regional inequalities in Ghana. Equally, a respondent at ISSER argued that the increasingly unequal distribution of economic resources among the different regions in Ghana is a manifestation of the failure of IMF and World Bank policies to address poverty in Ghana, although the eradication of poverty in developing countries has become embedded in their agenda.

The views held by the respondents above are substantiated by Abdulai et al (2018) who explained that although the North has less population as compared to the South, it holds almost 40 percent of the country's poor regions. They argued that the economic relegation of the North can be traced back to the colonial administration which, has since been aggravated by the activities of the IMF and World Bank. In their view, just like the way the colonial government preferred investing in the South as a result of its favorable climate conditions for export crops such as cocoa, the IMF and World Bank policies targeted regions that were considered favorable for export-led production to the disadvantage of the North. This was as a result of the idea that the North held no export-led production potential. Hence, as the region became neglected because of the IMF and World Bank approach, it was exposed to high levels of poverty which widened the inequality between the North and the South (Abdulai et al, 2018).

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5.6.1.5 Impact on Education

On this particular issue, most of the respondents were of the view that the education sector in Ghana was not also immune to the effects of the IMF and World Bank's neoliberal policies of privatization and subsidy withdrawal. Commenting on this, a lecturer at the Political Science Department stated that:

> *I must state that, overall, the IMF and World Bank have been integral to the economies of most African states and Ghana is of no exception. However, if you want to analyze the impact of these institutions on the development of Ghana sector by sector, you will see that their policy prescriptions have largely been detrimental to education in terms of access to and quality. But now, we are striving to revert back to providing free education in the country, especially at the Senior High School (SHS) level, and for me, it is highly commendable.*

On his part, respondent at ISSER observed that, soon after the country implemented the reform policies of the IMF and World Bank several years ago, the education sector was plunged into deep crisis. These included, among others, a severe decline in government support, dilapidating infrastructures in the various schools, rampant dropout as well as a decreased enrollment. For him, in recent times, all these challenges have compelled various governments in Ghana to embark on several reforms aimed at improving access to education in Ghana.

To buttress the above responses, Kuyini (2013) argued that the privatization drive of the IMF and World Bank oriented the education system in Ghana towards the market approach – a move that he considered as damaging to the education sector. In his view, in Ghana and other parts of Africa, "recent education reform goals have been influenced by the unavoidable storm of globalization and by the World Bank's modernist education policies around the Education for Knowledge Economy (EKE)" (p. 161). For him, although there has been an increase in

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educational spending in recent times, access to and quality of education in Ghana still remained a challenge. For instance, in 2009, enrollment of students into schools in certain parts of the country was abysmal, owing to the financial constraint that the reduced educational spending had placed on poor families in these regions. This, he argued, "subjugates national domestic priorities to a mirage of international credibility" (p. 173). There is, therefore, the need for the country to adopt different strategies to education that satisfy its priorities.

5.6.2 Positive Impacts

The impact of the IMF and World Bank on the development of Ghana is largely negative. Nevertheless, one can point to some positive impacts of these institutions on the development of the country as well. For instance, a respondent at MoFEP pointed to the fact that the IMF and World Bank have made considerable contributions to the country's Gross Domestic Product (GDP) growth. She argued that, as a result of the efforts of the IMF and World Bank, Ghana was able to record a significant GDP growth of about 5.5 percent in 2012, although this growth has since not been relatively stable. Also, a respondent at the Political Science Department posited that the IMF and World Bank have long been providing budgetary and financial support to Ghana, and this has helped the country to embark on infrastructural and other developmental programs. He further observed that, although poverty still remains a serious challenge among majority of the citizens, the IMF and World Bank have made significant efforts to reduce the poverty level in the country. Finally, a respondent at the University of Ghana Business school stated that the IMF and World Bank have made considerable contributions toward Ghana's fight against the recent Covid-19 pandemic through their various credit facilities.

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5.7 The Measures that the Country Can Adopt to Take Advantage of its Relationship with the BWIs for Development

Some of the respondents were of the view that the nature of our relationship with the IMF and World Bank undermines any strategy to take advantage of our engagements with them for development. Regardless, the following measures were identified by the respondents:

5.7.1 Avoiding Corruption

Corruption was identified as one of the obstacles standing on the way of the African transformational agenda. Some of the respondents, therefore, were of the view that if Africa generally and Ghana specifically is to be in a better position to benefit from its engagements with the IMF and World Bank, then there is the need for Ghana and Africa at large to take appropriate measures to tackle corruption. Commenting on this, a respondent at MoFEP stated that:

> *For me, I think that one of the reasons why Ghana has not yet succeeded in her quest for development although it has received a lot of financial and technical assistance from the IMF, World Bank and other developmental partners is the fact that corruption has increasingly become stitched in our various governmental agencies. Hence, most of the resources that we receive from these institutions and other donor countries end up in private pockets. So, as far as I am concerned, until we move away from this act, it will take a very long time for us to develop.*

