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A History of Foreign Aid in Ghana, 1966-2020

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Abstract

The paper interrogates foreign aid in Ghana's development from 1966 to 2020. Employing various sources such as archival documents, white papers, reports and scholarly works and the use of quantitative methods of historical studies. The paper examines the role of foreign aid in Ghana's development as it explores the journey of Ghana and the International Monetary Fund (IMF) to better understand the implications of conditionalities and aid on the Ghanaian economy and social services delivery by focusing on government spending on education, healthcare, and reducing unemployment). Ghana is the first country in sub-Saharan Africa to gain political independence. The development of Ghana chalked during colonial rule under the Nkrumah government (1951-57) was tremendous, and the soon-to-be independent nation's future looked bright and hopeful. The country experienced significant socio-economic development after gaining political independence from the British between 1957 and 1960 and was seen as the rising star of Africa. However, after the attainment of the republican status and experiencing total political independence, the State began being saddled with financial difficulties, culminating in the seeking of financial assistance from the International Monetary Fund (IMF). However, between 1960 and 1965, the economy of Ghana wintered, causing hyperinflationary issues, deteriorating balance of payment, and foreign reserves. The wintering caused the first military coup in Ghana and the need to seek financial assistance from the International Monetary Fund (IMF) under the new regime, the beginning of Ghana's exodus from the IMF, seeking SDR 53,400,000 to reverse the economic crisis. This also made Ghana the first sub-Saharan State on the African continent to pursue broad economic and structural reforms aided by external financing and technical assistance. The experience of Ghana with the IMF during its financial turbulences is important to understand the effects of external financing and technical assistance as it illustrates the need for financial prudence and discipline. Between 1966 and 2020, Ghana has been assisted by the IMF sixteen times with more than US\$4 billion in the form of assistance.

Keywords: *Ghana, Bretton Woods, Foreign aid, Bailouts, Assistance, Socio-Economic development*

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1. Introduction

'Aid' therefore, to a neo-colonial State is merely a revolving credit, paid by the neo-colonial master, passing through the neo-colonial State and returning to the neo-colonial master in the form of increased profits... it is in the field of 'aid' that the rivalry of individual developed States first manifest itself. So long as neo-colonialism persists so long will spheres of interest persist, making multilateral aid—which is the only effective form of aid—impossible.

— Kwame Nkrumah, *Neo-Colonialism*, Introduction, p. xv.

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This paper provides a comprehensive study of the history of foreign aid in Ghana's development from 1966 to 2020. The starting point being 1966 is significant as it marked the year of Ghana's first IMF conditionalities. The overthrow of the Nkrumah government by a coalition of military and police officers on February 24, 1966, began the subscription of IMF conditionalities by Ghanaian governments. Foreign aid has been an integral part of financing the development of Africa since the 1960s; thus, Africa has received in excess of \$1.2 tn in aid (Mills, 2021). The need for financial stability and private investment has been significant in the developmental agenda of developing economies, particularly in Africa. Africa has been a significant beneficiary of aid since the 1950s; in 2017, the continent received more than US\$ 52 bn as financial aid, with ten countries receiving more than forty-five per cent of the total aid (OECD, 2019). The Bretton Woods Institutions (the International Monetary Fund (IMF) and World Bank,(WB)) have, since the second half of the 20th Century, played an important role in the economic structure and development of African economies (Logan and Kidane, 1993; OECD, 2019; Dembele, 2020).

Between 1960 and 2021, net official development assistance and foreign aid received in sub-Saharan Africa rose from 597 million to 62.29 billion in 2021 (World Bank, 2021). During the COVID-19 pandemic and its aftermath, the IMF and World Bank have offered financial assistance to more than sixty-nine African and low-income countries, with more than half of them from Africa (Atish and Postelnyak, 2021). In April 2020, the IMF approved emergency funds for twenty-two African countries, totalling over \$13 bn (Asala, 2020). The IMF's financial aid has dramatically impacted African countries' socio-economic development. Financing is crucial to the economy and social services provisions in Africa.

While there is controversy on the importance of financial aid to African economies, financial assistance is nonetheless critical to the economies of low-income countries (Boachie *et al.*, 2022; Nyarko, 2023; Ismi, 2004). The IMF has significantly improved several developing economies' economic fortunes and social services delivery. In West Africa, IMF conditionalities have been found to impact the health sector, specifically budgeting negatively; other scholars have argued that such conditionalities have a positive significance on low-and-middle-income countries' state share of spending and social sector expenditures (Boachie *et al.*, 2022).

Africa is home to about 1.3 billion inhabitants and is predominately made of economies based on natural resource exploitations and agriculture (especially subsistence farming), which is engaged by more than three-fifths of the population. The continent in the Twentieth Century has experienced significant economic development and social changes, such as improving communication and transport and introducing wage labour (Moradi, 2010; Guisan and Exposito, 2001).

The present study is grounded on the need to underscore how the International Monetary Fund (IMF) has contributed to the development of Ghana. Such critical scrutiny covers the period of military rule and civilian administrations in order to appreciate the problem of study. The IMF was established in 1944 as a voluntary association with the objective to bring financial stability and ensure smooth international transactions of purchase and sale of currencies. Therefore, an evaluation and exploration of IMF conditions to Ghana's development are invaluable to the study of economic history as there is no historical work that examines foreign aid and development in Ghana from 1966 to the pre-pandemic year of 2020.

2. Literature Review

This section critically reviews scholarly works relevant to the area of study. Such a review is important as it allows the researcher to appreciate the findings and conclusions of scholars in the field of foreign aid and development. From the extant literature, numerous scholarly works have examined foreign aid and development from their perspectives and areas of speciality. Yet, there is no significant work that has been done on foreign aid and development in Ghana during the period under study using a historical method. No scholarly work on economic history in Ghana explored the period in question. Scholarships on the political economy of international organisations abound; however, there is no scholarly work on the political economy of international organisations using archival sources and historical approaches.

Ghana, during colonialism, experienced considerable socio-economic development and changes, especially during 1940—57, as the colonial administration functions were primarily concentrated on the provision of social amenities and infrastructures such as telegraphy, piped-borne water, electricity, rail lines, roads, harbour, and postal services while commerce, agriculture, banking, and industry were largely left in the hands of both local and foreign hands (Bouret, 1960).

However, with the attainment of political independence on March 6 1957 and a republican status on July 1 1960, the role of government became expansive and exerted much control and direction over the economy via socialism. The establishment of ministries, departments, and large state-owned companies focused on agriculture, manufacturing, and

industry. Therefore, to shore up the shortage of capital and entrepreneurial skills to drive socio-economic development, specific policies and programmes were implemented to attract foreign investors either as a form of partnership with the State or to operate independently (Esseks, 1971). Such state-owned enterprises included the Akosombo Textiles Limited, Ghana Food and Distribution Corporation, and Volta River Authority (VRA).

These policies and programmes aimed at bringing rapid socio-economic development to the newly independent State. Hence, in 1962, the Nkrumah Administration launched the Seven Year Development Plan, 1963-4—1969/70, to expand the role of the government in the management of the economy, which saw a rapid increment in public enterprises being established—198 Central Government units established by the end of 1965 with about 60 being public corporations (20 manufacturing and six mixed enterprises)—serving as the conduit for the running and diversification of economic activities such as agriculture (fishing and farming), transportation, commerce and industry (building and construction and trading) (Greenstreet, 1973).

With the Nkrumah administration turning Ghana into a corporatist state under the umbrella of socialism, many employees took advantage of the state machinery, and it is given emphasis evidentially by one ebullient cabinet minister of the Nkrumah regime who opined, “Socialism means let us all enjoy government property.” State corporations during the reign of Nkrumah suffered as institutions were governed as chiefdoms; employees lacked a code of conduct and behaviour; a more unceremonious attitude was adopted; little attention was given to the laid down procedures and conventional meetings; and subordinates gradually undermined superiors in bids to get them removed once perceived to be in opposition to their interests and such undermining worsened if premised on the foundation of ethnic differences (Greenstreet, 1973).

The situation worsened such that between 1960 and 1965, Ghana’s real Net Gross Product per capita stagnated at 0.7% with a deteriorated balance of payments and foreign reserves. The economic quagmire became so dire amid corruption that by February 24 1966, the Nkrumah administration was toppled by a coalition of military and police (Price, 1971). The first step the new regime took to salvage the economic wintering Ghana experienced was to seek a financial bailout from the International Monetary Fund (IMF), the genesis of Ghana’s IMF financial bailouts. Although scholars have extensively studied the economic effects of IMF conditionalities on Ghana and other African states, no extensive comparative studies exist on the social dynamics of the IMF financial assistance in Ghana. Against this background, this paper contributes to the existing literature on the socio-economic effects of IMF conditionalities on the development trajectory of Ghana (Akonor, 2013; GhanaActionAid, 2010).

