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2 BASIC EDUCATION IN GHANA: 1991-1994

Yao Graham and Tetteh Hormeku

(Ghana Social Watch Report, 1996)

The 1987 official education policy of Ghana defines basic education as six years of Primary and three years of Junior Secondary School (JSS). Children enter school at the age of six and are automatically promoted until the end of the JSS, at which time they take their first external examinations. Basic education is compulsory for all pupils living within 5 km. of a school, but this is not enforced.

This study, though covering the range of basic education, emphasizes primary education for two reasons. 1) Despite its formal commitment to basic education through JSS, the government's focus is on equipping the majority of Ghanaians with basic literacy and arithmetic skills. 2) There is more information available on primary education.

Education is a right

The 1992 Constitution of the Fourth Republic guarantees to "all persons... the right to equal educational opportunities and facilities." To achieve this right, the Constitution provides that basic education shall be free, compulsory and available to all. It states that the development of a school system with adequate facilities for all shall be actively pursued. It also requires that endeavours to achieve functional literacy be intensified.

For post-primary education, the Constitution specifies that secondary education and higher education, including technical and vocational education, be made equally accessible to all, on the basis of capacity, by every appropriate means, with emphasis on progressive introduction of free education.

In order to implement these provisions, the government was required, within two years after the Constitution came into force, to draw up a 10-year plan. In November 1995, the basic education program was adopted, but without an implementation timetable. The estimated cost of \$350 million will require assistance from outside donors, and some educators question the ambitious new policy while there are many unresolved problems in the education sector.

The Decade of Collapse

Current national educational policy has been shaped by two main developments. These are:

- the collapse of education from the mid-70s, with the attendant questions about the relevance, distribution and sustainability of the educational system as it had been operating;
- the collapse of the economy, a World Bank directed economic policy response, and, within that, an emerging vision of education as human resource development for a "South-East Asia" type economic take-off.

Until the mid-70s, education in Ghana was one of the most highly developed in Africa. Then the system and quality of education collapsed. The proportion of public resources spent on education fell from 6.4% of GPD in 1976 to 1.4% in 1983. The construction, completion and maintenance of educational facilities ground to a halt; foreign exchange for the purchase of textbooks, library materials, scientific equipment and other essential instructional materials dried up while existing stocks deteriorated. There was a mass exodus of trained teachers, especially the more highly qualified ones.

In 1987/88 more than half of public primary school teachers were untrained. School enrolments fell together with educational outcomes.

The collapse brought to the fore long-standing, fundamental questions about the relevance and effectiveness of the educational system. These questions included:

- The inordinate 17-year duration of pre-university education.
- The pedagogic efficiency, quality and relevance -- especially in terms of the curricula, which emphasized rote recall and which prepared school leavers mainly for employment in the narrow circles of civil and public service.
- The cost of education, especially on the public purse.
- The access of the majority of Ghanaians to education.

At the end of the 1980s an estimated two thirds of Ghana's 15 million people were functionally illiterate. According to the 1988/89 Ghana Living Standards Survey (GLSS), only 40% of those 15 years and above could read, 39% could write and 48% were could do basic arithmetic problems.

The income, gender and geographical diversity within these figures is striking. On average the proportion of men who can read, write and calculate is 25% higher than women. While over 69% of the richest 20% in the urban areas can read, only 33% of the poorest townfolk can do so and an even lower 22% exists among the rural poor.

Principles and Objectives of National Education

In spite of the clarity of the new constitutional provisions for education, national educational policy and implementation plans remain ambiguous. The provisions seem to form a solid educational perspective, but the government's programs seem to be informed less by this perspective than a particular strategy for the economic regeneration and development of the country.

From the mid-1980s, national educational policy has centred on the need to redress the collapse while reforming the system to make it relevant to Ghana's current needs.

These two planks of education policy were undergirded by World Bank-IMF responses to the near total collapse of the national economy, which was indeed at the root of the collapse of education.

This affected educational policy at two levels. First, Ghana was required to reduce public expenditure and shift more of the cost of education from the public to the private sector. Second, education became tied to the development of a market and private enterprise economy, an export-oriented strategy for economic development.

The fundamental objective of national educational policy, as stated in key economic strategy documents, was to create the basis for a flexible labor force able to perform new and multiple skills.

As stated, the belief was that "in an economy experiencing dramatic changes ... a broad base of general scientific and engineering skill ... is more critical for success than specialized technical education."

This focus on education for a work-force led to an emphasis on basic education rather than post-primary education. The link between post-primary education and economic and technological innovation was ignored. With the objective of education thus situated, education was geared to that economic vision.

Central to this was the increasing role of the private sector, communities, and individual households in the provision of education. Linked to the concepts of cost recovery and decentralization, this put greater responsibility on local communities and families to meet the material costs of education while requiring an emphasis on vocational education.

From 1987, a phased series of reforms supported by the World Bank and other donors was launched. The structure was changed to six years of primary, three years of junior secondary, three years of senior secondary, and four years of

higher education. The nine years of primary and junior secondary became the period for which basic education was to be offered to all children.

The government's plan was to raise primary school enrolment to 98% by the year 2000. The proportion of the 6 - 11 age group enrolled at the end of the 1980s was 68%. Within this figure are gender, class and regional differences. 72% of boys were enrolled, compared to 64% of girls. 92% of kids in the top 20% income group in Accra were in school compared with 27% of the poorest 20% in the rural savannah in the North, historically the underprivileged and neglected part of the country. In 1991 the government launched a mass literacy programme, in selected Ghanaian languages, with the aim of reducing the numbers of the illiterate by 5.9 million by the year 2000.

The curriculum, both at primary and secondary level, is billed as "less theoretical and more relevant to Ghana." The government laid out six broad objectives for primary education. These are:

- building effective numeracy and literacy;
- laying foundations for inquiry and creativity;
- developing sound moral attitudes and a healthy appreciation of Ghana's cultural heritage and identity;
- laying the foundation for the development of life skills that will prepare the individual pupil to function effectively for his/her advantage as well as that of the community;
- inculcating good citizenship education as a basis for effective participation in national development.
- developing the ability to adapt constructively to a changing environment

There are nine compulsory subjects for primary school pupils, including Ghanaian languages and agriculture. Teachers, who teach all subjects to a class, are expected to devote 30 - 35% of teaching time to English, the official language and mathematics.

Financing of Education

The government, at both central and local government levels, is the main source of education support. Educational expenditures are derived primarily from taxes and donor funding, though there are cases of specifically targeted donor funding. Since 1987 official policy has been to transfer an increasing proportion of the costs of education directly to parents through

- charges levied on pupils and parents by schools

- levies imposed by local authorities or provision of free labour for constructing educational facilities in the rural areas.

Increasingly CBOs -- especially associations of "natives" living and working away from ancestral towns -- are taking up fund raising for education in a manner reminiscent of the colonial and the immediate post-colonial era. NGOs, both local and international, are also involved in funding or providing services.

There are some differences between the southern and northern parts of the country in the division of responsibility and cost between central government on one hand, and local government and communities/parents on the other. In the Southern half, construction of school is the responsibility of the communities and local authorities, while in the north the government shares the cost. This is positive discrimination which recognizes the relative poverty of the north and the lower enrolment rates there.

Government expenditure

Between 1991-94, government's spending on education averaged 3.7% of GDP. In budgetary terms this represented an average of just over 20% of central government expenditure during the period. The share per year has dropped over the period: from 22.4% in 1991 to 22.3%, 20% and 18% in 1992, 1993 and 1994 respectively.

Education does however have a much larger share of recurrent government expenditure -- an average of 40%. Between 1992 and 1994, basic education assumed an average of 66% of the total recurrent spending on education, falling from 68% in 1992 to 63% in 1994. See table I. (a- c):

*Table 1: Government Spending and Share of Education Sector
(in billions of cedis) - a*

| Year | Total Central Govt. Expenditure | Education |
|------|---------------------------------|-----------|
| 1991 | 351,615 | 78,801 |
| 1992 | 510,813 | 119,382 |
| 1993 | 782,872 | 158,118 |
| 1994 | 1,149,572 | 213,901 |

*Table 1: Government Spending and Share of Education Sector
(in billions of cedis) - b*

| Year | Total Recurrent Expenditure | Education | Basic Education |
|------|-----------------------------|-----------|-----------------|
| 1991 | 263,714 bn | 74,452 bn | |
| 1992 | 373,258 | 107,842 | 73,333 |

| | | | |
|------|---------|---------|---------|
| 1993 | 596,558 | 157,304 | 106,967 |
| 1994 | 838,926 | 189,231 | 119,217 |

Table 1: Government Spending and Share of Education Sector (in billions of cedis) - c

| Year | Total Development Expenditure | Education |
|------|-------------------------------|-----------|
| 1991 | 76,548 | 78,801 |
| 1992 | 119,563 | 360 |
| 1993 | 164,353 | 4,216 |
| 1994 | 302,350 | 4,724 |

Since the launching of the reform program, the government has spent a considerable amount on teacher training and improving supervision and monitoring, provision of textbooks and other learning material, and on the rehabilitation or provision of classrooms. In 1990/91 a quarter of all public primary schools did not have classrooms or structures that could shelter pupils and teachers from the rain and the sun. In at least 14 of the country's 110 districts, more than half of the primary schools did not have classrooms.

The rehabilitation and provision of classrooms has been an important part of the government's capital spending in basic education over the last decade. Under the 3-year Programme of Action to Mitigate the Social Cost of Adjustment (PAMSCAD), which was launched in 1988, the government provided matching grants for communities that were ready to construct social amenities, including schools. Since PAMSCAD, the government has been implementing a World Bank funded scheme to provide needy communities with primary school pavilions (roofs on pillars), and other educational infrastructure. The community is expected to find the resources and labour to fill in the walls -- initially the floor as well.

Under the ongoing Primary School Development Project, supported with a \$65 million IDA credit, the government is building the primary school pavilions -- totalling nearly 11,000 classrooms -- in just under 2,000 communities around the country. More than 1,500 classrooms are also being re-roofed and 1,893 houses are being built for head teachers.

Donor Funding

Since the mid-1980s, government spending has been heavily dependent on donors. Over this period, funding from multilateral and bilateral sources has amounted to about 10% of GDP annually. Government spending, especially capital expenditure on education, has received considerable support from donors, especially since a 1986 Social Sector Donors Conference in Vienna. The

World Bank, the biggest donor, has lent a total of \$170 million for six education sector projects since 1991.

The biggest donors apart from the World Bank (IDA) include USAID, which has committed \$35 million for improving primary education; Canadian CIDA has provided \$14 million for basic and vocational education; the British ODA, \$8 million for literacy and teacher education for basic education; Norway over \$8 million for literacy and school education; OPEC fund, \$4.4 million for primary school pavilions. Other donors include the World Food Programme, UNICEF, GTZ, the Saudi Fund, Switzerland, European Union, UNDP and ILO.

CBOs and NGOs

A number of international NGOs are active in the education sector. For example, Action Aid has been supporting a number of activities in the Upper East Region - the part of the country with the lowest enrolment and literacy rates. Since 1991 its activities have included sponsoring children to attend primary school, building or renovating classrooms, paying for the training of adult literary facilitators, and supplying aids such as lamps and radios for adult literacy programmes.