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5.7.2 Good Governance

Majority of the respondents were of the view that the negative effects of the IMF and World Bank on the development of Ghana can be addressed through good governance. To them, leadership in the country must adhere to the ideals of good governance if the Ghanaian developmental agenda is to become successful through the assistance of the IMF and World Bank. For instance, a respondent at the Political Science Department stated that:

> *The practices of good governance such as transparency, accountability, rule of law and participation among others are very vital for ensuring that the country delivers on certain goals of the Sustainable Development Goals (SDGs), and in fact, the IMF and World Bank can help us do that (Field Note, 2021).*

5.7.3 Self-sufficiency

Self-sufficiency is one of the surest ways that most of the respondents identified as a means of reducing the IMF and World Bank's control of the country's national economy. They argued that when the country reduces its excessive dependence on the IMF and World Bank, it will enable it to take charge of the management of its own affairs, and hence, can pursue homegrown or alternative policies that are free from the dictates of the BWIs. To buttress this point, a respondent at IEA made the following observation:

> *The best way that the country can position herself to take advantage of her activities with the IMF and World Bank is to reduce her dependence on these institutions, although it seems almost impossible. It is only through this that we can take total control of our policies, because the policies of the IMF and World Bank appear not to be in the interest of the country (Field Note, 2021).*

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5.7.4 Encouraging Import Substitution

Encouraging import substitutions was identified by the respondents as a way of taking advantage of the country's interactions with the IMF and World Bank for development. Most of the respondents were of the view that if the country strives to rely much on local products and reduce the importation of foreign products, it will create the necessary conditions for development. For example, a respondent from the University of Ghana Business School was of the view that import substitution promotes industrialization, and this helps to create jobs for the citizens of any given country. Therefore, import substitution is very vital for promoting both the agricultural and manufacturing sectors of the Ghanaian economy that have not witnessed substantial growths as result of the IMF and World Bank policies.

5.8 Conclusion

The aim of this chapter was to analyze the data collected from the field. In line with this, the analysis was done based on the themes and sub-themes that emerged from the transcribed interviews. The results of the interviews were also supported with existing literature on Ghana's experience with the IMF and World Bank. The results of the study indicate that the nature of Ghana's relationship with the BWIs constitute a dependency relationship, and that public policy formation in Ghana is largely dominated by neoliberal thinking as a result of these institutions. Again, it showed that the driving forces of Ghana's engagements with the IMF and World Bank are economic factors and history. Furthermore, the study revealed that Ghana's relationship with the BWIs has largely not witnessed any significant transformation and that any attempt by the country to wean itself from these institutions will be a mirage.

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In addition, the results show that the activities of the IMF and World Bank in Ghana has had negative implications for the various sectors of the economy, including the agricultural, health, education, as well as the manufacturing sector. The activities of the IMF and World Bank in Ghana has also exacerbated regional inequalities. Lastly, the study showed that the IMF and World Bank have made some positive contributions toward the development of the country through various financial assistance. The subsequent chapter presents a summary of research findings, conclusion and recommendations.

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CHAPTER SIX

SUMMARY OF RESEARCH FINDINGS, RECOMMENDATIONS AND CONCLUSION

6.1 Introduction

This chapter constitutes a summary of the findings that were deduced from the previous chapter. This is done by providing a synopsis of the major issues that were revealed in the data, in line with the existing literature. By so doing, it will serve as the foundation for drawing appropriate conclusions on the issues at hand. Finally, this chapter provides the necessary recommendations that will enhance Ghana's relationship with the IMF and the World Bank in the Fourth Republic.

6.2 Summary of Findings

For some, Ghana's relationship with the IMF and the World Bank cannot be underestimated. While this is important, it has generated a lot of controversies. The need for the country and other sub-Saharan African countries to engage these institutions is very crucial for development. However, it is also important that Ghana's engagements with these institutions are subjected to critical analysis, especially when our developmental agenda is largely affected by them. Indeed, scholars like Amoah (2011) contend that the BWIs relationship with Ghana and other developing countries is only an ongoing effort to strengthen the dominance of neoliberalism. Crawford and Abdulai (2009) have also questioned the relevance of these institutions to Ghana specifically and sub-Saharan Africa at large.

The aim of this research was, therefore, to assess Ghana's relationship with the BWIs under the Fourth Republic. Thus, the study sought to answer the following research questions:

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- Have the interactions between Ghana and the BWIs evolved?
- What have been the effects of the BWIs on the development of Ghana?