By the end of the financial year of 1964/5, fifty per cent of the manufacturing enterprises showed a taxation surplus. At the same time, debts spiralled due to the Nkrumah administration’s Big Push Strategy, which concentrated on high rates of capital formation via import substitutions in state-owned enterprises. Debt spiralling became uncontrollable due to expensive investments in fiasco projects such as the failed mango-processing plant, Ghana Food Distribution Company, and hide-leather-shoe complex (Meng, 2004).

While the Big Push Strategy of the Nkrumah Administration, which allocated a total gross investment of GB £1,016.5 million (net £876.3 mn) aimed at ensuring full employment, industrialisation, and rehabilitation to integrate citizens into the national economy as a productive labour force, the programme had troubling consequences for citizenship and welfare (Huq and Tribe, 2018; Grischow, 2011). Thus, the policy of socialism implemented did not yield the expected outcomes due to corruption, nepotism, and abuse of public office, culminating in a financial crisis needing a bailout. The newly independent republican State had borrowed massively to undertake its numerous programmes and policies as well as dissipated almost the external reserves, which crippled the once burgeoning cocoa industry, the rising cost of living, hyperinflation, and a total debt estimated at US\$1 bn (Werlin, 1973; Mohan, 1967).

The economic turmoil resulted in the overthrow of the Nkrumah and CPP administration by the National Liberation Council (NLC). With the overthrow of the Nkrumah regime on February 24 1966, the military junta, in trying to solve the adverse issues of balance of payment and rising inflation, sought a financial bailout from the International Monetary Fund. The removal of Nkrumah through a coup d’état under Ankrah and Afrifa began the genesis of seeking a financial bailout from the IMF (Thompson, 1966). The first financial bailout to support the ailing economy of Ghana was from May 17, 1966—May 29, 1969, with a financial bailout assistance of SDR78,000,000, while the amount drawn was SDR 73,400,000 (IMF, 2018).

With the return to civilian rule in 1969, the Busia administration continued with the policies begun by the NLC. Nevertheless, by December 1971, the economic wintering had not improved, forcing the Busia administration to seek a financial bailout and devalue the currency. The effects of conditionalities on Ghana between 1966 and 1970 resulted in stabilisation and economic growth at the detriment of employment; there had been an adverse effect socio-economically,

causing political instability resulting in the 1972 coup (Ghana Action Aid, 2010). The economic malaise resulted in another putsch on January 13 1972, with the National Redemption Council chaired by Colonel Ignatius Kutu Acheampong (Huq and Tribe, 2018; Tsamenyi, 1983). As Head of State, Acheampong initially saw the economy's improvement after the revaluation of the cedi (Ghana Action Aid, 2010); however, by 1975, the economy began collapsing. Ghana under Acheampong experienced a rise in net credits from the banking system to finance budget deficits, which increased from C17 million in 1973 to C781 million in 1977 with an accumulation of short-term debt obligations of C403 million. Cocoa production had dwindled from a peak of 557,000 tonnes in the 1964/65 season to less than 400,000 tonnes per year during the entire regime of Acheampong, as the 1977/78 season recorded 271,000 tonnes (Rothchild, 1980).

Furthermore, essential commodities had become difficult to acquire for most Ghanaians, especially in 1976, as the local food index soared to 2,260.5 in December 1977 from 1,027.2 in December 1976. The 1977 food index was against the base figure 100 in March 1963. Such hikes in essential commodities resulted in a situation where the accessibility of many necessities became beyond the reach of most citizens—a chicken sold for C24; C0.45 for an egg, and C0.25 for a banana. The regime performed abysmally as the vehicle of economic modernisation—i.e., by the counter coup of July 1978, Lt. General F.W.K. Akuffo described the economic condition as being “in an extremely critical condition” as the inflationary rate was over 100% per annum, a decline since 1974 in the real GDP with an overall budget deficit of; 807 million and a gross imbalance in the external account (Rothchild, 1980).

Ghana's economy performed abysmally, especially from 1970-85, as per capita income averaged in the negative, the physical infrastructure deteriorated, and government revenues declined. A comparative analysis of the state revenue between 1970 and 1976 (i.e., no IMF conditionalities from 1972) revealed the decline in revenue as a share of Ghana's GDP—from 21% in 1970 to about 9% in 1976 (Ghana Action Aid, 2010). The Acheampong regime till the 1981 December coup saw Ghana without IMF assistance. The absence of IMF financial assistance between 1972 and 1978 saw hyperinflationary levels, with the inflationary rate inching from 17.7% in 1973 to 116.5% in 1978, while unemployment grew at 2.8% per annum (Ghana Action Aid, 2010; Tsamenyi, 1983). Foreign direct investments declined from 2.52% in 1975 to 0.12% in 1985 before increasing. The fiscal deficits became so adverse, averaging -7.03% between 1976 and 1980 (Huq and Tribe, 2018). Between 1973 and 1983, the official exchange rate devalued from \$1.15 to \$2.75, resulting in a black market, creating an imbalance between supply and demand, and by 1983, the economy was in a critical state needing resuscitation (Huq and Tribe, 2018).

The second phase of Ghana's journey with the IMF, the longest, began in 1983 and ended in 2006. The PNDC government, after overthrowing Limann in 1981, was hit with droughts resulting in bushfires and hunger. While the government was saddled with this situation, capital flight was rising, further exacerbating the problem amid the expulsion of more than half a million Ghanaians from Nigeria to Ghana. As a result, the PNDC regime of Rawlings prescribed for itself the need to seek other IMF conditionalities to turn around the economic wintering Ghana was experiencing; hence, in 1983, Ghana secured financial assistance from the IMF. With financial aid under the Structural Adjustment Programme (1983-87), Ghana's economic growth moved from the negatives experienced from 1977-82 to a positive growth averaging 5% per annum (Ghana Action Aid, 2010).

Despite the impressive economic performance, the reforms prescribed under the IMF conditionalities from 1983-91 failed to significantly improve the social conditions of the people, especially the eradication of poverty and improved accessibility and quality of social service delivery. For example, there was unemployment to a tune of over 145,000 in the formal sector due to retrenchment between 1980 and 1991; rural unemployment soared from 43% in 1970 to 54% in 1986. Due to this, in 1987, the PNDC regime instituted the Programme of Action to Mitigate the Social Cost of Adjustment (PAMSCAD) aimed at reducing the effects (Akonor, 2013; Ghana Action Aid, 2010).

Additionally, the second phase of the IMF conditionalities on Ghana saw the deteriorating volumes of exports; the cedi lost over thirty per cent of its value by the close of 2000; the external debt also soared from US\$3.49 billion in 1990 to US\$5.01 billion in 1994 and to US\$7 bn in 1999. The poorest 20% of the Ghanaian populace consumed less than 15% of the total health subsidy, with the poorest 25% consuming 16% of public spending on education in 1992. Between 1983 and 2000, Ghana secured SDR 1,539,308,000,000 and withdrew SDR 1,222,518,000,000 (Akonor 2013; Ghana Action Aid, 2010). During the second phase, Ghana privatised more than one hundred and thirty state enterprises, removed tariffs, regulated the regime of exchange rates, removed the subsidies on health and education, and secured a HIPC cancellation of over US\$4 bn with per capita increased to US\$600 (Jerven and Duncan, 2012; Ismi, 2004).

3. Methodology

The research adopted the appropriate historical and methodological approaches as its research design. The quantitative method is critical as it helps to explain contextual effects that are difficult to measure, simplify and summarise large data

effectively and express measures and values (Tuma, 1971). It relied on primary and secondary sources, with most primary sources being archival. The methodological approach is one of chronology and themes. The paper used a 'multidimensional' research philosophy by combining positivist and pragmatist research philosophies. The positivist research philosophy asserts that historical facts must be understood objectively by detaching oneself from one's personal values and biases and working independently, while the pragmatist research philosophy advocates for the facts. The research problem determines the choice of multidimensional research philosophy; the verifiable historical facts are considered the most essential, and the freedom offered to the researcher as the decision-maker of the methods, techniques, and procedures that best fit the aims and questions of the dissertation (Vorster, 1984; van Merriënboer, 2014; Žukauskas *et al.*, 2018).