Religious groups have a long and substantial involvement in the provision and financing of education. For the purposes of this discussion, however, they are not treated as organizations of civil society because of their institutionalized role and relations with the state in the education sector.

Local community based organizations (CBOs) have been more actively involved in education than NGOs. Current CBO involvement in the provision of basic education is simply a resurgence of a long standing tradition. Their contributions usually take one of three forms: monetary contributions, donating building material or other commodities or providing labour.

Cost Recovery and the Parent/Pupil Share of Expenditure

Predictably donor support has come with their increasing influence on education policy, especially on the amount and distribution of funds for educational purposes. A number of approaches have been taken. Staff hiring was frozen from 1987 to 1992, about 13,000 non-teaching staff were laid off at secondary and university levels, and many temporary, untrained teachers with low academic qualifications were not re-hired. School supplies are now sold at cost, with a partial subsidy for text-books in basic education, and full subsidy at the senior secondary level. At the university level, a subsidized student loan scheme

operates. Food subsidies have been eliminated at both secondary and university levels.

Since the initiation of the educational reforms, the World Bank and Western donors have pushed hard for an increasing cost of education to be borne by the pupil/parent. Alongside this, the Bank has been urging the widening of private provision of education. In 1991-92, there were 1.8 million pupils in 11,064 public primary schools, compared with 142,274 in 542 mainly urban private primary schools.

The growing burden borne by parents/pupils, though all deriving from central government policy comes from four sources:

- as a direct result of central government policy or decision;
- levies and charges imposed by local government bodies;
- charges imposed by school authorities, mainly in the urban areas;
- payment of private tuition to make up for the shortcomings of the formal education system.

Currently pupils in primary three through junior secondary school pay a government approved fee meant to cover half the replacement cost of supplied textbooks, sports, Parent-Teacher Association (PTA) dues and cultural events.

At the end of 1995 the charge in the Tema Municipality broke down as follows: District Assembly levy -- 900 cedis, Culture --500 cedis, Sports -- 500 cedis and PTA 100 cedis. Parents also face ad hoc financial and time demands to provide a range of educational services. In the rural areas labour constitutes a notable part of the contribution while in the urban areas it is the money equivalent.

(Note: The "CEDI" is the unit of monetary exchange in Ghana.)

Communities benefiting from the Primary School Development Project provide services, material contributions and labour. The services include:

- clearing the sites for the pavilion site;
- mobilising labour to build walls and other physical amenities within six months, providing cement for mortar and blackboards and maintaining the buildings when they are erected.

The shifting and increasing cost to parents dovetail with the devolution of some education costs to local government bodies, which is part of the government's decentralization plan. There has been an explosion of local government-imposed charges since 1988, the year when local government reform saw the creation of the District Assembly system. In addition to their own demands, many local

authorities permit PTAs to impose their own fees for a variety of purposes. The abolition of unauthorized fees is a condition for a community to benefit from the World Bank- funded Primary School Development Project. There is no measurement of the impact of this conditionality.

Anecdotal evidence indicates that a large number of communities have failed to complete their pavilions because they could not raise the required amount. According to a senior education official, in many villages the first set of pavilions built in the late 1980s have become goat pens. Many of those being built under the current program, which, unlike the first lot, have cement flooring, are being used as unwallled classrooms. In one case a school of predominantly poor children in the dormitory town of Ashiaman near the port city of Tema demanded 20,000 cedis each from the parents of its 198 pupils to complete a government-provided six-classroom pavilion. Only three parents paid in full; a total of 168,000 cedis was raised, barely enough to complete one classroom.

Community Influence Not in Step with Contributions

The increasing direct financial and material contribution of parents and communities to provide for basic education is not matched by their role in the development of educational policy at either the local government or school level. In theory, PTAs are expected to provide a forum for parents to get involved in the policy direction and management of their children's schools. In practice the only purpose of the PTAs is that of a forum which brings parents together to contribute financially to the school or to mobilize community labour for a project. Education officials are resistant to non-professionals getting involved in the supervision of teachers. More often than not, complaints from parents about teachers meet with a defence from education officers.

Above the community level, district assembly members are no more responsible and accountable to their electorate. The relationship is a top down one from assembly member to constituent, with the main part of the relationship being the latter's material or financial contribution to realize a decision made by the players in the district structure.

The problem of citizens' marginalization in the running of schools and the making of educational policy has to be seen in the context of Ghana's long history of authoritarian and unaccountable government and weak civil society mobilization against it.

Outcomes of Educational Policy

Up-to-date information on the effects of educational policy over the decade either does not exist or is not complete. The "Ghana Living Standards Survey," published in December 1994, gives the most complete information on educational outcomes, covering the period from September 1991 to September 1992.

Though the information that it contains does not cover the most recent period, the trends that the report captures provide an accurate enough picture of educational outcomes at the present time.

The trends are not encouraging, judging by indices such as the levels of school attendance, attendance distribution by gender, social status, and geographical location.

Tables 2, 3 and 4

Table 2. School Attendance Rate, by region, gender and age

| Region | 6-11 (Age Group) | | 12-15 | | 16-18 | | 19-25 | | 6-25 | | |
|-------------|------------------|------|-------|------|-------|------|-------|------|------|------|------|
| | M | F | M | F | M | F | M | F | M | F | All |
| West | 83.6 | 75.7 | 83.2 | 75.5 | 60.3 | 47.3 | 8.8 | 6.0 | 64.5 | 54.3 | 59.5 |
| Central | 77.6 | 72.4 | 83.3 | 71.4 | 61.0 | 51.7 | 26.8 | 6.1 | 68.0 | 53.7 | 60.8 |
| G. Accra | 87.8 | 85.4 | 93.2 | 77.7 | 65.9 | 52.5 | 33.3 | 15.4 | 72.8 | 61.0 | 66.6 |
| Eastern | 87.5 | 83.5 | 90.4 | 81.1 | 57.1 | 36.5 | 19.6 | 5.6 | 73.5 | 57.5 | 65.6 |
| Volta | 80.0 | 81.4 | 82.7 | 81.5 | 63.5 | 31.8 | 40.9 | 15.4 | 69.5 | 61.1 | 65.6 |
| Ashanti | 89.1 | 81.8 | 94.0 | 76.0 | 55.0 | 36.3 | 21.6 | 6.1 | 70.1 | 53.4 | 61.7 |
| Brong Ahafo | 86.1 | 83.5 | 83.3 | 82.5 | 65.9 | 53.6 | 19.0 | 6.4 | 69.6 | 62.1 | 66.0 |
| Northern | 57.2 | 31.3 | 63.3 | 31.5 | 40.9 | 22.6 | 30.6 | 12.8 | 51.1 | 25.8 | 39.7 |
| Upper West | 34.3 | 33.8 | 30.8 | 35.5 | 42.1 | 33.3 | 13.0 | 6.7 | 31.1 | 28.4 | 29.8 |
| Upper East | 30.2 | 31.9 | 44.8 | 34.1 | 14.3 | 15 | 22.2 | 0.0 | 31.1 | 25.7 | 28.6 |
| All | 77.0 | 71.9 | 81.5 | 70.8 | 56.9 | 41.1 | 24.6 | 8.5 | 64.9 | 52.4 | 58.8 |

Table 3. School Attendance Rate by age, locality and gender

| Age-Group | Accra | | Other Urban | | Rural | | Country | | All |
|-----------|-------|--------|-------------|--------|-------|--------|---------|--------|------|
| | Male | Female | Male | Female | Male | Female | Male | Female | |
| 6-11 | 91.3 | 87.7 | 87.5 | 80.2 | 72.1 | 67.0 | 77.0 | 71.9 | 74.6 |
| 12-15 | 97.7 | 74.2 | 87.8 | 74.7 | 77.6 | 68.5 | 81.5 | 70.8 | 76.6 |
| 16-18 | 69.2 | 53.6 | 64.3 | 47.2 | 51.7 | 35.2 | 56.9 | 41.1 | 49.1 |

| | | | | | | | | | |
|-------|------|------|------|------|------|------|------|------|------|
| 19-25 | 35.6 | 17.1 | 33.8 | 11.6 | 18.8 | 5.7 | 24.6 | 8.5 | 16.0 |
| All | 75.2 | 61.0 | 72.2 | 56.9 | 60.9 | 49.2 | 64.9 | 52.4 | 58.8 |

Table 4. School Attendance Rate for each income quintile, by locality and gender

| Quintile | Accra | | Other Urban | | Rural | | Country | | All |
|----------|-------|--------|-------------|--------|-------|--------|---------|--------|------|
| | Male | Female | Male | Female | Male | Female | Male | Female | |
| First | 70.4 | 53.5 | 59.6 | 40.4 | 52.3 | 42.1 | 53.8 | 42.3 | 48.2 |
| Second | 66.2 | 51.8 | 65.5 | 56.0 | 63.8 | 49.1 | 64.4 | 50.9 | 58.2 |
| Third | 69.6 | 67.2 | 74.3 | 59.3 | 64.5 | 53.6 | 68.1 | 56.5 | 68.2 |
| Fourth | 79.3 | 57.9 | 78.2 | 61.8 | 67.6 | 54.1 | 72.4 | 57.1 | 64.8 |
| Fifth | 83.3 | 66.9 | 83.5 | 60.9 | 68.9 | 57.6 | 76.6 | 60.9 | 68.0 |
| All | 75.2 | 61.0 | 72.2 | 56.9 | 60.9 | 49.2 | 64.9 | 52.4 | 58.8 |

A correlation between school attendance in relation to age-group, gender, location (rural/urban), region, and wealth is seen. In 1992, out of the total school age population of 6.9 million people, some 4.1 million -- that is to say, 59% -- were in school.

In terms of gender, age-group, place of residence and region, the story is even grimmer. Starting with the age-groups: the highest school attendance, both male and female, is recorded for two age-groups: 6-11 and 12-15. These are the groups in primary and junior secondary schools basic education.

Thereafter, school attendance rates drop rapidly.

For the 6-11 age group, male attendance was 77%, and female attendance 71%. For the 12-15 age group: 81% male to 70.8% female. For the next group, 15-18, senior secondary school age, attendance dropped to 56.9% for males and 41.1% for females. By university age, 19-25, attendance dropped to 24.6% for males and 8.5% for females.

Even the basic school age group was affected by high drop-out rates. Between 1990-91 and 1991-92 there was a 4.2% drop in enrolment. This falling trend in school attendance also has a regional and a rural-urban variation. In all age groups, school attendance was higher in urban areas than in rural areas. 75% of male, and 61% of female attendance respectively are recorded for Accra; 72.2% and 56.9% in other urban areas; 60.9 and 49.2% in rural areas. The gap widens in regional terms, where a north-south divide is evident. In the Southern regions, school attendance ranges from 60 to 65%. However, in the three northern regions of the country, this falls to 28 -29%.

The gender differential cuts across age-groups, across the rural/urban as well as north/south regions. Female school attendance is consistently lower than male attendance in all sectors. The differences are most pronounced in the higher age groups, in the rural areas, and in the northern regions of the country. Only 9% of women are enrolled in the 19-25 age group, compared to 25% of men in the same age range. In the Upper East region, there are no female enrolments while 22.2% of the men are enrolled.