From the findings, it was revealed that the nature of Ghana's interactions with the IMF and World Bank under the Fourth Republic still constitutes a dependency relationship, where the country heavily relies on these institutions for financial assistance. The dependency relationship between Ghana and the BWIs leads to a situation where the IMF and the World Bank always prescribe neoliberal policies and ideas for the country to implement. Consequently, the country's public policy formation is dominated by neoliberal policies such as privatization, deregulation, and retrenchment among others.

On the factors that underpin Ghana's interactions with the IMF and World Bank under the Fourth Republic, the interviews conducted at the various institutions targeted for the study as well as a review of literature established that economic factors largely account for these interactions. The study discovered that despite Ghana's long-standing interactions with these institutions for economic assistance, the structure of the economy largely remains the same and still drives the country's continuous interactions with the IMF and World Bank. Another factor that was identified by the participants includes the history of engagements between Ghana and the BWIs.

On the evolution of Ghana's interactions with the BWIs under the Fourth Republic, the findings from the study revealed that it was contentious. Some respondents were of the view that Ghana's interactions with the IMF and World Bank have witnessed a considerable

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transformation. However, the dominant view was that Ghana's interactions with the BWIs have not witnessed any significant transformation in any shape or form, rather than to ensure the dominance of neoliberalism. This latter view is confirmed by studies such as those by Crawford and Abdulai (2009) as well as Amoah (2011).

On the possibility of Ghana distancing itself from the IMF and World Bank, the study revealed that it is highly unlikely for the country to wean itself from the BWIs. This, the respondents claimed, is because of the economic reality of the country. They argued that the IMF and World Bank are very critical to the economy of Ghana in terms of financial assistance and budgetary support. To the extent that the structure of the economy largely remains untransformed and still prone to external shocks and other challenges, the chances that the country will be able to wean itself from the IMF and World Bank are very little.

The impact of the IMF and World Bank on the development of Ghana is mixed. This is because, the study revealed that Ghana's continuous interactions with the IMF and World Bank have both negative and positive consequences, although these interactions have over the years proven generally destructive. On one hand, the study identified the following as the ways in which the IMF and World Bank policies continue to negatively affect the development of Ghana:

INTEGRI PROCEDAMUS

The first negative impact of the BWI on the development of Ghana is the decimation of the health sector. Ghana's adoption of some of the policies of the IMF and World Bank such as the privatization of the health sector coupled with subsidy withdrawal for the sector, negatively affected its ability to provide quality healthcare for the citizens of the country. This is because,

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the conditions of service of health workers and facilities severely deteriorated and consequently, it led to the disintegration of healthcare systems. And regardless of the attempts by successive governments to improve the condition of the health sector, the challenges that the IMF and World Bank policies caused for the sector are still prevalent.

In addition, the manufacturing sector was also identified as a sector that still continues to be confronted by the negative consequences of IMF and World Bank neoliberal policies. The study revealed that policies such as retrenchments, the abandonment trade restrictions and privatization proved detrimental to Ghana's industrial capacity. These neoliberal policies led to a situation where the country's market was dominated by imported goods which severely incapacitated local industries. Indeed, the sluggish growth of the manufacturing sector in recent times, is an indicator of the harm that the IMF and World Bank policies left for the sector.

Also, the study revealed that the agricultural sector in Ghana has been negatively affected by the policies of the IMF and World Bank. For sure, the agricultural sector in Ghana failed to develop, following government's reduction of subsidies on agricultural inputs. This is because, majority of the farmers, especially those in the rural areas, primarily relied on government's support to sustain their activities. Consequently, Ghana spends millions of dollars to import agricultural products such as rice and tomatoes.

INTEGRI PROCEDAMUS

Furthermore, the study discovered that Ghana's implementation of the IMF and World Bank's policies increased regional inequalities. It was revealed that, because the BWI's policies targeted the Southern regions that are suitable for the production of cash crops like cocoa for

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exportation, it led to the marginalization of the Northern regions. As a result, poverty levels in the Northern regions are very high, as compared to the Southern regions.

Lastly, the study revealed that the BWIs' policies caused a lot of challenges for the educational sector. These include deteriorating educational facilities in the country, a huge dropout as well as a reduction in enrollment into schools, all of which decreased the quality of education in Ghana. And regardless of several attempts by the state to improve the quality and access to education through various programs, these challenges still persist.

On the other hand, the positive impacts of the IMF and World Bank on the development of Ghana cannot be overlooked. Undoubtedly, the IMF and World Bank have for several years, provided budgetary and financial support to Ghana to facilitate infrastructural and other developmental projects. In addition, these institutions have made a substantial contribution toward Ghana's GDP growth. Furthermore, eradicating poverty in Ghana in particular and other sub-Saharan African states in general, have become embedded in the activities of the IMF and World Bank, although poverty still remains a major challenge of several developing countries. Lastly, the IMF and World Bank remain critical to Ghana's fight against the Covid-19 pandemic. As a result, the IMF and World Bank have provided several financial packages through the various credit facilities in this direction.