To obtain primary materials, the researcher mobilised various reports of the IMF; such records obtained included the Ministry of Finance, the IMF Reports from 1998 to 2019, scholarly works under the auspices of the IMF, MacroTrends, and Educational and Health Reports by the Ghanaian Government. Educational Reports included the Report of the President's Committee on Review of Education Reforms in Ghana Meeting the challenges of education in the twenty-first Century (2002), while the Health Report used was The Health Sector in Ghana, Facts and Figures" Draft. Additionally, information was also gleaned from newspapers and relevant scholarly works. The archival documents served to enrich the study as they provided primary sources of data; the newspapers furthered the gathering of information and brought to the fore how IMF conditionalities influenced and shaped the development of Ghana up to 2020.

4. Findings and Discussion

In understanding the conditionalities of the IMF and the socio-economic development of Ghana under the period examined, the paper employed a trend analysis to evaluate and identify the trends or changes that have occurred. This approach involves the examination of historical data to uncover insight into the direction of the investigated phenomenon. Here, the paper does not predict movements but aims only to examine the trends or movements as the method of analysis provides the researcher and readers the opportunity to look at data over time to understand the evaluations of IMF conditionalities to the socio-economic development of Ghana from 1966 to 2020 (Kanoun and Laprie, 1996). The trend analysis helps to identify patterns and trends, understand the underlying causes of the changes, evaluate the contributions of the IMF programmes and help inform decision-makers and policy developers.

In the paper, the researcher uses the time series analysis, which involves examining the structure of the data, such as the trends, seasonality, cyclicity, irregularity and stationarity. First, there is the cleaning, transforming and formatting of the data for the analysis; visual inspection—i.e., plotting the data to identify obvious patterns and trends; a selection of a model appropriate to the data used; model estimation, which aims at fitting the chosen model to the data, model evaluation, forecasting and validation. While there are several model techniques, the research uses the Autoregressive Integrated Moving Average (ARIMA) by examining the integrated, which accounts for the presence of non-stationarity in the data (the trending or seasonality)—the period under IMF conditionalities and the period without IMF conditionalities. The ARIMA helps to identify patterns and relationships that may not be immediately present. All indicators are lagged as they help clarify and confirm a pattern that is in progress. The study focused on all years Ghana received disbursement from the Fund, except the current conditionalities secured in 2023.

4.1. Time Series Analysis

4.1.2. Economy

Ghana has sought financial assistance from the IMF on sixteen occasions; however, post-1983, the financial assistance of the IMF to Ghana in dealing with its economic quagmires has yielded significant results. The initial subscription of the IMF programme saw the regime undertake certain reforms in response to the IMF programme, and such reforms included the shifting of focus away from agriculture and industrialisation, which resulted in the privatisation and abandonment of state enterprises, property and capital, the devaluation of the cedi by thirty per cent and economic austerity, resulting in increased unemployment and decline in productive sectors (*The New York Times*, 1979, 49). The subscription of the IMF Agreement by the NLC saw the nation limited in borrowing, especially short-term, in an attempt to reduce the forex gap as well as relieve Ghana of some fiscal space as it rescheduled its debt servicing payments (Central Intelligence Agency, 1967).

The economic conditions of the 1970s had worsened into the early 1980s, such that by 1981, the total deficit was more than; 3 billion, resulting in a coup, and on August 3, 1983, the new regime, the PNDC secured an agreement with the IMF for financial assistance of SDR 238, 500,000. The PNDC restructured the economy in such a manner that in 1982, the budget deficit was reduced by 27.4%; the money supply declined to 23.5% via the withdrawal of the; 50 notes, conversion

of redeemable loans of 5 years to 10 years and reduced liquidity by freezing bank balances of over; 50,000 pending the vetting of their owners. Revenues improved with tax collections among self-employed contributing; 307 million as opposed to; 127.9 million in 1981 (Hutchful, 1985).

The PNDC government lacked a comprehensive economic policy needed to improve the financial sector's quagmires of the 1970s as exports and domestic productions declined with inflationary rates soaring despite the introduction of the Programme for Reconstruction and Development (1982-4) as a foundation for a self-reliant and integrated economy. This 3-year programme focused on import-export trade, taxation and fiscal reforms, financial sector resilience, and establishing a sound macroeconomic framework to deal with fiscal and monetary policies, prices, and incomes. State shares in two banks—Standard and Barclays raised to 80%—foreign banks were restricted to specialised banks while the State monopolised import-export to deal with trade malpractices and profiteering (Hutchful, 1985).

Nonetheless, the events of 1982/3 worsened the economic crisis as no aid materialised from the East, coupled with the repatriation of over a million Ghanaians from Nigeria with droughts and bush burning. These events resulted in the signing of the Adjustment Programme of 1983 with the IMF aimed at the “*systematic elimination of the critical supply bottlenecks, to increase productivity and production together with responsible management of government finances aimed at eliminating the severe imbalances that lead to heavy deficit financing and the debasement of [the] currency.*” (Hutchful, 1985, 132). The partial success of the programme followed a 3-year Economic Recovery Programme (1984-6) with financial assistance of US\$141,372,000 hinged on exports, mining, foreign investments, and the increase in the role of the private sector in the economy.

The Economic Recovery Programme (ERP) was significant as it moved from the balance of payment issues and deficits to production. Under the ERP, Ghana recorded an average real GDP growth of 3.6%, with agriculture contributing 1.7%, industry and services 5.6% and 5.7%, respectively; fiscal balance narrowed to 1.7%; exports as a share of GDP increased to 8.2%; gross international reserves (months of imports) reduced to 2.9 months; external debt as a share of GDP grew more than three folds to 29.2% (Hadjimichael *et al.*, 1996).

With the significant success of the ERP, the PNDC extended the programme under the IMF after 1986 under the Enhanced Structural Adjustment Programme (ESAP) of 1987-91. Hence, between 1983-91, real GDP growth averaged 4.2%, private investments increased from 2.8% in 1978-83 to 5.4% (1983-91), real GDP sectors growths of 1.9%, 6%, and 6.7% for agriculture, industry, and services respectively. The period 1983-91 shifted from economic controls and state regulations in favour of a liberalised market-oriented economy with key strategies on the implementations of structural and institutional reforms to enhance efficiency in the economy, encourage private savings and investment, rehabilitate socio-economic infrastructure, promote production and exports, strengthen economic incentives, fiscal disciplines, increase in public savings and reduced recourse to bank financing of the central government (Hadjimichael *et al.*, 1996).

The first phase, ERP, focused on economic stabilisation with the economy responding well to the policy change and sustained growth, reduced inflation from 142% in 1983 to 33% in 1986, and overall balance of payment; exports were concentrated in cocoa making the economy vulnerable to swings in cocoa prices globally with structural and institutional rigidities persisting in the financial, agricultural and parastatal sectors and external debt soaring from 9.7% to 46.5% (including obligations to the IMF). In 1991, the external debt ballooned to 54.4%, with debt financing increasing from 0.7% of GDP in 1983 to 4% in 1991; budget deficits improved from -2.7% into a surplus of 1.5% of GDP in 1991; real GDP growth improved from -4.6% in 1983 to 5.3% in 1991; revenues and grants enhanced from 5.6% of GDP in 1983 to 15.2% in 1991 with total expenditure soaring from 8.2% of GDP in 1983 to 13.7% in 1991; and investments and savings improved from 6.7% cumulatively to 28.2% from 1983-91 (IMF, 1998).

The second phase, ESAP (1987-91), broadened the institutional and structural reforms as forex bureaus were introduced, the exchange system liberalised, an institution of flexible pricing policy for cocoa, reforms in the financial management of public enterprises, restricting the financial sector with the removal of non-performing assets from the portfolios of distressed banks and corporate income tax reforms to spur private sector growth. These measures improved the economic performance with growth averaging about 5% annually and exports continually recording strong growth while international reserves increased to 4.1 months of imports and eliminating external arrears. In 1990, the government paid off the US\$ 600 million of foreign exchange arrears that had accumulated before the ERP. Between 1989-96, amortisation was reduced to US\$86.8 mn in 1991 before increasing to US\$126.5 mn in 1996, while the overall balance improved from US\$127.5 mn to US\$ 284.1 million in 1995 (IMF, 1998).

In 1992, Ghana transitioned to a civilian regime; hence, the government of Ghana implemented its policies to regain control over public finance, which was partially unsuccessful as inflation increased from 10.3% in 1991 to 34.2% in 1994; gross national savings declined from 12.3% in 1991 to 11% in 1994; expenditure soared from 13.7% to 22.3% from 1991-

4 with external debts outstanding from 54.4% to 90.3% in 1991-4, although revenues and grants improved to 24.5%. With this economic deterioration, between 1995 and 2006, Ghana relied on the Credit facility of the IMF to help deal with the economic issues. The government implemented several programmes to improve the situation, although they yielded fewer results as the budget deficit widened, revenues fell, and domestic financing of the budget soared, resulting in increased domestic interest costs (IMF, 1998).

