

Neoliberalism, Elite Interest and Institutions of Pragmatism in Ghana

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The Neoliberal Age in Ghana matured in roughly three phases

Economic Recovery Program Phase one

(1983-1986)

- Reduction in government expenditure
- Creation of incentives for private production.
 - Improved tax collection
- A series of devaluations of the national currency

Some Results of Interventions

- Growth rate of -5% (1983) to 8% (1984)
- Brought the budget deficit down from 6.3 % of GDP (1982) to 0.1% by 1986

Economic Recovery Program

Phase Two

(1987 to 1989)

- Government divestment of State Owned Enterprises (**establishment of Divestiture Implementation Committee in 1987**)
 - Deep foreign exchange reforms to devalue the cedi further to boost exports.
- >> Sustained economic growth; no reversals**

Economic Recovery Program Phase Three 1989 onwards

- Intensified monetary reforms and reduced private corporate taxes to boost growth
- Direct foreign investment, which in the period 1970-1982 was at 1% of GDP, had grown to 6% by 1992.

Economic and Political Stability

- Stable economy
- Inception of 4th Republic in 1992

Controversial Neoliberal Conditionality

When governments borrow from the IMF, they agree to adjust economic policies to overcome [IMF defined] problems that led to the seeking of the financial aid in the first place. Loan conditions are structured to ensure that the country will be able to repay its loans>>>Primary motive for the structure of loans

- ✓ Afro-Marxists/Pan-Africanists>> Western manipulation of Ghana's Elites
- ✓ Liberal Reformers>> Rebirth Ghana: Senior star pupil of the IMF

Jury is still out

Displacement of the Agency of Ghana's Elites

By embracing IMF conditionality, elites became nominally in charge of managing compliance while at the same time it acquired de facto capability to be non-compliant when elite corporate interests were threatened

Akonor, K. (2006), *Africa and IMF conditionality: the unevenness of compliance, 1983-2000* Routledge, New York(pp. 60)

Examples of Elite Pragmatic Innovations

- The 1987 Program of Action to Mitigate the Social Cost of Adjustment (PAMSCAD).
- Partial Liberalization of cocoa marketing.
- 1997 Public Utilities and Regulatory Commission: established to regulate prices in the utility industry.



The political economy of these pragmatic institutions of innovation are yet to be fully explored and understood.

However it is clear that...

in as much as the neoliberal doctrine disciplined elites in Ghana, the latter also attempted to discipline the neoliberal regime by inserting institutions of pragmatism into the market.

A Proposal in lieu of a conclusion

Political Economy of African Elite Institutions of
Pragmatism and Patterns of Agency

needs unpacking and systematic study as an
important dynamic of the neoliberal experience in
Ghana and Africa.

Thank you all for your attention

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