There is a definite correlation between these trends and some basic elements of educational policy, especially in the cost-recovery/ cost-sharing framework which shifts the burden of providing for school facilities and equipment onto parents and communities. A UNICEF study was done between December 1992 and March 1993 to determine the factors leading to non-enrolment and drop-outs among primary school kids in two urban and six rural districts. Community leaders, teachers, parents of drop-outs, parents of non-enrolled kids, non-enrolled and drop-out kids were surveyed. The factors discovered are: high cost of official fees and school uniforms; lack of facilities -- in 1990-91, 23% of public schools had no classrooms to protect teachers and pupils from the rain; kids were working for income or handling household chores.

A 1995 World Bank sponsored poverty study illustrates the tendency of school attendance to fall at the senior secondary school level, age group 16-18 and above. This study found that "this situation... has arisen mainly because, in the cost-sharing framework, communities are not only responsible for financing capital requirements and school furniture, but also for providing tools and other inputs needed for the program."

The correlation is even clearer when the trend is examined in terms of the rural/urban division. The fall of the attendance in the secondary school age group is greater in the rural areas than in the urban areas (see table 2).

The emphasis on community resource mobilization and household payment for schools means that those communities and households that can afford least, suffer the most.

The World Bank, in its 1993 ("GHANA 2000 and BEYOND"), summarizes the point thus:

"The money costs of schooling are not trivial, and may dissuade some parents from sending their children to school. At least two thirds of private expenditures related to school attendance are devoted to items besides school contribution, textbooks and school supplies. In many communities, residents provide labour and materials to construct school buildings. School contributions at primary and

public secondary school levels amount to 308 cedis and 3.522 cedis, respectively, in rural areas, and 1.10 cedis and 8.352 respectively in Accra.

Schooling-related food expenses, books and other school supplies add about 2,000 cedis for primary schools and 7,000 cedis for secondary schools in rural areas, and about 6,000 cedis and 15,000 cedis respectively in Accra. These expenses are not trivial for the poorer household.

For households at the lowest expenditure quintile, on the average, per capita education expenditures for primary education represent 12% of total per capita expenditures; for the junior secondary level, 17%, and for the senior secondary level, 41%.

The effect of this can be measured in the following figures, reflecting the access of children from different social backgrounds to various levels of education. While at primary school level, attendance for the poorest quintile was higher than that of the richest, by the time of the secondary school the situation had reversed to reveal a wide gap now in favour of the rich, thus:

Primary school: poorest quintile, 22%
richest quintile, 14%

Secondary school: poorest quintile, 15%
richest quintile, 20%

Tertiary: poorest quintile, 6%
richest quintile, 45%

The above applies not just to school attendance but also to the quality of learning. In general, learning outcomes of the educational policy has been very poor. According to the World Bank's April 1995 Country Assistance Review, in two successive tests given to sixth grade primary students, it was found that "ONLY just two percent of students were able to answer more than 60 percent of relatively simple mathematics and English questions CORRECTLY." 40% of all school leavers are functionally illiterate.

Again, this affects different social and regional groups differently. In the two major cities, Accra and Kumasi, the numbers of private schools, where wealthy parents spend from 2 to 4 times more per child than parents with children in public schools, have steeply increased. For those who can afford the fees, these schools substantially increase the probability of their children getting into good senior secondary and tertiary schools, thereby strengthening the high correlation between educational attainment and income.

Finally, there is a mismatch between the objectives of the reform and reality, and between user aspirations and the revised curriculum, particularly for first cycle schools. The 1995 World Bank poverty study, ("GHANA Poverty, Past, Present and FUTURE") stated:

"...the reforms are not fulfilling the purpose for which they were designed. In both rural and urban areas, the implementation of the technical training component, kingpin in the educational reform programme, is largely unsatisfactory. In case after case --in schools, communities and in the Ghana Education Service-- informants alluded to the lack of tools, working buildings, and trained teachers. This situation... has arisen mainly because, in the cost-sharing framework, communities are not only responsible for financing capital requirements and school furniture, but also for providing tools and other inputs needed for the program.

Consistently, therefore, the skills training objective is being undermined by the high incidence of poverty. The strategic vision of education which is relevant to Ghana, that which creates a skilled work force for economic take-off, is thus being undermined by its precondition: shifting the burden of the cost to the local communities and parents.

3 The Numbers of the Last Five Years

Tetteh Hormeku

(Ghana Social Watch Report 1997)

This analysis in this report combines information from the most recent nationwide official research into the nature and distribution of poverty with that from more recent but smaller studies on the subject by NGOs and other institutions. The GLSS (Ghana Living Standards Survey) made a static (mainly household surveys) measurement of poverty. Whilst the World Bank study, taking off from the GLSS findings, undertook a qualitative and participatory assessment. A basic deduction from the available data and analysis is that poverty in Ghana is differentiated in terms of geography (i.e. rural-urban, rural north-rural south), gender and generation.

The last official quantitative measurement of poverty was undertaken in 1992, i.e. the Ghana Living Standards Survey (1992 GLSS). However there is broad agreement that in the last four years poverty has increased and the conditions of those living in poverty has worsened. In a September 1996 report the Ghana Government's Technical Committee on Poverty (TCOP) stated that «there is a general perception among Ghanaians and watchers of the performance of the Ghanaian economy that there has been a downturn in the improvement in general welfare since 1993». In a similar vein a 1995 World Bank study declares that «since 1992, there is evidence of a slow down in the rate of economic growth and of deterioration in living standards».

The 1992 GLSS survey of the economic dimensions of poverty defined two poverty lines based on mean household expenditures in 1988: an upper poverty line of two-thirds of and a lower line of half the mean expenditure. The 1992 GLSS found that 31% of Ghanaians lived below the upper poverty line and 15% below the lower. The upper measure is the common reference for poverty in Ghana.

The aggregate national figure hides some important variations. The percentage of poor in the urban areas and rural coastal areas are below the national average. 23% of the population of the national capital and growth pole, Accra, and 27.7% of the population in other urban areas as well as 28.6% of rural coastal inhabitants live in poverty. On the other hand 33% and 38.3% of the inhabitants of the rural forest and the ecologically fragile rural northern savannah areas live in poverty. **Three quarters of the poor are to be found in the rural areas.** Not surprisingly the biggest proportion of the poor, 48% of them are employed in agriculture with another 33% engaged in non-farm self employment, mainly provision of petty services and goods.

The GLSS data do not offer a clear basis for deducing the gender dimensions of poverty. So for example there are no data on the relative numbers of male and female poor. However the World Bank study clearly showed that men and women stress different elements of the experience of poverty. Also evidence from the GLSS and other sources point to the fact that Ghanaian women suffer a greater share of the burdens of poverty than men. Furthermore there are indications that the increasing migration of young women into Accra, into a largely stagnant labour market, has aggravated the incidence of poverty among women in that city.

Indications from Accra point to poor women bearing the brunt of inadequate provision of garbage disposal facilities and scarce water supply in the poor neighbourhoods of the city since water supply and environmental cleanliness are defined as the responsibility of women and children. Furthermore due to the huge urban job losses occasioned by the government economic policies, rooted in a World Bank backed Structural Adjustment Programme (SAP), the numbers of Accra poor households relying on the incomes of wives and female relatives in the informal sector is believed to have increased.

The differences are not simply in quantitative terms but there are also differences in what the poor perceive as the determinants of their condition, its social implications and therefore what is required to break out of living in poverty.

While poverty in the Northern Savannah is related to food insecurity in the rural south it is related to constraints to productivity. Rural poverty, particularly, in the North tends to affect whole communities while urban poverty tends to be more individually focused. In the rural areas poverty was seen in dynamic as well as community terms: in general community assets -such as access to resources, e.g. water for domestic and productive use, fertile farmlands and particularly, in the North, as a dynamic condition affecting entire communities.

The World Bank study found that the urban poor were strongly concerned about inadequate employment opportunities and small enterprise credit. Persons living in poverty in both urban and rural areas showed a strong concern for better access to both educational and health facilities, water and sanitation.

SAP

Since 1983 an IMF/World Bank Structural Adjustment Programme (SAP) has defined the government's strategy for economic growth and poverty reduction. Since the mid 1980s there has been a four pronged poverty reduction strategy.

This includes increasing and sustaining economic growth and stability, improving basic social services, reducing population growth and to a lesser degree providing services narrowly targeted at the most needy.

Most of the adjustment and sector loans (75%) contracted from the World Bank, (more than \$2 billion by 1995), and other financing from the European Union and bilateral donors has been in support of the growth objective. Out of 14 sector adjustment credits from the World Bank since 1992, two were narrowly targeted at poverty reduction, five for broad services while the rest was for growth.

The 1996 TCOP report includes 383 projects receiving support, for the period 1985-99. It found that 58% of them are poverty focused, i.e. «benefit the poor without targeting them», while 22.4% of the projects were directly targeted at the poor, a situation it described as «most unsatisfactory». The report noted that the terms of reference of the National Action Programme for Poverty Reduction (NAPPR), the Government's post WSSD framework document, did not include food security, nutrition and population policy. TCOP also argued that the NAPPR - should have provided for broader consideration of service delivery issues». The NAPPR is the framework document for future donor assistance and poverty reduction activities.

The official admissions of increasing numbers of poor and deterioration in living standards contrast with the previous official optimism which considered that a decade of SAP (during which economic growth averaged 5% a year) had led to a reduction in poverty. Growth has faltered since 1992. The 1992 poverty figures are however, an improvement on those from 1989, particularly reflecting a drop in the percentage of rural people living in poverty.

Even as the figures point to an overall reduction in percentage of those living in poverty between 1983 -1992 they also highlight the grave poverty-causing impact of SAP in the urban areas. The 1992 figure of 23% of Accra's population living in poverty is a dramatic jump on the 1988 figure of 8.5%. Beneath the figure is the human cost of the SAP driven budgetary reforms which have seen nearly 70,000 persons laid off in the public service, as well as large scale redundancies, in privatised public corporations and in manufacturing enterprises which have been bankrupted by cheap imports due to trade liberalisation. Another factor behind the growth in the percentage of the poor in Accra is the already mentioned migration from the countryside into a stagnant labour market.

Poverty and Health

As already indicated, an improvement in basic social services including health is one of the defined objectives of the GoG's (Government of Ghana) poverty

reduction strategy. This is reflected in a number of policy documents. These documents include the NAPPR, The Medium Term Health Strategy, 1995 (MTHS), The Child Cannot Wait: a National Programme of Action (1993-97), Programme for Sexual and Reproductive Health, and Ghana Vision 2020. All of these defining overlapping goals for improving the health status of the population as part of a wider poverty reduction drive.

Present average life expectancy is 56 years. This average is heavily influenced by the high infant (under 1 year) and child (under 5 years) mortality rates of 66 per thousand and 119 per thousand respectively. Life expectancy for those who survive the first five years is 63 years. 45% of one year old children are not immunised and national immunisation coverage for the main child killer diseases is 70%. 26% of children under age three are stunted and 11% are wasted.