With the government's inability to manage its finances efficiently in 1998, it signed the Poverty Reduction Growth Facility (PRGF) arrangement spanning 1999-2002 to make poverty reduction efforts a key and more explicit element of a renewed growth-oriented economic strategy. The new facility aimed *"to support programs to strengthen substantially and in a sustainable manner [qualifying low-income members'] balance of payments position and to foster durable growth, leading to higher living standards and a reduction in poverty."* (IMF, 1999, para. 1).

This arrangement was partly successful in the area of taxation as the regime under J. J. Rawlings introduced a VAT of 12.5%, financial sector reforms, and the move to full cost recovery for utilities and reduction of domestic government debt to about 29%; yet, it had failed in public expenditure management, especially having a large wage bill overrun, a shortfall in donor financing and non-implementation of key revenue measures such as the petroleum pricing formula (IMF, 2003). Hence, in 2002, Ghana presented another PRSP (2003-2005) aimed at securing the cancellation of public debts under the HIPC Initiative, which focused on monetary policies aimed at macroeconomic stabilization.

The PRSP aimed at achieving a real GDP growth of 4.7%, targeting inflation at 9%, accumulation of foreign reserves to 2.3 months of imports, tightening the wage bill, establishing full cost recovery in the petroleum pricing, sale of the country's largest commercial bank, and a substantial increase in capital and poverty-related spending. Successful implementation of the PRSP (2003-6) is supported by a three-year PRGF arrangement of SDR 184.5 million and additional interim HIPC relief. In 2002, inflation stood at 15.2%, with the cedi depreciating by 14.7% against the US dollar; a Taxpayer Identification Number (TIN) System Bill was introduced while tax revenues declined (IMF, 2003).

Between 2000-2, US\$170.4 million had been disbursed to Ghana, with reserves seeing a significant improvement from \$264 million to \$630 million while HIPC assistance stood at C\$508 billion (\$74 mn). With the PRSP II (2003-6), Ghana reached the completion point under the enhanced HIPC Initiative in 2004, where US\$3.7 billion was agreed to be cancelled; achieved an average real GDP growth of 5% with agriculture as the main contributor; inflation rate declined sharply; private remittances rose from US\$ 496 million in 2000 to an equivalence of 15% of GDP (US\$1.3 bn) in 2004; international reserves improved to about 3.7 months of imports (US\$1.8 billion); external current account (after official transfers) moved into a deficit of 2.7% of GDP; satisfactory policy implementation helped consolidate macroeconomic stability in 2004, although favourable supply shocks and higher-than-programmed inflows from donors contributed as well as fiscal policy improved (IMF, 2005).

With such economic improvements and social development experienced after 2000, the economy began to face some challenges in 2007/2008, such as a high fiscal deficit of 14.5%, inflation at 20%, cedi depreciation of more than 40%, and official reserves depleted to two months of import cover. Such high expansionary fiscal policy destabilized the economy, resulting in another 3-year arrangement under another PRGF with approval in July 2009. The arrangement was to support budgetary consolidation to tackle macroeconomic instability, the main obstacle to sustained growth and reduction of poverty. Ghana secured a loan facility of SDR 387.5 million (US\$602 mn) (IMF, 2009).

By 2010, the government met performance targets for net international reserves, external arrears, inflation, and new concessional borrowing, where seven out of the twelve benchmarks under the conditionality implemented. However, cash deficits and domestic arrears were missed. The economy recovered after a slump in 2009, and inflation remained in single digits; external performance was favourable, with total exports growing by over US\$ 2 bn and gross reserves covering 3.2 months of imports and total public debt around 39% of GDP (IMF, 2011a). The government further retired Tema Oil Refinery (TOR) debts by issuing bonds addressed to bank undercapitalisation (IMF, 2011b).

The short-term vulnerabilities amid rising current accounts and fiscal deficits of 2012-14 posed great danger to the transformation agenda of Ghana; thus, in May 2014, Ghana underwent another credit facility with conditionalities with the IMF. The vulnerabilities that necessitated this bailout included large fiscal and external imbalances, large wage bills, and rising inflationary rates. The transformational agenda focused on three themes—economic diversification by leveraging the oil and gas resources toward the creation of a robust manufacturing sector and higher-value agriculture; social inclusion by expanding and strengthening the social safety net and expansive investments in health, education, and utilities; and macroeconomic stability (IMF, 2014).

In 2013, the current account deficit rose beyond 13% of GDP, the cedi depreciated by an estimated 15%, with FDI financing an estimated 7% of the GDP. Amortisation, maturing domestic bonds, and maturing loans amounted to US\$ 4.3 billion, with a weakening of trade significantly impacting the cedi depreciation. International reserves had declined to US\$ 5,587,739,126, indicating a decline of 4.24% in comparison to 2012; revenues to GDP stood at 18% with expenditure at 29%; VAT rate increased by 2.5% in a bid to mobilise more revenues; implementation of HRMIS and GIFMIS as a means to control the wage bill and prioritised capital spending (IMF, 2014).

With the John D. Mahama administration (2012-16) facing economic challenges, on April 3, 2015, it secured a three-year arrangement for US\$ 918 million (SDR 664.20 million) aimed “to restore debt sustainability and macroeconomic stability in the country to foster a return to high growth and job creation, while protecting social spending.” (IMF, 2017: 3).

Therefore, the IMF argued:

“Fiscal consolidation efforts will need to be anchored in wide-ranging structural fiscal reforms so that consolidation gains can be sustained over the medium term. These include measures to broaden the tax base and enhance tax compliance and public financial management, especially considering the large unpaid commitments accumulated in 2016. “The authorities should tackle energy sector inefficiencies, particularly improving the management of the state-owned enterprises (SOEs). Ongoing debt restructuring efforts are helpful but are no substitute to stemming the SOEs’ ongoing financial losses and put them on a sustainable financial path. “As inflation continues to decelerate, the Bank of Ghana (BoG) should remain vigilant in order to bring inflation back to target. The BoG should continue to strengthen the credibility of the inflation-targeting framework, which would benefit from efforts in the development of the foreign exchange market. The central bank should also continue its policy on zero financing of the government. “The authorities have made significant progress in the implementation of the banking system roadmap, in particular through the approval of timebound recapitalisation plans for banks found to be undercapitalised, and the resolution of two insolvent banks. Further steps to strengthen the supervisory and regulatory framework, reduce outstanding liquidity assistance, and buttress the microfinance sector will help build a more robust financial sector that is well positioned to support growth and promote financial inclusion” (IMF, 2017: 4).

By 2016, the growth rate recorded the lowest in two decades, with a better economic outlook in 2017/18. The economic growth between 2013-16, which was lower than the average 6.6% recorded between 2000-2013, was due to recurrent policy slippage and other developments such as an overall deficit of 9.3% of GDP on a cash basis reflecting revenue shortfalls and large expenditure overruns with growth in banks’ balance sheets slowed. The last IMF deal before the 2023 deal was signed from 2015-19, which the government aimed at reducing budget rigidities, streamlining tax incentives, enhancing tax compliance and fiscal transparency and expenditure controls.

Although ending of 2016, the government had accrued extra arrears of GH; 1,048 million, bringing the total arrears under the IMF programme to GH; 3.2 billion to be cleared in 2017 and withdrew SDR332.1 million (US\$459 million) (IMF, 2017). Thus, with the last IMF conditionality, Ghana experienced an average real GDP growth of about 5.3%; total debt increased from 52.57% in 2015 to 61.21% in 2019 (i.e., GH; 183,525.64 million to GH; 356, 544.27 million) with a budget deficit above the expected threshold of less than 5% of GDP. The last IMF conditionalities of 2015-19 saw external debt increase by US\$4,587.52 mn, and domestic debts surged by US\$8,416.44 million (Ministry of Finance, 2021).

Furthermore, a critical examination of the socio-economic variables from 1966 to 2020, which looks at both the eras of the institutionalisation of IMF programmes with its credit tranches and the absence of implementing IMF conditionalities, is depicted in the trend analysis shown in Figure 1.

From Figure 1, the chart shows the trend analysis of five key variables: Foreign Direct Investment, Educational Spending, Health Spending, Gross Domestic Product and Unemployment Rate. The trend analysis depicts that during the first-ever IMF conditionalities subscribed by Ghana, the GDP growth rate on average stood at 1.3% from 1966 and 1969; the second programme, which saw the implementation of the Structural Adjustment Programme from 1983 to 1986, the GDP growth stood at 3.6% on average. The third implementation of IMF conditionalities, which began from 1987 to 1991, also saw GDP growth averaging 4.82%. The IMF loan assistance of 1995-6 also saw Ghana’s GDP growth averaging 4.36% under the period of disbursement. However, between 1998 and 2012, the average GDP growth stood at 6.20%, with the highest GDP growth in 2011 and the lowest in 2000. The last IMF conditionalities subscribed by Ghana before the pre-pandemic COVID-19, covering 2015 and 2019, saw the GDP growth averaging 5.27%.