INTEGRI PROCEDAMUS

The following measures were identified as the ways in which the country can take advantage of its interactions with the BWIs for development: the promotion of import substitution; adhering to the principles and ideals of good governance; encouraging self-sufficiency; as well as avoiding corruption.

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6.3 Conclusion

The study sought to assess how Ghana's interactions with the IMF and World Bank has evolved over the period as well as the impact of these institutions on the development of Ghana under the Fourth Republic. Ghana has a long history of interactions with the BWIs. The study revealed that Ghana's interactions with the IMF and World Bank have not witnessed a considerable transformation generally. Indeed, Ghana still relies heavily on these institutions for financial and other assistances and as a result, neoliberal thinking has taken a center-stage in the public policy formation of the country.

The study also discovered that, considering the sequence of interactions between Ghana on one hand, and the BWIs on the other hand, it will be very difficult for the country to end its dependence on the BWIs completely.

In addition, the study discussed the positive and negative effects of the IMF and World Bank on the development of Ghana. Analyses of the responses from the participants for the study elaborated on how Ghana's interactions with the BWIs have proven beneficial to the country, the negative aspects of these interactions, as well as the measures to develop. The study discovered that although the BWIs are very vital for the development of Ghana and other sub-Saharan African countries, there are negative implications for engaging with these institutions, and these negative implications have stalled the developmental agenda of Ghana and other developing countries. This can be addressed by encouraging import substitution, avoiding corruption, promoting good governance and self-sufficiency.

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6.4 Recommendations

In line with the findings and subsequent conclusion, the study makes the following recommendations:

First, there is the need for the country to design her own public policies to address the numerous hindrances to her developmental agenda. The fact that the IMF and World Bank's activities in the country have worsened its developmental conditions provides an opportunity for Ghana specifically and sub-Saharan African countries generally to begin to think of their own solutions to the existing problems in their respective countries, rather than relying on the IMF and World Bank – who usually prescribe one-size-fits-all solutions, irrespective of the uniqueness of a country's problems. This can be done only by encouraging self-sufficiency. By so doing, public policy formation in the country will be free from the dominance of neoliberal thinking.

Second, in relation to the first point, there is the need for the emergence of "neo-elites" – to borrow the words of Amoah (2011, p. 341) – in Ghana, whose primary responsibilities are to engage in intellectual activities that will lead to the production of appropriate frameworks and techniques to facilitate Ghana's developmental agenda. These neo-elites must constitute a group of individuals who comprehend the nature of the challenges of the country in its situatedness and peculiarities. This will enable them to discard the dominance of the one-size-fits-all solution of the IMF and World Bank aided by the African neoliberals in the country.

Third, the state must take appropriate and necessary steps to tackle corruption that has become strongly woven in the activities of governmental departments in the country. In this regard, there is the need for the state to ensure that recruitment into the various agencies is done only

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by merit to ensure that individuals who are recruited are qualified. In addition, steps must be taken to ensure that individuals who are engaged in corrupt practices are severely dealt with by the law. This will ensure that financial assistance from the IMF, World Bank and other developmental partners are not syphoned by government officials.

Lastly, there must be a strengthening of import substitution by the state. This is because, through import substitution, industries will grow and jobs will be created for the citizens. By so doing, the agricultural and manufacturing sectors that have been so much harmed by the activities of the IMF and World Bank will begin to flourish.

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APPENDIX

INTERVIEW GUIDE

DEPARTMENT OF POLITICAL SCIENCE

GHANA AND THE BRETTON WOODS INSTITUTIONS (BWIs) IN THE FOURTH REPUBLIC: AN ASSESSMENT

SEMI-STRUCTURED INTERVIEW GUIDE

INTRODUCTION

The study seeks to examine the dynamics and interactions of the Bretton Woods Institutions (BWIs) with Ghana, and how these interactions have evolved. It also seeks to assess the impact of these institutions on the development of Ghana with emphasis on the Fourth Republic.

QUESTIONS

1. What roles do the IMF and World Bank perform in Africa?
2. Have these institutions reversed course with respect to their original agenda and mandate?
3. How will you describe the relationship that exists between Ghana and the BWIs under the Fourth Republic??
4. What do you think are the driving forces of this relationship?
5. Has the relationship between Ghana and the BWIs evolved?
6. What in your view is the nature of the relationship between Ghana and the BWIs when it comes to public policy formation in the Fourth Republic?

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7. In what ways do you think the IMF and World Bank have been instrumental to Ghana's development in recent times?

8. What contributions negative and positive have the IMF and World Bank made toward Ghana's development in the Fourth Republic?

9. Is there any possibility of Ghana distancing itself from the IMF and World Bank, in terms of not soliciting their assistance, as declared by the president in 2018?

10. What are some of the measures that the country can adopt to take advantage of its relationship with the BWIs for development?