The indicators for health and health care delivery in Ghana bear a strong correlation to the spread of poverty. For example:

- It is well established that most causes of morbidity and death in Ghana arise from poor environment and sanitation, defining features of the situation of the poor. The major ailments malaria, acute respiratory infections and diarrhoea diseases, are linked to poor environment and sanitation.
- Major causes of childhood morbidity and mortality such as lack of protection from preventable diseases, short interval between births and malnutrition, are largely linked to poverty.
- Rural Ghana, in particular Northern Ghana, records the lowest in terms of health indicators:
 - Only 12% of rural households have access to potable water compared to 75% in urban areas.
 - In 1989 the coverage of the government's primary health care programme was 45% in the rural areas compared to 92% in the urban centres.
 - According to the 1992 GLSS only 3% of rural households live in communities with a resident doctor. The Ministry of Health's physical accessibility standard is to provide one health facility within a walking/travel distance not exceeding 8 km (5 miles). **For 36% rural people the nearest doctor is 1- 9 miles away, for 31% the distance is 10- 19 miles and for nearly 18% of them the distance is over 30 miles. A similar situation exists for pharmacists.**
 - It is estimated that 8.36 million people living in 47,000 rural settlements have no ready access or none at all, in terms of physical availability, to basic government provided health facilities.

- Only 11% of the population of the three Northern Regions have access to health facilities. In 1987 the doctor- population ratio in the Northern Region was 1:63,095 compared with 1:5764 in Accra.
- The three northern regions record the highest child, infant and maternal mortality rates in the country as well as the most nutrition deficient statistics.
- **The National Report for the Beijing Conference, Status of Women in Ghana (1994) disclosed that 45% of all women and 65% of pregnant women in northern Ghana are malnourished compared to 30% and 45% respectively in the south.**

Despite the geographical differences in health indicators, urban and rural poor are united in their priority identification of inadequate physical availability of social services, including health as an element of their social deprivation. According to the 1995 World Bank study, health care was one of the four priorities identified by the rural poor. A separate study in Accra found the poor rating inadequacy or absence of sanitation facilities as priority concerns.

Government Policy and Access to Services

The government's broad policy for improved health within poverty reduction has three key elements: building a firm foundation for an improvement in the quality of health care, increasing access to quality health care and establishing an enabling environment for health. More specific elements include reduction in the rate of infant, child and maternal mortality rates, effective control of risk factors that expose individuals to communicable diseases, increased access to health services especially in the rural areas, establishment of a health system effectively oriented towards delivery of public health services.

Despite these commitments health expenditure is low, even compared with other low income countries, stagnating under 2% of GDP (\$6 per capita) from the late 1980s -incidentally, the peak years of SAP-driven economic growth. The World Bank has described this level of expenditure as not allowing for the adequate provision of a minimum package of health services. However there has been an increase in the numbers of community health facilities in the past five years and there is an ongoing strong drive to raise the percentage of immunised infants and children.

The inadequate funding of the public health sector is reflected in a range of problems apart from insufficiency of infrastructure: low pay and poor morale of the inadequate staff, and the patchy delivery of the Primary Health Care Outreach programme in rural areas.

Within this inadequate expenditure the rural areas and the poor get a less than average share. According to the 1992 GLSS in 1989 urban Ghana with one third of the country's population took up 42% of the total government health budget and over 50% of total outpatient spending. In 1992 this urban share had increased to 49% and 55% respectively. The 1992 GLSS also showed that whereas the top 20% of the population, according to income, received 33% of government expenditure on health, the poorest 20% enjoyed only 12% of this expenditure.

The inequity in the share of public health expenditure going to the poor is partly a function of the already described spread of health facilities and personnel. In recent years the situation has been aggravated by the government's commercialisation of services. Charges, largely nominal, for the use of public health facilities were first introduced in 1971, under an IMF backed stabilisation programme, but since 1985 the government has aggressively pursued a cost recovery programme.

Currently the commercialisation programme covers a higher than full cost charge for drugs, and the use of other curative services with exemptions for a handful of diseases. The costs borne by patients have been compounded by additional illegal charges by poorly paid hospital staff. There is an official policy, under the Department of Social Welfare, of exemption for the poor and support for «paupers». This policy has been all but impossible to enforce. It is inadequately funded, and the procedures for exemption are bureaucratic. In 1994 only 723 persons benefited by way of funding for drug purchases with another 3838 receiving free treatment.

The most dramatic impact on the utilisation of health facilities has been caused by the introduction of a «cash and carry» system, which requires that payment be made before a person is attended. Numerous official and NGO studies have reported substantial drop in hospital/clinic attendance by many people as a result of the cash and carry system. In some places the drop has been as much as 50%. In the rural areas the policy has added to the economic cost of health represented by transport costs.

The national media have carried stories of accident victims being left to die in hospitals because the persons who took them there did not have money; the cash and carry system has become the focus of widespread criticism of the SAP derived health policy reforms. The poor are unlikely to find the resources for health emergencies requiring large expenditure.

There are indications of the specific impact of these policies on poor women. According to the 1992 GLSS the most likely reason, 36% of cases, for a woman's

non- attendance at pre- natal clinics was that they could not afford the cost. Cost is also militating against the drive to encourage women in the rural areas to deliver in health facilities.

Political liberalisation since 1992 has made a much more open discussion of the impact of the government's economic policies on the poor and on health delivery. In the run up to national elections in December 1996 the growing incidence of poverty and the impact of the commercialisation of health on the poor were key issues in the campaign. The government, which was re-elected for another four year term, has acknowledged there are problems but has given no clear indication of what policy changes it intends to carry out in response to the situation.

Notes:

1 The main reports are the Republic of Ghana, Technical Committee on Poverty (1996) Policy Focus for Poverty Reduction. World Bank (1995) Ghana Poverty Past, Present and Future, The Ghana Living Standards Survey, 1992. Smaller more recent reports used include a 1996 Voluntary Services Overseas (VSO) Ghana study on Technical Assistance and Poverty Reduction, the findings of a 1996 participatory assessment of women's reproductive health in Northern, Upper East and Upper West Regions by a national NGO, ISODEC and E.Aryeetey & E. Bortei-Doku Aryeetey (1996) An Urban Perspective on Poverty in Ghana: A case study of Accra.

2 Republic of Ghana, Technical Committee on Poverty (1996) Policy Focus for Poverty Reduction.

3 World Bank (1995) Ghana Poverty Past, Present and Future.

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Dignity and Sustenance

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(Ghana Social Watch Report 1998)

The agricultural sector is the main source of livelihood for the majority (60%) of Ghanaians. It relies mainly on unpaid family labour, particularly of women who constitute 63% of this work force. Investment in agriculture has declined over the past decade, accounting for only 6.2% of government investment. Employment in Ghana is predominantly in the informal sectors of the economy, particularly for those with little or no formal education and skills: women, the disabled, and the rural population with no access to productive resources such as land or capital. The most significant changes in employment over the past decade have been the dramatic decline in formal sector employment (public and private sector), the substantial growth of the informal sector, and rising unemployment and underemployment. These trends were a direct result of policies adopted by the government under the Economic Recovery Programme (ERP) or Structural Adjustment Programme (SAP).

Employment and Equity

"Engagement in productive work is a principal means by which a person seeks to ensure a livelihood...Over and above the income earned, work contributes to how people feel about themselves, how they are valued by others and generally enhances their dignity". Ghana National Human Development Report, 1997

In Ghana the central significance of employment for equitable and sustainable development has been affirmed in a number of legal instruments and in the government's medium term development strategy. The 1992 Constitution contains a number of key provisions relating to employment. First, it enjoins the state to take necessary action to ensure that the national economy is managed in such a manner as to provide adequate means of livelihood and suitable employment to the needy. Secondly, it supports the right to work under satisfactory safe and healthy conditions and makes provisions for equal access to work. These rights are further reinforced by national labour laws, which guarantee workers in the formal sector various rights.

The Constitution also *"protects the rights of disabled persons against all forms of exploitation, all regulations and all treatment of a discriminatory and abusive nature and provides special incentives to disabled persons engaged in business and business organisations that employ disabled persons in significant numbers"*. Apart from these constitutional provisions Ghana has also ratified all the core ILO Conventions on international labour standards including those relating to women, and the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW).

The government's policy framework for economic and social development, outlined in Ghana Vision-2020, also acknowledges the key role of employment for reducing poverty and *"improving the quality of life of all members of the society"*.

It also commits the government to "*pursuing macro-economic policies that promote productive and sustainable employment opportunities for all sections of the population*" and places equity at the forefront of the government's policies and strategies for economic and social development.

However, the reality of employment since the introduction of the Economic Recovery Programme (ERP) in 1983 has not matched these general commitments and goals. Over the past decade unemployment and underemployment have increased significantly, few jobs have been created and income disparities have increased. At the same time sources of livelihood in the informal sector have become less secure and sustainable. All this has occurred against the background of positive economic growth which raises questions about the extent to which growth per se can create productive and sustainable employment opportunities for all sections of the population.

The Labour Force

The majority of the labour force in Ghana, estimated at 8.7 million in 1992, are concentrated in the rural areas, which reflects the largely rural character of the population as a whole. One distinctive feature about the labour force is a relatively large number of youth in the age group 15-19 and the increasing numbers of children under the age of 15, who constitute 3% of the labour force. Women's participation in the labour force, which in most cases is underestimated, increased consistently from 45.2% in 1970 to 51.4% in 1984. According to the 1995, Human Development Report, between 1990-92 Ghanaian women accounted for 42% of the agricultural labour force, 20% of the industrial labour force and 33% of workers in the service sector. Recent estimates also show that women's employment rates are overtaking male employment rates.

Another significant feature of the labour force is the large numbers of disabled persons (men, women and children) who earn a livelihood by begging. Despite constitutional provisions and a 4% employment quota for the disabled persons by the Ministry of Employment and Social Welfare, no mechanisms or structures have been put in place to make these measures meaningful to disabled persons.

In terms of the characteristics of the labour force, two features stand out. First, is the low level of education and skills amongst the majority of the labour force, and secondly the occupational distribution of the labour force. In 1984, 0.12% of employed women had University education compared to 0.83% of men; 1.6% of women had secondary education in contrast to 4.9% of men. The disparities in male and female educational levels in the labour force highlight the gender disparities in education in Ghana as a whole.

The labour force is distributed among agriculture, small-scale trading, industry and services. Agriculture provides employment for the majority of the labour force, but small-scale trading, particularly street vending, also provides employment for many people. Technical, professional and managerial work accounts for a relatively small proportion of employment. More men are found in professional, technical and managerial occupations than women.

The occupational segregation of women in agriculture, clerical, teaching, nursing, sales work and petty trading reveals the gender disparities in the labour market as a whole. A number of reasons account for this. These range from the low levels of education amongst women referred to earlier, and the gendered nature of educational and training opportunities, to the systematic discrimination against women in the labour force as a whole.

Features of Employment

The labour market in Ghana is characterised by: (a) a predominance of agricultural self-employment, that is to say small-scale farming and related agricultural activities; (b) extensive informal sector employment; (c) declining formal sector employment, particularly in the public sector, which is the major employer; and (d) the high incidence of unemployment and underemployment.

Agricultural Self-Employment

The agricultural sector dominates the economy and is the main source of livelihood for the majority (60%) of Ghanaians. It consists mainly of small-scale farmers and related agricultural activities such as food processing and marketing. The agricultural sector relies mainly on unpaid family labour, particularly of women who constitute 63% of this work force. Most small-scale farmers, including a sizeable number of women, face problems gaining access to capital and other technological inputs to improve the quality and quantity of their agricultural output. Investment in agriculture has declined over the past decade, accounting for only 6.2% of government investment in 1993 compared to 22.8% for infrastructure like transport and communications. This has led to a decline in agricultural output and decreasing levels of employment, which has fuelled migration to the urban centres.