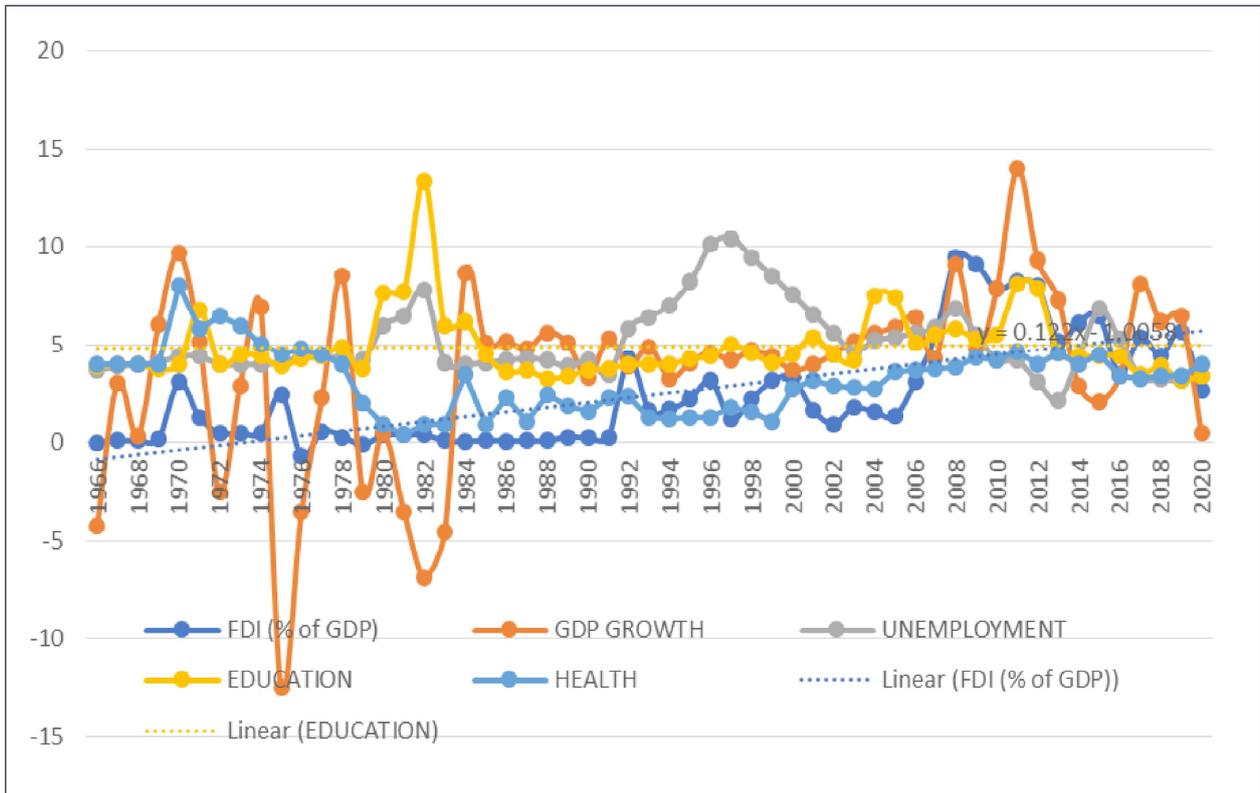


Figure 1: Author’s Compilation Sourced from the World Bank, MacroTrend and IMF

Nonetheless, critical scrutiny of Ghana without its subscription to any IMF conditionalities under the period reviewed saw the GDP growing on an average of 0.35% between 1970 and 1982, where the lowest economic growth was recorded in 1975 as GDP declined by close to 13% and the highest GDP in that period was recorded in 1970 with Ghana’s GDP at 9.70%. Additionally, after the end of the Enhanced Structural Adjustment Programme in 1991, the Ghanaian economy, on average, grew at 4.03% between 1992 and 1994 and between 1997 and 2014, with a focus on no IMF disbursed loans; the study revealed that the GDP economy grew at an average of 4.8%. In conclusion, from the trend analysis, it is evident that the economy of Ghana performed better under IMF conditionalities than when not under an IMF subscription (Figure 2).

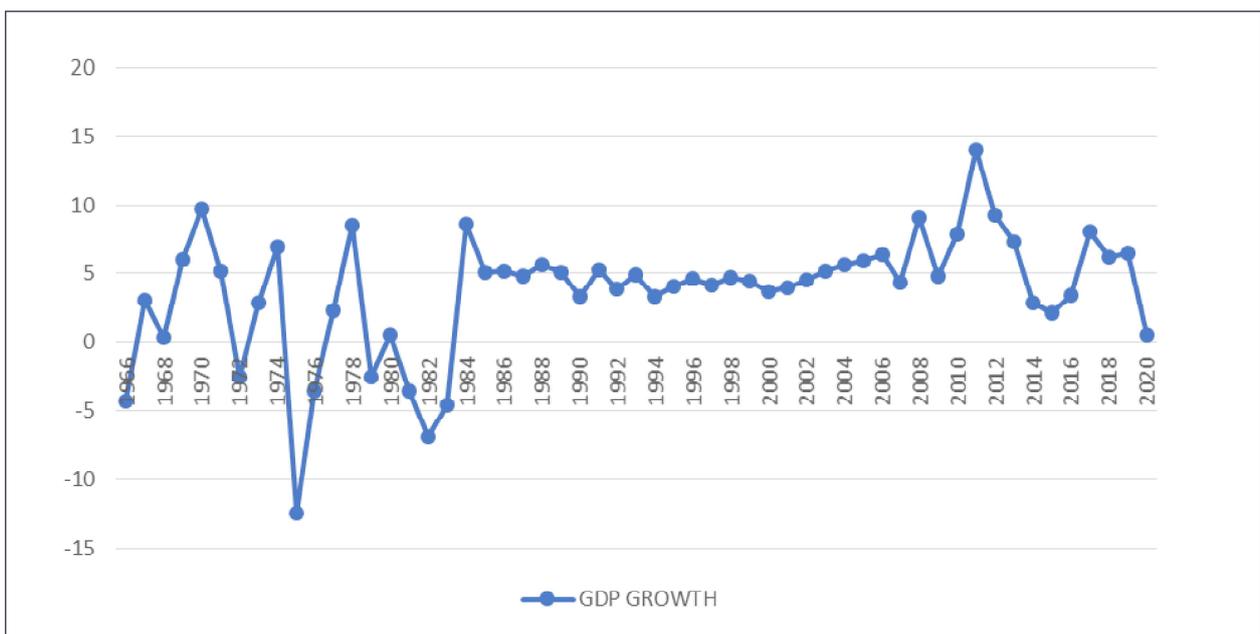


Figure 2: GDP Growth



Figure 3: Unemployment Rate

Additionally, a look at the Time Series Model using SPSS version 22 reveals that there are best-fitting models for all three variables: health spending, educational expenditure and unemployment; however, the best of all three models was the health spending model, which has a Normalised Bayesian Information Criterion (Normalised BIC) of 0.037, followed by unemployment model which has a Normalised BIC of 0.361 (Table 1). Again, a look at Table 1 indicates that all parts of the model to the mean model are better than the baseline model as all R-squared values and Normalised BIC values are positive. The smaller the value of the Normalised BIC shows a best fitting model.

Model	Number of Predictors	Model Fit Statistics			Ljung-Box Q(18)			Number of Outliers
		Stationary R ²	R ² Normalized	BIC	Statistics	DF	Sig.	
Healthcare Spending-Model_1	0	.159	.643	.037	17.204	17	.441	0
Jobs Lost-Model_3	0	-2.744E-005	.661	.361	25.339	17	.087	0
Spending on Education-Model_2	0	.302	.239	1.088	13.330	17	.714	0
Annual GDP-Model_5	0	.497	.965	2.824	11.091	17	.852	0
% of GDP Growth-Model_4	1	.122	.122	3.060	18.931	18	.396	0

Note: ^a Best-Fitting Models according to Normalized BIC (smaller values indicate better fit).