Informal & Formal Sector

Employment in Ghana is predominantly in the informal sectors of the economy, particularly for those with little or no formal education and skills, especially women, the disabled, and the rural population with no access to productive resources such as land or capital. Employment in this sector ranges from small-

scale mining, street vending, petty trading, food vending and artisanal and craft workers, to small-scale businesses. In 1989, 91% of the female labour force was self-employed in the informal sector compared with 71% of men. Most of these women are concentrated in areas of work that are extensions of their traditional household roles such as food vendors, seamstresses, bakers and petty traders, small-scale producers and distributors of agricultural produce.

Informal sector employment is characterised by low incomes, no employment protection (social security, minimum wage, labour laws, health, and retirement benefits), poor working conditions, job insecurity, limited access to training and capital, and long hours of work. Although a large percentage of the population earn their livelihoods in the informal sector, women's predominance has implications for their status and role in society as a whole and shows the gender inequities in the labour market.

Formal sector employment is dominated by the public sector and is largely concentrated in the urban areas. In 1991-92 "*wage employment accounted for only 13.6% of total employment and a greater portion of men (20.75%) than women (7.5%) are in wage employment*". The predominance of public sector employment over private sector employment reflected the active role of the state in the economy.

While mainly men are found in managerial, highly skilled, and well-paid sectors of the formal sector such as industry, telecommunications and banking, women are concentrated in occupations such as nursing, secretarial and clerical work, teaching and administration. Few women are employed in management or policy-making positions even in the nursing and teaching professions and in the civil service, where they are otherwise well-represented. The private sector provides little employment opportunity as a whole, but particularly for women. In short, equal access to employment, particularly formal employment where working conditions and pay are better, is open to only a relatively small section of the population.

The main reasons for the small number of women in formal sector employment are the low level of formal education and skills among women and the systematic discrimination they face in formal sector employment. Also important is the negligible number of disabled people in formal sector employment. Disabled persons have limited access to education and there is widespread discrimination against disabled persons in general.

Employment and Income Distribution

Very little official data exists on the level and extent of unemployment and underemployment in Ghana. What exists is outdated or unreliable. One problem with compiling such data is the widely differing definitions for unemployment

and underemployment. Official estimates tend to be generally lower than estimates from other sources. For example, the Department of Employment and Social Welfare cited a 13.7% unemployment rate in 1993, whilst the Ghana Living Standards Survey (GLSS) quoted 21% for the same year.

Whatever the disparities in estimates, there is general agreement that many people - nearly 1/5 of all those who are economically active - are without regular employment. Certain groups such as youth (15-24 years), the unskilled, and those with low levels of education e.g. the disabled, are over-represented among the unemployed and underemployed. Urban unemployment rates are also higher than in the rural areas, particularly among male youth. Certain regions of the country also experience higher levels of unemployment and underemployment, such as Northern Ghana where there are very few employment opportunities.

The few statistics on income distribution in Ghana reveal the widespread nature of poverty in the country and the growing inequality between skilled and unskilled workers, men and women, and rural and urban workers. According to Vision 2020, "*36% of Ghana's population receives incomes of less than two-thirds of the national average and 7% less than one-third*". The GLSS and Poverty Profile 1987-88 define poverty as "*subsisting on an income which is less than two-thirds of the national average*". Hence, one-third (36%) of Ghana's population lives in poverty. Additionally, "*the lowest 40% of the population have less than 20% of total national income while the top 20% have 44% of the total income*". There are also marked income disparities in income between men and women, even in comparable jobs in the same sectors with women on average earning much less than men.

Employment Trends

The most significant changes in employment over the past decade have been the dramatic decline in formal sector employment (public and private sector), the substantial growth of the informal sector, and rising unemployment and underemployment. These trends were a direct result of policies adopted by the government under the ERP or SAP.

Between 1985 and 1992, formal sector employment declined from 464,300 to 186,300. Currently less than 10% of the labour force is in formal paid employment in either the private or the public sector. In the public sector, this decline is due to retrenchment of large numbers of workers mainly from the Civil Service and newly privatised state-owned enterprises. The cutbacks in private sector employment from 79,000 in 1987 to 31,000 in 1991 was in response to falling demand for locally-made goods which have been displaced by imported foreign goods as a result of trade liberalisation.

By contrast, the informal sector grew rapidly over the past decade, reabsorbing retrenched workers from the formal sector, particularly women, as well as the underemployed and new entrants to the labour market. The rate of employment creation in the sector was 6.5% compared to 1% in the formal sector. However, the employment generated by this sector has not kept up with the rate of growth of the labour market or the increasing numbers of unemployed and underemployed. Moreover, the expansion of this sector with its attendant problems of low income, no employment protection etc., raises questions about the quality and character of employment.

Data available from both official and other sources clearly show a significant rise in both unemployment and underemployment in Ghana from 18.5% in 1987 to 21.3% in 1993. These figures also reveal "*that unemployment is much higher and increasing much faster*" among young men (15-24) in urban areas. Another dimension of the unemployment problem is the "*growing unemployment among the educated including university graduates*". This is due mainly to the decline in formal sector employment.

Jobless Growth

One of the main features of economy over the past decade, particularly since the ERP, has been positive levels of economic growth at around 4% since 1983. However, these have not created a significant number of jobs. Rather, they have been accompanied by declining employment in the formal sector. Ghana's first National Human Development Report described this as "jobless growth". It noted that although economic growth is important for stimulating social and economic development including employment, "*it is not the level of growth per se which determines the generation and sustainability of employment but rather the source and pattern of growth*".

The sectors of the economy which have been stimulated by economic growth, namely mining and quarrying, and construction (which account for only 2% of total formal sector employment) are mainly capital intensive or require highly skilled labour. Employment created by the service sector and tourism is mainly low paid temporary work with little employment protection.

Furthermore, the private sector, the 'engine of development', has created fewer jobs over the last decade and is increasingly utilising flexible labour market practices e.g. contract labour and subcontracting arrangements which makes employment in this sector precarious.

The failure of economic growth to provide more and better jobs is the result of Ghana's SAP. The SAP has led to a reduction in the role of the state in creating employment, an increasing emphasis on the private sector in the economy,

liberalised investment and trade policies, and export-oriented growth strategies. These policies have led to large-scale retrenchment in both public and private sectors - the former disproportionately affecting women, and informalisation of work that has created a large pool of unorganised workers with no employment rights or protection. It has undermined the livelihoods of large numbers of people in the informal sector as their products were displaced by cheaper imported items. The SAP has resulted in "*a high incidence of poverty, directly linked to livelihoods and incomes*".

The growth of the informal sector, particularly of small-scale enterprises, is seen as a panacea for employment in Ghana. This has resulted in an increasing focus on the creation of income-generating opportunities and credit. However, these opportunities are accessible to only a small section of the population. Moreover, increasing emphasis on informal sector work is likely to create more unskilled, unprotected work with low levels of pay. More importantly, it is unlikely to reduce inequalities in employment based on gender, class, disability and geographical location.

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5 The African Development Bank (AfDB) Against The Social Summit **Tetteh Hormeku, Third World Network Africa Secretariat**

(Contribution to Social Watch Annual Report 1998)

While there has been some progress in adopting socially sensitive principles in programme and policy design, struggles generated by the Bank Group's internal power relations have so far prevented it from mobilising any new resources. This, together with new lending rules that the Group adopted in May 1995, have perpetuated the already existing inequitable distribution of Bank resources on the continent, both in terms of countries and economic sectors. One such policy is the Bank's decision to re-orient its lending towards the private sector and away from the public sector. These targeted resources come with conditions like agricultural market liberalisation that includes withdrawal of subsidies for agricultural in-puts. This liberalisation has played havoc with the poor and undermined local food production with cheap grains from the North being dumped on African countries.

Equity and the African Development Bank

The Social Summit committed multilateral development banks to three broad actions. These are: (a) to complement adjustment lending with enhanced targeted development lending; (b) to enlist the support and co-operation of regional and international organisations and the United Nations system, in particular the Breton Woods institutions, in the design, social management and assessment of structural adjustment policies, and in implementing social development goals and integrating them into their policies, programmes and operations; and (c) to seek to mobilise new and additional financial resources that are both adequate and predictable and are mobilised in a way that maximises the availability of such resources and uses all available funding sources and mechanisms, inter alia, multilateral, bilateral and private sources, including concessional and grant terms.

Given that structural adjustment policies and programmes have been one of the main sources of recent inequitable economic and social development in most of the third world, implementation of the above commitments would indicate progress towards equity. Unfortunately, the political economy of the African Development Bank (AfDB) group threatens to turn the Social Summit commitments on their head. While there has been some progress in adopting socially sensitive principles in programme and policy design, struggles generated by the Bank Group's internal power relations has so far prevented it from mobilising any new resources. This, together with new lending rules that the group adopted in May 1995, has perpetuated the already existing inequitable distribution of Bank resources on the continent, both in terms of countries and economic sectors. Moreover, when agreement is finally reached on new resources, the conditions most likely to be attached will make integrated action to redress the inequities of structural adjustment even less likely.

Limited Progress in Policy Framework of Operations

In the period leading to the Social Summit and thereafter, the AfDB group undertook some measures to address long-standing problems with its operations. One of this was in the area of country portfolios, where it has adopted Country Portfolio Reviews (CPR) to reinforce remedial action for the implementation of its projects. This included some action, even though very limited on debt. Action to assist borrowing countries to reduce their debt burden to the Bank is limited to cancellation of non-performing loans, and /or returning the loan balances to the common pool for re-allocation to other operations.

Also, some new principles were also adopted to improve upon its policy framework of operations. Among these are a revised health sector policy and a housing sector policy to complement its existing urban development policy. Others include making poverty reduction overarching in its programme and policy operations. Country poverty profiles and poverty action plans were developed in the preparation of Country Strategy Papers (CSPs). The concerns raised in these profiles are then to be made integral part of the CSPs. In 1995, work on poverty profiles was completed for six countries: Burkina Faso, Burundi, Senegal, Malawi, Sierra Leone and Uganda. Poverty action plans, outlining potential areas for Bank activities, were completed for Malawi and Sierra Leone.

In terms of gender, the Bank refocused its strategy, in order to articulate gender issues in all lending operations. The main area of progress has been the adoption of a cross-sectoral approach, encompassing issues such as population, poverty reduction, along with organisational changes to make gender Bank-wide responsibility rather than that of the WID department alone. With regard to the environment, country environmental profiles, and action plans, were introduced as part of lending operations.

So far, the main part of these developments are concerned with principles, and even then limited in their overall conceptions. Matching them with resources, however, has been another matter. In this regard, in addition to a general failure to mobilise new resources (see below) the full outplay of these policy developments stand to be undermined by other policy innovations. One such policy is the Bank's decision to re-orient its lending towards the private sector and away from the public sector. In 1995, the "Bank financed five private sector projects. But more important in the times ahead is the increased attention and new direction that will be given to the private sector, as part of the ongoing reforms. This introduces changes that will assist in bringing about sound but effective support for the private sector. The Institution could assist in augmenting the flow of financial resources by serving as a catalyst and mobiliser

of private capital, both external and domestic."¹ [This and other direct quotations are taken from the AfDB 1995 Annual Report]

This development is doubtless in line with general developments in other multilateral financial institutions, especially the World Bank. It is also due to pressure from some of the Bank's leading financiers especially in the advanced industrial North. Most of the Bank's sources from bilateral operations have been geared accordingly. While there has been overall drop of resources from these quarters, with 44% less in 1995 than in 1994, the funds have been targeted mainly to the private sector and the institutionalization of market forces for the allocation of resources. For instance, the total of \$5 million from the United States Agency for International Development (USAID) went to this sector, with a residual to the environment

The first misgiving about this re-orientation is that these targeted resources come with conditions like agricultural market liberalisation, the same policies of withdrawing subsidies from agricultural in-puts, which have played havoc with the poor, and have undermined local food production with cheap grains from the North being dumped on African countries.

Secondly, the quality of private sector operations so far are mixed, and do not give sufficient cause for belief that these operations are geared to consistently generate the kind of developmental and social effects envisaged in the Social Summit commitments which would justify a squeeze down on public sector operations. In 1995, the projects included a salt refinery in Senegal with a new job creation capacity of 85, and a value generation of CFA francs 4,752 million in ten years; a five-star hotel for tourism in Seychelles, creating 31 new jobs, with net foreign exchange capacity of \$14.3 million over ten years; private owned cereal processing and storage complex in Sudan, providing 100 jobs; the manufacture of household refrigerators in Zimbabwe, with projected 10 year revenue of \$55 million dollars, and job opportunities for 160 people; and the expansion of a yarn spinning mill in Zambia, with 433 new job opportunities, and capable of earning \$25 million a year in foreign exchange.

Thirdly this re-orientation aims at using funds from the Bank group's concessional window to support private sector operations in large scale infrastructure projects, including electricity dams. Largely in reflection of US demands, the Bank group aims to increase these kinds of operation to 25% of the Banks lending operations, and is reminiscent of similar redefinition of the funds from the IDA, the World Bank's soft loan window. In the case of the latter, the

¹ This and other direct quotations are taken from the AfDB 1995 Annual Report

first such operation has been to support a large-scale hydro-power project in Laos, with supposedly export-earning capacity.

This problem is worrying considering the squeeze on ADB resources, and the fact there is not even resources available to 39 poor African countries who can only borrow from the soft-loan window. The problem of availability of resources and the politics around it constitute the biggest obstacle to the Bank's ability to contribute to the fulfilment of the Social Summit commitments for equity.

Inadequate Bank Resources and Aggravated Inequity

The resource problems of the AfDB arise from two sources. The first is related to the Bank's project portfolio and its debt structure, in short the financial health of the Bank. The second arises from the Bank's share ownership structure, and attempts to change them. While there has been substantial movement over the past few years on the first problem, the second one that is share-structure has proved more intractable.

The AfDB group comprises three windows. The first is the hard-window African Development Bank (ADB). This is funded by share subscriptions by its members, made up of 53 African countries (the regional member countries) with 66.3% of the total share ownership, and 24 non-African members, the non-regionals, with 33.69%. Together, the regional member countries (RMCs) hold 65.5% of the voting power, as against 34.5% for the non-regionals. The second member of the group is the African Development Fund, (ADF) the concessional window, with 26 members- the ADB and 25 non-regionals, funded by regular replenishment mainly from its non-regional members. The final member of the group is the Nigeria Trust Fund, funded mainly by Nigeria.

The problem is disagreement over the demand of the non-regionals to increase their share ownership to equal that of the RMCs with corresponding voting power, or failing that establishing a new management structure requiring a three-quarters majority on the Executive Board for major decisions. Either option is designed to give the non-regionals a veto over the "big" decisions of the Bank. This disagreement has been part of the problems that has generated years of acrimony and uncertainty among Bank share-holders and affected its standing in the capital markets. In 1995, while the Bank's triple A rating was confirmed by three of its credit rating agencies, the fourth downgraded its Senior Debt and Subordinated debt from triple A and double A to double A plus and double A minus respectively. These ratings flow from and in turn affect perceptions of the Bank's credit worthiness and ability to raise capital.

The disagreement over the non-regional's demands for more power has created difficulties for mobilising resources for the Bank group. It has consistently held

back further capitalisation of the ADB, as well as any major new replenishment of the ADF which the non-regionals control. The total resources² of the Bank Group as at December 1995 has not changed significantly: \$24.10 billion. Of this, ADB had 52.9%; 45.2% for the ADF, and 1.8% for the Trust Fund. In addition to these, the group's retained earnings stood at \$1.20 billion dollars, with a limited \$0.60 billion mobilised through the capital markets mainly to meet disbursement requirements.

During the Bank group's annual meeting in May 1997, President Omar Khabbaj indicated that the Bank requires a moderate capital increase of say 33-50 per cent over the existing capital base of \$23 billion to help strengthen its position in the medium term and allow more 'financial headroom' for its operations. But at the same meeting, the non-regionals backed their demands with a threat to block the second tranche of their \$3 billion contributions to the Fund. This threat also stands to affect funds for the capital increase for the ADB window, undermining the ADB's ability to raise funds from the financial markets, where it gets the bulk of its operating resources.

The difficulty over replenishing the ADF has been feeding into another problem. In May 1995, as part of a package of policies to address the non-payment of loans by most of the African member countries because of poor economic performance, a decision was taken to re-classify the eligibility of countries to borrow from which Bank window. As a result, only 10 countries can borrow from the ADB, three are blend countries, able to borrow from both windows, and the poorest 39 African countries can borrow only from the ADF. The failure to replenish the ADF means that no new resources are available to these countries to support their investment programmes and growth prospects. They have access to the ADB window only for "private sector operations and limited funding for enclave projects".

The result of all this is can be seen in the loan approvals for 1995, which generally still hold true. In the absence of new ADF resources, the lending programme for 1995 was constrained by the limited absorptive capacity for non-confessional resources on the part of the low-income RMCs. Bank group loan approvals amounted to UA449.74 million; 6 publicly guaranteed loans totalling UA 437.60 million; and five private sector loans at UA 12.14 million. Due to the new Bank lending policy, ADF-only countries received UA 9.38 million, 2.1% for private sector loans; blend countries received UA1.75, that is 0.4%, and the ADB countries received UA438.61 that is 97.5%.

² The heading total resources include: (a) paid in capital (ADB); (b) debt capital, raised from the market (ADB); (c) subscribed capital, subscriptions, not actual money; (d) replenishments and subscriptions (ADF); and earnings, which may be simply book value.

This is further expressed in a lopsided sub-regional distribution of Bank resources on the continent. The countries of the Northern African sub-region, which is predominated by ADB only and blend countries obtained 85.9% of all the loans and grants; 11.8% went to the countries of the Central African region; the Southern African region countries received 2%; East Africa, 0.2%, and West Africa, 0.1%.

Another effect is a bias against agriculture in the sectoral distribution of lending. In 1995 the cumulative loans approvals, that is taking in account loans and grants approved in previous years, agricultural led with 24.4% distributed among 527 loans and grants; public utilities had, 21.5% for 406 loans and grants; transport 16.9% 375 loans and grants; industry, 16.2% for 249 loans and grants; and the multi-sector category, which includes policy based and poverty alleviation activities, 11.3% for 104 loans and grants; and the social sector, that is education and health was 9.6%, for 270 loans and grants.

When the loans and grants for 1995 alone are taken into account, the industry sector, with increased private sector lending had 38.3%; and agriculture 2.1%. In the Bank's own words, "the modest share of agriculture represents country conditions which, in general, restrain the use of non-concessional financing for projects and programmes in agriculture".

This bias is carried even into the co-operative interactions between the Bank and bilateral donor and regional institutions. In 1995, despite a series of discussions between the AfDB and the International Fund for Agricultural Development (IFAD), no co-financing project was approved because of the non-availability of non-concessional resources from the ADF. Similarly with the Food and Agricultural Organisation (FAO), where co-financing activities were scaled down, with only \$2.5 million dollars made available for project identification and preparation missions.

This is part of a bigger trend: the Bank's failing ability to mobilise resources further resources from bilateral donors and other multilateral institutions, thereby failing to fulfil one of the Social Summit commitments. As already indicated, support from the US, Canada, Austria and Nordic countries in the year 1995 fell by 44% from the preceding year. Its co-financing operations from multilateral finance institutions have also been suffering. In 1995, the Bank was involved in 16 co-financing operations which amounted to \$533.13 million, all of which were confined to non-concessional lending. By contrast, in 1993, co-financing operations totalled \$3,701 million falling to \$1,740 in 1994.

Concern with the resource problems which underlie Bank's operational bias against the poor on the continent both in terms of country and sector has

increasingly mounted, not least inside the Bank itself. The worry, however, is that the political problems which largely account for this are likely to be resolved with a re-definition of a mission for the Bank which would make its operations no less inequitable than the current situation.

The Future: Resolving Resource Problems Against Equity

The Bank's annual general meeting in May 1997 ended with indications of agreement for a substantial capital increase in 1998. But this was because delegates adopted proposals for the Bank group to finance several major infrastructure projects and bring in more private investment. Behind this was a political alliance which could tilt the resolution of the vexed question of the share-structure and ownership of the ADB group away from those who favour a specifically African mission for the Bank.

Most African shareholders accept that offering non-regional shareholders a bigger stake will boost ADB ratings, allowing it to borrow more cheaply on capital markets. However, Nigeria and Uganda object to any dilution of the African two-thirds majority share, especially in the light of the non-regional shareholders' power over Bank policy decisions that this will bring with it. Nigeria has even indicated its preparedness to buy the shares of any African country not able to pay for its share in the Bank's next capital increase on that country's behalf and warehouse them.

Most people, especially African civil society groups believe that the struggles have far-reaching implications for the Bank's ability to function in Africa's specific interests. A decisive control by the non-regionals (especially the Western European, Canadian and American) over Bank policy is likely to drive the Bank even further into a role which simply mirrors the World Bank policies for Africa. There are many who charge that the ADB has already gone too far in this direction.

Some of the elements of this tendency include the fact that since the latter half of the 1980s, structural adjustment lending crept into the AfDB portfolio, mainly in the form of co-financing with the World Bank and the IMF, accounting for as much as 20% of the portfolio in 1993. There is also the introduction of the private sector non-guaranteed lending window aimed at providing funds directly to privately owned concerns either through collateralised loans or equity participation. Between 1991 and 1993, 13 projects worth \$174 million were approved in the form of equity and non-government guaranteed lending. This aggravates the squeezing of public sector lending in favour of the private sector lending, in the context of the general squeeze of Bank resources.

New credit lines and grants which were opened (e.g. for emergency rehabilitation and women and development), mirrored development within the World Bank and may have been driven, alongside the policy lending, by the co-financing opportunities rather than by the logic of independent programming. By contrast investment in 'human capital', especially in basic education has generally been of low priority within the Bank. Even in the face of recent rhetoric about 'endogenous growth theory' based on the productivity of human capital, the Bank's attention appears to be driven by such "donor popular issues as the environment, gender, the private sector, small credit schemes, and participation, etc."