From the Table 1, there is evidence that the residuals are not independently distributed—i.e., the p-values of the autocorrelation of the time series are greater than 0.01, therefore explaining that the time series model rejects the independence of the model. This analysis means that there is no significant serial correlation in the residuals. Here, the model for educational expenditure needs improvement or indicates that there are issues with the data, which is similar to the model of annual GDP growth. Thus, the analysis of educational spending will be analysed using the regression model.

4.1.3. Education

Education under Nkrumah was not in sync with the demands and aspirations of the country, with libraries not amply stocked with books. A lack of research facilities existed, and the subjects taught did not provide skills for jobs. Students were examination-conscious, and many were granted scholarships to further their studies abroad as many of the courses offered in the universities were at the introductory level, and no industry existed in the country. Thus, after the overthrow of the Nkrumah regime, the NLC offered scholarships and bursaries based on academic performance, with those not meeting the requirements paying fees in full. By 1969/70, interest-free loans were instituted to be paid over four years after completion of one's studies as this was to help recover costs and redistribute students based on human resources requirements (Pimpong, 2006).

Education for over a decade has not seen substantial spending after the overthrow of the Nkrumah regime. In the 1970s, the average expenditure on education stood at 3.45% of the GDP. However, under the Limann administration, the government dedicated 7.64% of GDP to education in 1980 and subsequently 7.75% in 1981 before its overthrow by the Provisional National Defence Council under the Chairmanship of John Jeremiah Rawlings, who is the longest military leader to have stayed in power in the history of Ghana. However, with the 3-year Economic Recovery Programme (ERP) of the military junta spanning 1984-86, the government's spending on education significantly improved since 1966; education took about 34.3% of the country's GDP (MacroTrend, 2023).

Additionally, improving the administration's financial management led to improved economic conditions; the PNDC in 1987 embarked on a transformative reform in the educational sector. The government introduced the junior secondary school (JSS) system and faded out the middle-school leavers regime. The basic education system saw a reduction to a current 9-year duration sufficed till date. With the new educational reform introduced, the government focused much of its budgetary expenditure on the basic level (i.e., primary to JSS).

Accordingly, the new educational reforms, especially the basic education

“Aims to provide children with literacy skills in their own language (which will furnish the strongest base for acquisition of literacy in English), a second Ghanaian language and English; with modern farming skills; with a familiarity in using tools and a manual dexterity; with practical mathematical skills; and with positive attitudes to hard work and national development. By moving away from the past purely academic system of education it is expected that the majority of school leavers from JSS will either be able to become productive modern farmers (with extension advice and inputs), become productive skilled workers (after short training or informal apprenticeships) or to enter appropriate senior secondary level institutions.” (The World Bank 1989, 2).

Thus, by 1991, when the ERP had ended, the government had spent more than; 646,788,000,000 on primary education, with the senior secondary school receiving; 112,788,000,000 within the same period under review. This implies that, before 1992, pre-university spending on education stood at 83.7% in 1990 (i.e.,; 361,394,000,000 out of 431,902,000,000) and 84.2% in 1991 (i.e., 398,182,000,000 out of 473,000,000,000) (Canagarajah and Ye, 2001).

Also, the new educational reform under the ERP implemented by the PNDC saw enrolment increase as in 1990 alone, pre-university enrolment stood at 2,540,491—primary enrolment (1,803,148), JSS enrolment (569,343) and SSS enrolment (168,000)—and in 1991, enrolment increased to 2,599,350—primary (1,807,223), JSS (592,867) and SSS (199,260). There was no post-secondary school enrolment; however, between 1990/91, the enrolment at the JSS level saw an increment of 4.13%, with SSS level enrolment increasing by 18.61% (World Bank 1989). The PNDC government, recognising the relevance of education, expanded the number of basic schools and secondary schools as well as built two universities, including the University of Education Winneba (UEW), later upgraded into a full-fledged university in 2004 and the University for Development Studies (UDS), both established in 1992 (Nyabor, 2020).

Also, the educational reform focused on teacher training, aimed at improving teaching and learning processes and the quality of teachers, and phased out untrained teachers. Therefore, *“from 1987 to the mid-90s, there was a substantial drop in the percentage of untrained teachers from 50 to 20 per cent in primary schools and 35 to 14 per cent in JSSs”* (White, 2004, 8). The regime further removed student subsidies for tertiary education, increased charges for textbooks, and removed boarding and feeding subsidies for secondary and tertiary institutions. This gesture aimed to increase the recovery cost at the secondary and tertiary levels in line with the ERP. Thus, *“while cost recovery has not been as extensive as at first envisaged, parental contribution to costs for senior secondary and tertiary education have become an established part of the education system in Ghana”* (White, 2004, 8).

With the end of the ERP (1984-86) and Structural Adjustment Programme (1987-91) and a transition to civilian rule, the government, between 1990-94, average annual growth rate spent on primary education stood at 9.2%, 13.7% for JSS and 16.0% for SSS. Nevertheless, the new educational reform of 1983 had failed to achieve the objectives since the training offered to the students was inadequate to make them self-employed. Accordingly, Prof. Anamuah-Mensah in 2005 opined: “Out of the average number of 200,000 JSS students who [graduated] every year since 1990, only about 72,000 gained admission into senior secondary schools while about 10,000 got into technical and vocational institutes” (Chartey, 2005; Daily Graphic, 2005).

In the transition to democratic rule in 1992, the military government reopened all polytechnics and universities; hence, in 1992, 10,900 and 12,439 students were admitted to polytechnics and universities, respectively. Between 1992-4, polytechnic enrolment increased marginally by 1.4%, and university enrolment saw a significant increase of 11.1%. Between 1992-2000, an average of 72,000 students graduated from SSS with about 25,000 gaining access to universities, polytechnics, teacher training colleges, and other forms of training. The new educational reform moved more students to pursue arts/humanities in the universities and polytechnics, especially from the 1998/99 academic year. Between 1996 and 2001, 64,042 students pursued science/technology in the universities while 94,152 read arts/humanities; in the same period, 31,596 students read science/technology, with 34,144 reading arts/humanities in the polytechnics (Anamuah-Mensah, 2002, 128).

With the influx of SSS students unable to enter tertiary, the government decided to create an opportunity for the private sector to get involved in rendering tertiary education; hence, in 1998, private universities began operation because from 1987/88 to 1997/98, about 200,000 students had enrolled in the senior secondary schools. While this was significant, a decade after the introduction of the 1987 Educational Reforms, more than 3,946,585 students could not enter SSS spanning from the 1987/88 academic year to the 1996/97 academic year (Pimpong, 2006).

With the country back to the IMF for financial assistance under a new regime—the Kufour Administration (2001-2008)—the government decided to review the 1987 Educational Reforms and adopt measures to employ education as a means of reducing poverty, hence implementing the Ghana Poverty Reduction Strategy Papers I and II. Between 2012-19, government policy focused on access improvement to education at all levels. The government constructed more than fifty new senior secondary schools, expanded infrastructure across all levels of education, and implemented the comprehensive free public Senior High School (SHS) programme, which began with the 2017/18 academic year. The Free SHS policy includes technical and vocational institutes and has 58% of the total allocation to the sector on basic education (IMF, 2017).

From the available data, as depicted in Figure 4, educational spending under the first IMF conditionalities (1966-69) averaged 4% annually; however, after the first subscription of the IMF programme under the NLC regime, the average