Above all, the Bank's role in policy advice and dialogue is minor. Its policy based lending, simply adds to the World Bank lending and is defined by those parameters. The analysis and research findings of the Bank are generally treated with much less seriousness than those of the World Bank or even other MDBs.

At a meeting in Harare in August last year, 20 networks of African NGOs who voiced similar fears, argued for a different focus for the Bank to help the continent reduce negative pressures of globalisation and increase their opportunities in the global system. They called for a Bank which provides financial leverage for the nurturing and development of analyses and ideas on economic policy management which are sensitive to Africa's peculiar economic problems, and not based on indiscriminate application of market principles; play a key role in formulating Africa's development AGENDA and ensuring that it is home-grown (two roles now usurped by the Breton Woods institutions); and support and build national and sub-regional capacity for development finance.

Such concerns are not likely to find much support in a structure in which the non-regional share holders have veto powers on the big issues. Already, the US, which leads the charge of the non-regionals, has outlined in its economic policy for Africa, reforms to ensure that the AfDB intensifies its co-operation with the World Bank and the IMF on policy based lending. The prospect is thus for intensified SAPs-type intervention in African economies. The US also is aiming to transform lending by the ADF, the soft-loan window, to focus more on African private sector operations, especially in infrastructure, to a target of 25% of total lending.

In the evolving battles over the Bank's share-structure, Nigeria and Uganda, who insist on the ADB maintaining the essence of its original mission, seem isolated. The Nigeria-led alliance of African shareholders that supported Khabbaj's presidential candidacy against the candidate favoured by the non-regionals in the 1995 elections is under strain. This is not least because the thrust of Khabbaj's policy practice has fitted quite well with the perspective of the non-regionals,

leading Nigerian officials to accuse him of reneging on his pre-election promises of backing Nigeria's line of ' the African character of the Bank', among other things.

On the other side, the charge of the US and the non-regionals is not only made easy by the general African share-holder willingness to accept non-regional power in exchange for capital increase. It would also appear to have gained the added weight of South Africa, which seemed to share some of the basic financing policy preferences of the US.

Early evidence of this alliance and its orientation can be found in the tone of the support for the Democratic Republic of Congo. South Africa, the United States and Britain have, in leading the call for ADB reconstruction aid for Kabila, sought to condition this on Kabila's commitment to "deep" political and economic reform. Omar Khabbaj has said that Kabila's government must endorse an internationally monitored reform programme to get financial help. And a US mission led by Ambassador Bill Richardson had since been to Kinshasa to assess Kabila's readiness for, among other things, the type of private investment driven economic reforms that the US is pushing hard for the African Development Bank to focus on financing. Thus, in line with the reforms demanded by the US, African Development Fund money may soon be available for private sector exploitation of the famously huge hydro-electric potential of Congo-K, something both US and South Africa companies have their eyes on; not to mention the country's famous mineral wealth and rich farmland.

It is to be hoped that the future of the African Development Bank would not be settled in the lure of Congolese minerals, hydro-power and farmland. Otherwise, it would bring an end to the dreams for an African bank with a specifically African mission. In that event the Bank's current objective operational bias against poor countries on the continent, as well as against the sectors where action is needed most to ensure equitable social development, is not likely to change significantly. Instead, what is now the result, by default, of internal power struggles and the cumulative effects of past poor financial / management performance will be the outcome of conscious policy which focuses on support to the private sector, and free-market allocation of resources at the expense of overall development action to build economic capacity of poor African countries and of the poor within these countries. By the same token, fulfilment of the Social Summit commitments would have taken many decisive steps backward.

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6 Lome Convention vs. Social Summit? Tetteh Hormeku

(Contribution to Social Watch Annual Report 1998)

Introduction: Social Summit Commitments and Third World Trade.

The two central Social Summit commitments on developing country trade are: (a) the promotion of equitable access of developing countries to global markets, productive investment and technologies an appropriate knowledge, with due consideration to the needs of countries with economies in transition; and (b) full implementation of the Final Act of the Uruguay Round of Multilateral Trade Negotiations as scheduled, including the complementary provisions specified in the Marrakesh Agreement establishing the WTO.

The basic import of the Uruguay Round Agreement (URA) has been to compel all economies, no matter their levels of development and their peculiar problems, to adopt equal rules and standards -- in tariff reduction, high protection of private property and foreign investment, etc., -- the aim being to create a level playing field for the global movement of goods, capital and investment. This treatment of unequals as equals has actually meant the prohibition of many of the very instruments available to developing countries to redress the inequitable distribution of access to global markets, technology, and productive investment. From this point of view, it could be said that the Social Summit commitments, which require full implementation of the URA in the context of promoting equity in world trade and investment, constitute a contradiction at the very heart of the outcomes of the Summit.

This contradiction is being played out in the on-going debates over a structure to succeed Lome IV, the current in a series of agreements which since 1975 have been the framework for trade and development co-operation between Europe and countries from Africa, the Caribbean and the Pacific, and which ends in the year 2000. The primary focus of the debate are the trade preferences enjoyed by the ACP countries in the EU markets under the Lome Convention, which exempt many of their exports to the EU from tariff and other barriers. But this is related to EU's global economic agenda in the context of which its relationships with ACP are being re-defined and constructed.

Trade Preferences under the Lome Convention

Currently, most ACP industrial and processed goods enjoy non-reciprocal preferences in the EU. These are supported by four agricultural protocols annexed to the Lomé Convention giving non-reciprocal preferential access to ACP exports of bananas, beef and veal, sugar, and rum. The future of these

preferences are under challenge, partly due to the general historical decline of EU own tariff barriers, as part of the trend towards trade liberalisation. For many industrial products, the tariff margins are no longer significant, since all least developed countries receiving Generalised System of Preferences treatment enjoy the same access to the EU as ACP countries. Other EU trading partners from the Mediterranean and Eastern Europe also receive special access as part of reciprocal trade agreements. In the agricultural sector, reform of the EU's Common Agricultural Policy will open up access to EU markets and reduce the guaranteed prices in European markets, affecting especially the four agricultural protocols.

But the more serious challenge has been external: from the new international trade regime and from Non-ACP developing country exporters to the EU. Their argument is that the preferences and protocols unfairly discriminate against their products, an argument upheld by a recent GATT panel when it declared the EC banana regime to be illegal. This is supported by the additional argument that because they are not available to other developing countries of similar situation, the Lome trade preferences in general are incompatible with GATT.

There are those, of course, who question the very significance of the preferences, given that despite some limited positive achievement, most ACP countries have not shown much significant economic improvement since the beginning of Lome. Against this is the argument that weak economic performance is due less to the inherent value of preferences than to the limited capacity in those countries to use the opportunities opened by the preferences. So that even as most people recognise that the preferences may not last for ever, the idea is to maintain them for enough time, say ten years, to allow ACP countries to adjust. The question then is how to design an arrangement for the retention of preferences that would be WTO compatible.

The European Commission's *Green Paper on the relations between the EU and ACP on the eve of the 21 Century* has put forward four options in this connection: 1) to retain the status quo, 2) to apply the generalised system of preferences - GSP, 3) to introduce uniform reciprocity, and 4) to introduce differentiated reciprocity.

This first option maintains current trade arrangement with non-reciprocal preferences specific to the ACP. Since these do not comply with the WTO, the EU and ACP can either continue to obtain a waiver under the WTO's provisions or seek an amendment which allows selective, non-reciprocal trade between developed and developing countries.

The second option implies the abolition of Lome preference and the gradual integration of ACP countries in the GSP. This would make trade preferences a

unilateral decision of the EU. It is proposed to make normal GSP applicable to what the EU terms “advanced” developing countries (such as Barbados, Mauritius or Zimbabwe) while all least-developed countries (ACP and others) will be granted *enhanced* GSP (equal to current Lome preferences). While this option is WTO compatible, it raises serious questions as to what the EU means by an “advanced” developing country, the criteria that will be used to graduate a developing country out of the system, and what happens to developing countries not considered to be either “least developed” nor “advanced”.

Furthermore, this introduces a mechanism which begins to undermine the basis of political solidarity among the developing countries both in their dealing with the EU and in maintaining a coherent political presence in other international economic fora

The third option introduces uniform reciprocity among EU and ACP countries. This is a step back from WTO: lumping together developing and least developing countries in reciprocal trade ignores WTO provisions on “differential and more favourable treatment” especially for the least developed countries.

The final option involves differentiated reciprocity, with the EU constructing free trade areas with different ACP regional groups or countries. One problem with this approach is that most of these regional trade groups do not yet function and cannot enter into an FTA. But the real danger here is that it allows the EU to begin to construct relationships with enclaves of the more successful ACP countries at the expense of the rest.

The problem with the EC approach in all this is that it is not sufficiently proactive in seeking reform of the WTO agreements in order to sustain an arrangement which is beneficial to the ACP. From the perspective that the preferences need to be maintained even if for a transition period, the most direct option is retention of the status quo. But this requires a political will, for the EU together with the ACP to press for the necessary exemptions within the WTO. This may be difficult, but not impossible, given that the EU is a leading bloc in the WTO political economy, which will be bolstered by ACP numbers. The real obstacle, in this regard is European political will, which is in turn related to the EU's international trade and investment policy. Here enters Europe's own global agenda in the context of which its relationships with the ACP are being redefined and constructed.

Europe's Global Agenda and the Lome Convention

European development co-operation policy, (the broad heading under which EU-ACP relations is dealt with in the European Commission) is designed to fit

into two other arms of European Union external policy. These are (a) foreign policy, designed to promote security, democracy, human rights, and so on; and (b) Europe's common trade and investment policy. As the Green Paper puts it when discussing the question of consistency in the three arms: "Consistency, in the strict sense, that is the external effects of policies other than development co-operation, can never become an international commitment on the part of the Community".

In other words, the issue as to whether Europe's trade and investment policy has external effects which undermines an ACP country's development efforts, or even the EU's own development co-operation policy, is not something that is available for question in the context of development co-operation, that is, here, ACP-EU relations. Since, European common investment policy is, again the words of the Green Paper, "centred on compliance with multilateral obligations, the building of a better managed multilateral system, and on the active pursuit of wider access to external markets", it is not surprising that the EC's approach to ACP trade preferences seeks more to fit this with the WTO rather than seek reforms to the WTO.

The fact that its international trade and investment policy is centred on multilateral obligations, strengthened by a "better managed" multilateral system (i.e. the WTO) reflects Europe's contribution to, and interest in, the new agenda for international regulation of trade introduced by the URA. The landmarks of this system -- that is the main agreements especially, Trade Related Investment Measures (TRIMS); Trade Related Intellectual Property Rights (TRIPS), General Agreement on Trade in Services (GATS), together, a trade sanctioned dispute settlement mechanism -- are measures which have transformed trade into an instrument for the intervention in the domestic economic policies and strategies of other countries, primarily to meet the monopoly needs of the European, American, and Japanese transnationals which dominate world production and trade. TRIPS were designed to entrench the technological monopoly of these transnationals; TRIMS to free TNC investment from the kind of domestic policy demands which Third World countries have adopted to fit these investments into their own needs; GATS to open up the service sector to these TNCs. Since the conclusion of Uruguay, Europe has been pushing for the adoption of the Multilateral Investment Agreement (MIA) to further tighten the processes started with the TRIMs.