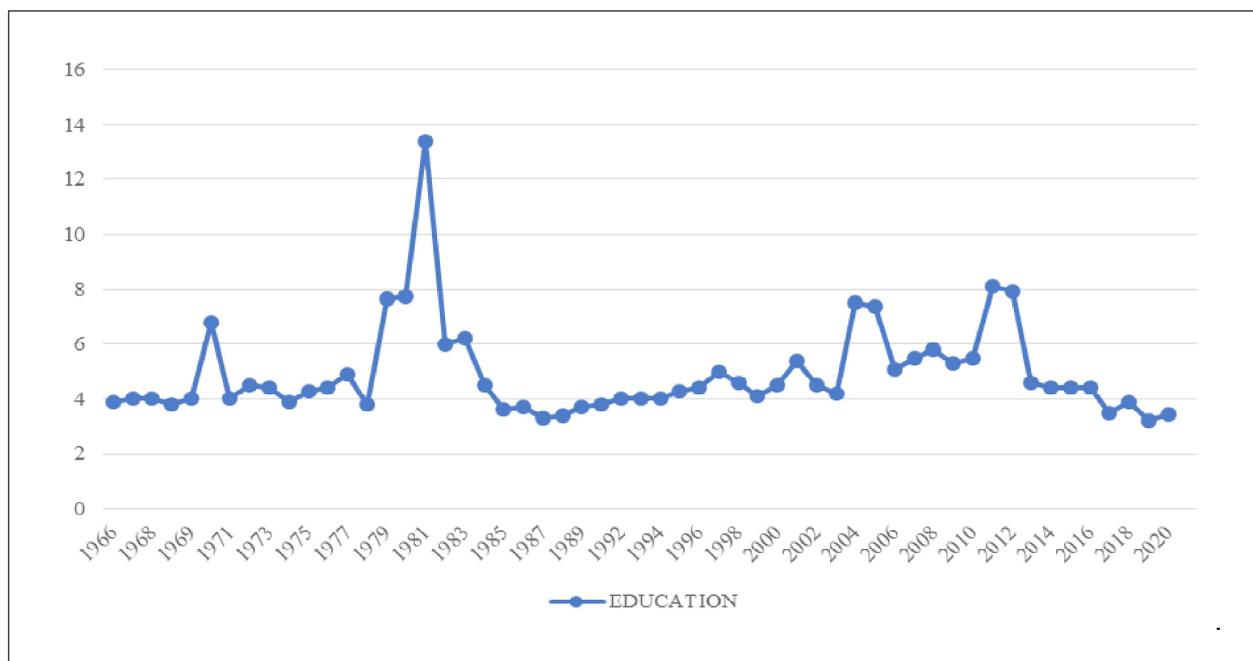


Figure 4: Education Spending

spending on education from 1970 to 1982, a period of no subscription of IMF programmes saw slightly higher levels of educational spending of 5.7% on the average. This finding between 1966 and 1982 indicates that a subscription to IMF programmes or its absence does not significantly affect the educational spending of the government. The Busia administration spent 4.9% of its total expenditure on education on average; the Acheampong regime spent an average of 4.3% of its total budget on education; the Limann administration allocated an average of 6.4% of its budget on education, whilst the PNDC regime spent an average of 3.6% of its budget on education. Under the auspices of the IMF supervision and programme from 1983-91, the PNDC government spending declined from in excess of 13% of its total budget on education in 1982 and by 1990, the government spending had declined to 2.9%.

Initial scrutiny of the educational spending of various governments under the IMF and without the IMF, with a focus on 1966 and 1991, showed that educational spending improved more significantly when Ghana was not under an IMF programme. Nonetheless, from 1992-4, educational expenditure averaged 4% per annum without an IMF programme, but in 1995-96, educational spending under the IMF programme improved slightly by at least 0.3% and 0.6% maximum. Between 1998 and 2012, under various IMF programmes, Ghana’s educational spending increased to 8.14% in 2011, and the lowest allocation was in 1999, which was under 4% of the government’s budget. Yet, under the subscription of 1998 and 2012, the government’s allocation to the education budget averaged 4.9% per annum.

Additionally, in the aftermath of the IMF programme, the government’s educational budget increased slightly and averaged 4.9%, a similar situation experienced during the longest period of Ghana under the IMF programme. Finally, the last IMF programme subscription of Ghana (2015-19) saw the lowest allocation to the education of 2.1% since the independence of Ghana; however, the last programme saw an average educational spending of 3.6%.

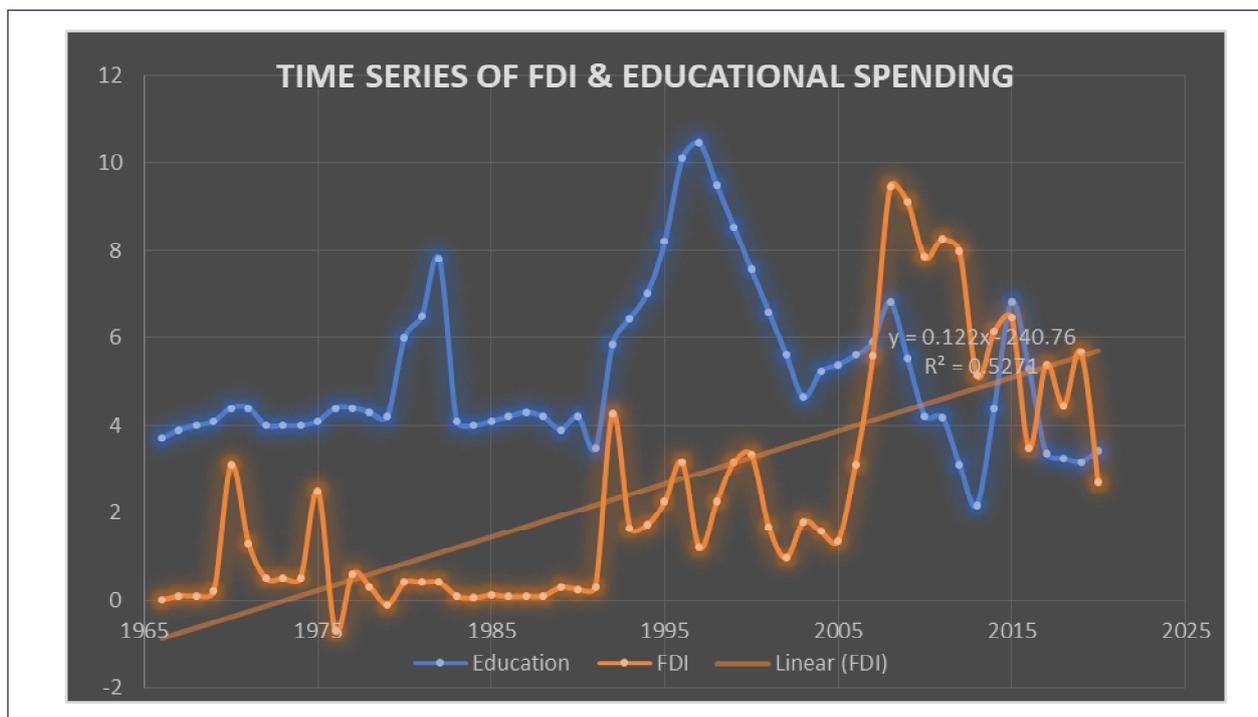


Figure 5: Time Series of FDI and Educational Spending

Furthermore, a critical examination of the data reveals that in the initial subscription of the IMF programmes, foreign direct investment (FDI) and educational expenditures are not significantly associated. However, under no IMF subscription, an increase in FDI is associated with a decrease in government educational expenditure and vice versa. Additionally, in the series analysis, the disbursement of IMF loans is associated with a greater allocation of government expenditure to education.

4.1.4. Health

Health, specifically primary healthcare, has predominantly been the strategy for improving the health of Ghanaians since the 1970s. However, with the debilitating economic conditions spanning 1965-83, few resources were dedicated to the health sector, resulting in the deterioration of the health of the citizens. The IMF conditionalities of 1966-70 focused little on the health sector as the programmes focused on improving the balance of payment issues and fiscal stability. The

conditionalities created budgetary allocation challenges in the health sector and reduced public health spending as the government focused on diversifying revenues and foreign aid for debt repayment (Boachie *et al.*, 2022).

Government expenditure in the health sector ranged from 0.95% in 1980 to about 1.6% in 1995. The government, since 1995, embarked on policies and programmes to improve the health of Ghanaians. For example, the Medium-Term Health Strategy (MTHS) drove the health policy of Ghana from 1995-2000 to promote more significant equity in access to health and outcomes. In pursuit of this objective, Ghana's MTHS aims to strengthen district health services, promote community involvement in delivering health services, and redirect health resources to the needy or deprived areas (Canagarajah and Ye, 2001: 20).

Between 1990-98, Ghana made significant improvements in the health sector, although it is difficult to pinpoint specific factors that contributed to the progress. For instance, infant mortality (under five years) was reduced by 24%, and life expectancy at birth increased by 5%. Despite these successes, the prevalence rate of HIV/AIDS soared from about 1% in 1990 to 3% among antenatal clinic women tested, with 33,000 people dying from the disease, resulting in approximately 119,000 children under 15 years orphaned (Ye & Canagarajah, 2001). Additionally, between 1995-2000, life expectancy moved from 55.2 years to 59 years; adult mortality was reduced to 273 per 1,000 population; and social security; welfare increased from zero in 1985 to 1.4% on average; access to water from 56% in 1985 to 64%; immunisation rate of measles and DPT to 73% and 72% of children under 12 months respectively (IMF, 2003).

Under the conditionalities of the IMF, by 1999, Ghana had 204 hospitals—with government 95 entirely run by the government, 60 owned by the private sector, 23 being quasi-government, and 49 under missions—and clinics/health centres at 1758 with 1051 under complete control of the government (Ministry of Health, 1999). Government spending in the health sector improved significantly from under 2% of GDP to 2.79% in 2000. This improvement in government spending on the health sector further increased by 3.63% in 2005 (World Bank, 2023). The government is focusing on improving primary health care. It will devote about 56.7% of the total sector allocation to primary healthcare programmes.

Nonetheless, the disbursement of loans under the IMF auspices indicates a slightly increased allocation of government expenditure on health, and the absence of IMF programmes indicates a significant allocation of resources to the health sector, especially pre-1983. Despite the initial trend, in the post-1983 Structural Adjustment Programmes, a disbursement of IMF loans revealed that the government's spending on health improved significantly as the government allocation to health increased from 0.9% of the total budget to over 2% (Figure 6).

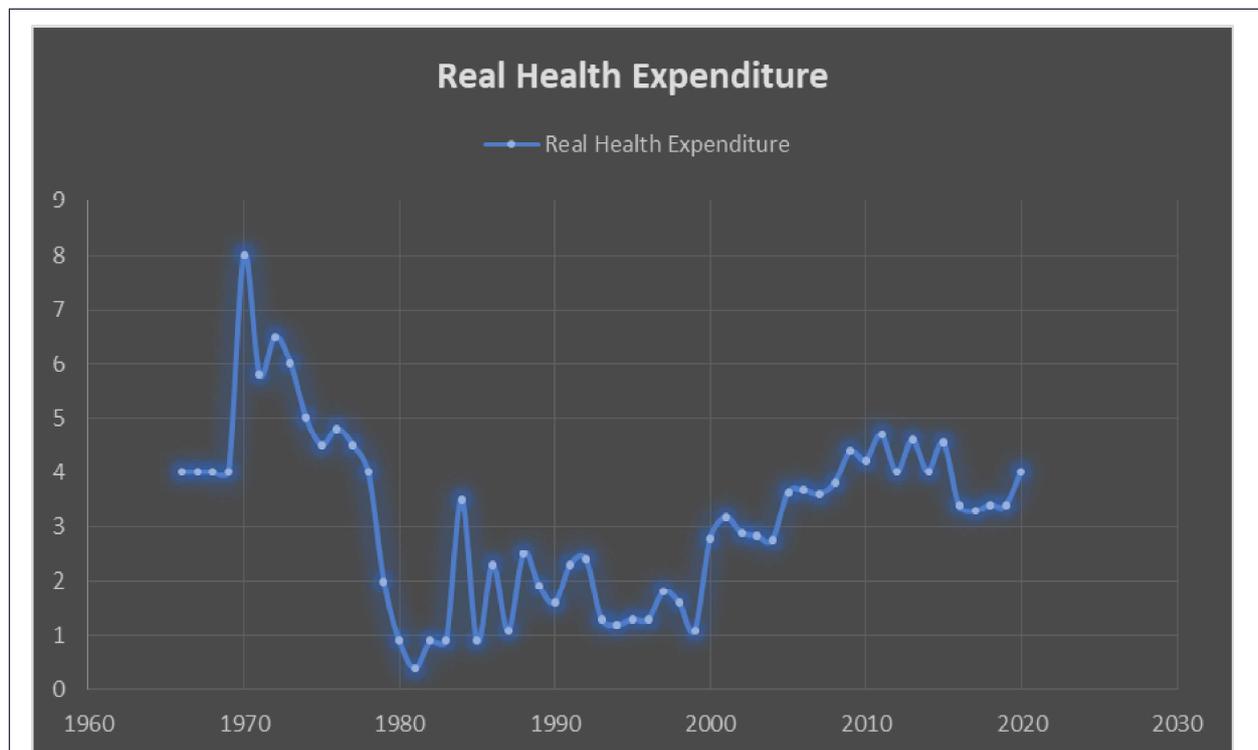


Figure 6: Trend Analysis of Loan Disbursement and Health

4.1.5. Social Services and Welfare

By 1992, the population below extreme poverty stood at 52%, 39.5% in 1998/99, and further declined to 35% in 2003. The national poverty rate fell by a record 12.2 percentage points during 1991–1998 and 11 points during 1998–2005, while in 2003, child malnutrition was estimated at 23%. Between 1990 and 2001, access to improved sanitation saw an 11%-point increase; tuberculosis cases detected under direct observed therapy (DOT) improved by 30% points; access to improved water sources saw a 24% points increase; fixed lines and mobile telephones per thousand people increased from 2.9% to 20.8% and access to personal computers per a thousand people increased from 1.2 persons to 3.3 persons (IMF, 2005).

The Poverty Reduction Strategy Facility ended in 2006, with Ghana having about \$4 billion of its external debts cancelled. With this accomplishment, between 2000 and 2007, total enrolment at the primary level improved, showing 11% points; the poverty rate declined to 30%; immunisation against measles increased by 11% points; pregnant women receiving antenatal care by 4% points; the prevalence of HIV/AIDS declined by 0.5%; access to improved sanitation facilities increased by 1% points; access to improved water sources by 8% points; mobile cellular subscription per 100 people increased by 31 (IMF, 2009).

Between 1990-2011, Ghana experienced significant improvements in measles immunisation and infant mortality at 91% and 51.8, respectively. Between 1990 and 2012, the adolescent fertility rate, births attended by skilled health staff, maternal mortality ratio, pregnant women receiving antenatal care, the incidence of tuberculosis, and children with fever improved. Access to improved sanitation, water sources, internet users, and mobile cellular subscriptions was enhanced from 1993 to 2011 (IMF, 2014).

5. Conclusion

The long association with IMF adjustment programmes since independence affords the need to understand better these programmes' efficacy in dealing with Ghana's economic wintering. After 1966, IMF programmes have been implemented under both civilian and military regimes, making political conditions irrelevant in applying and implementing such programmes. The weak foundation of the Ghanaian economy, coupled with the relative neglect of the agricultural and industrial sectors, lack of fiscal and monetary disciplines, dependence of the economy on cocoa, mining of minerals, and excessive borrowing, specifically short-and-medium term credits, have necessitated such measures. The focus on just balance of payment issues resulted in insignificant results for the various programmes until 1984 when there was a shift to production, provision of social services, and infrastructural development. The movement away from the primary balance of payment issues to the inclusion of other measures improved the economic performance of Ghana, with an average growth of about 5% annually and a diversified economy with service playing a significant and impactful role in the growth and development of the Ghanaian economy.

The conditionalities under the IMF, especially after 2000, have impacted positively on the international reserves where international reserves moved from US\$ 263 million to US\$ 7,563,210, 341; real GDP growth has averaged 5% while the unemployment rate averaged around 6%; in dealing with the macroeconomic instability challenges of the Ghanaian economy can be solved with ensuring that the financial sector which is predominately in the hands of foreign banks are localised with enhanced supervision of the commercial banks. The private sector's accessibility to credits should be improved as the industry is the economy's driver, while the government must expand the tax base to raise more to finance its budgets. In negotiating future loans and conditions, the government must ensure it does not sacrifice social development programmes for economic stability and be bold to implement macroeconomic stability measures despite the political ramifications while ensuring wages and emoluments share of the GDP does not exceed 20%. Implement a credible medium-term fiscal adjustment strategy, with a balance across revenue and expenditure measures, and tackle the arrear problem by completing the audit of unpaid commitments and claims and strengthening the PFM system.

Foreign reserves improved significantly to a magnanimous degree of more than three months of imports, with inflation declining from 142% in 1982 to less than 9.8% in 2019; health accessibility improved significantly with more than two thousand hospitals, clinics, and health facilities and more than six million people having access to education at all levels with more than thirty per cent of Ghanaians have had tertiary education. The numerous IMF conditionalities have statistically significant effects on economic performance, foreign direct investment, unemployment, and government spending on education, with no statistically significant evidence of IMF conditionalities affecting the government's healthcare spending. In summary, the implementation of IMF conditionalities in salvaging the economic crises of Ghana while propelling development has often been gabardine in nature.

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List of Abbreviation

AIDS	Acquired Immunodeficiency Syndrome
ANOVA	Analysis of Variance
CPP	Convention People's Party
DPT	Diphtheria, Pertussis and Tetanus
ERP	Economic Recovery Programme
ESAP	Enhanced Structural Adjustment Programme
F	Fisher Test
FDI	Foreign Direct Investment
GB	Great Britain
GDP	Gross Domestic Product
HIPC	Heavily Indebted Poor Countries
IMF	International Monetary Fund
JSS	Junior Secondary School
MTHS	Medium-Term Health Strategy
NLC	National Liberation Council
PNDC	Provisional National Defence Council
PRSP	Poverty Reduction Strategy Programme
SDR	Special Drawing Right
SHS	Senior High School
Sig.	Significance
SOE	State-Owned Enterprise
TIN	Tax Identification Number
VRA	Volta River Authority