The Green Paper actually puts forward the adoption of the MIA within the ACP as part of the agenda for the future. Indeed, all the changes that EC proposes for adoption within the successor to Lomé IV may be said to be designed to align the EU-ACP relations with the multilateralism of the WTO, and its vision of

globalisation. One area that this stands out most clearly in the Green Paper is the EU's attitude to regional integration.

A common Third World perspective sees regional integration as one way of protecting the economies against the ravages that the application of the indiscriminating rules of the multilateral system is set to wreck on them, to win space from this system in order to develop their abilities to build sustainable economies. So they are trying very hard to strengthen broad-level regional integration initiatives. The Abuja Accord for an Africa-wide economic system is one such initiative. By contrast, EU support for regional integration is motivated by the view that it is necessary for integration into the world economy, and must thus at all times be compatible with the new multilateralism initiated by the URA. So there is a tendency to promote integrationist initiatives which fragment rather than strengthen African regional capacity. The Green Paper does not even mention the Abuja Accord, which founded the African Economic Community and is the basis of Africa's efforts at a continent-wide economic integration. Instead it supports what the EU has been promoting as a new regional body in West Africa, the Union Economique et Monétaire Ouest Africaine (UEMOA). But as a new initiative, UEMOA is even narrower than and threatens to fragment the wider and longer standing, Economic Community of West African States (ECOWAS). ECOWAS groups all countries in West Africa and not just the francophone ones, as does UEMOA, and has long been acknowledged as one of the sub-regional blocs that must be strengthened as building blocks for an ultimate economic community of Africa. Ultimately, this accords with European interests in creating trading regimes only with the so-called viable enclaves, rather than creating spaces in which weak and strong economies reinforce each other's capacities.

In order to give further justification for the EU's desire to restructure its relation with ACP in the ways described, the Green Paper makes a one-sided assessment of the past performance of the Lome Convention. In its view, the Convention was "an ambitious but sometimes unrealistic framework based on assumptions about the ACP countries' institutional and political capacities that have not been fulfilled". Thus all the dismal results of all the Lome co-operation instruments are viewed through this prism of ACP countries lack of institutional capacity.

Thus according to the Green Paper, the principle of partnership, which was central to the Lome Convention, was eroded because of "weak institutions and in many cases inefficient administrations", encouraging the European Commission to adopt a more interventionist role. Aid policies have failed because of the "institutional and economic policy situation" in the recipient countries reducing the impact of aid. Because of this, donors have tended to shift aid to countries "in which the political conditions fall short of basic requirements towards

countries undergoing structural adjustment." The failure of trade preferences is attributed to lack of infrastructure, etc., but above all to the absence of the political stability and macro-economic stability, exchange rate policies, credible import and taxation regimes, etc.

The first flaw with this assessment is that even if the major cause of the failure has been lack of ACP internal institutional capacity and sound policy, there is no indication here of the fact that the very policies promoted by Europe have contributed to this. Take structural adjustment. It is now widely acknowledged that the design and implementation of structural adjustment policies have contributed to the destruction of both economic and political-administrative capacity in the structurally adjusting countries. Adjustment programmes, having assumed wrongly that getting "prices" right was enough, forced countries to rely on so-called comparative advantage, that is cheap labour, with policies that have led to de-industrialisation in Africa. And yet structural adjustment is the explicit glue which holds together all the measures and instruments of Lome IV, signed in 1989 and any subsequent review of it. Thus, by article 246 of that Convention,

"ACP States undertaking reform programmes that are acknowledged and supported at least by the principal multilateral donors, or that are agreed with such donors but not necessarily financially supported by them, shall be treated as having automatically satisfied the requirements for adjustment assistance".

The bigger flaw with the Green Paper's assessment is with the fundamentals. Lome was unrealistic, but not for the reasons advanced by the Paper. It was unrealistic for the Convention to have expected countries to diversify, etc., within a framework through which, as the paper itself acknowledged, Europe sought to retain these countries as providers of raw material and overseas markets. Europe offered stabilisation of commodity prices, technical support, etc., all in exchange of the certainty that these countries will continue to play for Europe the role that they played for it during colonialism and improve within this framework. Thus it was that for instance the industrial co-operation instruments in the Convention, were designed on the basis of the so-called import-substitution which everybody now hastily condemns for being the cause of ACP problems.

By simply ignoring all this, and pointing to the institutional weakness and policy failures in the ACP countries, the Green Paper does not only obscure how Europe's economic interests and political power have shaped the failures of the past. It lays the basis for rectifying these failures in a way which coincides with how Europe wants to shape its policies for the future.

Unfortunately, for the future, the inequitable international economic relations that have constrained the options of ACP countries in their dealing with Europe will be anchored in a more unforgiving regime: the WTO, whose demands of compatibility threatens even the preferences open to the ACP under the existing system.

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7 The Fourth Commitment

Sarah Ocran and Nicholas Halm

This report was produced through the joint collaboration of a number of organisations, including: The Africa Secretariat of Third World Network, Ghana Federation of Disabled Associations, Action on Disability and Development-Ghana Branch and the Ghana National Association of Teachers.

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"We commit ourselves to promoting social integration by fostering societies that are stable, safe and just and that are based on the promotion and protection of all human rights, as well as non-discrimination, tolerance, respect for diversity, equality of opportunity, solidarity, security, and participation of all people, including disadvantaged and vulnerable groups and persons." Commitment Four: World Summit on Social Development.

This report looks at fulfilment of this commitment in relation to people with disabilities (PWDs) for two reasons: 1) because they constitute one of the most disadvantaged and marginalised social groups in Ghana; and 2) because issues related to people with disabilities have received less attention than those related to other marginalised social groups in Ghana.

The rights of the disabled

The 1992 Constitution of the Fourth Republic of Ghana contains four major provisions relating specifically to the rights of people with disabilities (Article 29). The first provision protects PWDs against regulations and treatment of a discriminatory or abusive nature. The second stipulates that in judicial proceedings involving PWDs, the legal procedure applied should take their physical and mental condition into account. The third provision mandates that every place to which the public has access shall have appropriate facilities for disabled persons whilst the fourth requires that special incentives be given to disabled persons engaged in business and also to business organisations that employ disabled persons in significant numbers.

While the inclusion of these provisions in the Constitution constitutes a welcome improvement in official attitudes to PWDs, the full potentials of these provisions are undermined by a number of limitations.

The first is that the provisions are not sufficiently proactive and forward-looking. For instance, **the provisions on employment opportunities for disabled people are dealt with essentially by providing incentives to businesses that employ people with disabilities, rather than through proactive and direct public investment in developing the creative potentials of people with disabilities.**

Moreover, the nature and modalities of these incentives have not been identified or clarified.

Another limitation of the provisions is that they do not address the rights of PWDs, as people whose skills and capacities can be developed with the requisite societal support. In some instances, this has clear negative implications for the practical approaches to the issues facing PWDs. For example, in educational matters, the Constitution explicitly or implicitly consigns PWDs to vocational training in trades and crafts which generally limits and restricts ones opportunities for employment.

These limitations could be surmounted by a more conscious social policy and legislation that would strengthen and promote the rights of PWDs. Unfortunately, it is here that there is the greatest failure so far, in relation to action for people with disabilities. Six years after the entry into force of the Constitution, no laws or policies have been enacted to enforce the provisions relating to the rights of PWDs. Three years after the Social Summit, there is no national policy on disability that would amongst other things promote the social integration of PWDs. Only now is the government formulating a draft policy on disability, but this is happening without much public discussion.

In view of the above, it is no coincidence that there has been no significant improvement in the situation of PWDs in spite of the government's signature of the Social Summit commitments on social integration and inclusion.

Lack of data and many barriers

The lack of data on the nature and extent of disability in Ghana points to the haphazard approach to the issue of disability since no comprehensive policy of social integration can be developed without precise knowledge of the situation of people with disabilities. Limited data available in the 1997 Core Welfare Indicators survey, however, show that «one per cent of the country's population are either physically or mentally handicapped with slightly more males than females». The survey also revealed that the level of handicapped persons is higher in the rural areas of the country (1.1%) than in the urban areas (0.9%).

PWDs continue to face barriers which prevent them from participating fully in society. These barriers include negative social attitudes; lack of opportunities for employment and education; infrastructural and architectural barriers; lack of access to resources, e.g., finance, equipment and information. **For girls and women with disabilities, discrimination and general prejudices about the status of women reinforce these barriers.** As a result girls with disabilities have less chance of being sent to school and getting jobs than their male counterparts.

These barriers in turn create a vicious cycle of higher levels of unemployment, low educational attainment, poverty and destitution among PWDs.

According to a report by the National Advisory Committee on Disability, employers often saw PWDs as: (a) someone else's responsibility; (b) needing constant supervision; (c) best served in an isolated self-contained setting; and (d) incompetent. Given these social prejudices it is unlikely that employers will offer employment to PWDs. In the words of one disabled person «employers tend to look at the disability rather than the capabilities».

One would expect under these circumstances that a public education programme would be put in place to help dispel these negative impressions or attitudes held by employers.

Unfortunately, no public education programmes or policies exist at the present time.

Similarly, inaccessibility of many offices and buildings to PWDs also limit their employment opportunities. Many qualified and skilled PWDs cannot be employed in public or private sectors because buildings are either inaccessible to the physically impaired or do not cater for the needs of the hearing and visually impaired.

There is a labour regulation (L.I. 632.1969) that specifically enjoins employers to set aside a quota of 0.5% of their total labour force for PWD's, but this regulation is not enforced in the public or private sectors.

These barriers to the employment of PWDs deprive the majority of persons with disabilities of the opportunity to earn a livelihood and control over their lives.

At the basic level, there are only 12 schools for the deaf, approximately one per region. Total enrolment for deaf students at this level was 1,782. Female enrolment was 682 whilst male enrolment was 1,100. There is only one secondary/technical school for deaf people, with an enrolment of 164 students. Again males enrolled at this level (121) outnumber females (43). Almost all schools for the deaf maintain a waiting list of people requiring admission.

At the tertiary level, deaf students are integrated with students who are not disabled. However, the restrictive range of course options and entry conditions, lack of interpreter services and high costs of hearing aids are such that many students with hearing disabilities cannot go to college. At present only one student with hearing impairment is studying at a teacher training. Some of the few students who manage to reach this level and who can afford it opt for education outside the country.

People with visual impairment face similar problems. There are only two schools for the blind at the primary level and very few blind students reach tertiary education.

The performance of adults and children with disabilities in education is undermined by a combination of factors such as communication constraints, inadequate specialised equipment, lack of hearing aids and learning materials, and lack of qualified personnel.

A proposed bill on the rights of the disabled prepared in 1993, which would go a long way in removing these barriers, remains on the shelves of the Ministry of Employment and Social Welfare. Similarly, a National Council on the Disabled, which should have been established after the passage of the Bill, has also remained on hold. Hopefully, the Bill when implemented will ensure the integration of PWDs into the wider society.

(Ghana Social Watch Report 2000)

Ghana's official instrument for the advancement of women is the National Council on Women and Development (NCWD). It was created in 1975 by the then military regime in response to the UN. Originally under the Ministry of Foreign Affairs, its location within government has changed several times. Currently it is under the Office of the President but heavily subject to the informal control of the first lady and the December 31st Women's Movement (DWM) of which she is president.

On the eve of the Beijing Conference, the NCWD had been weakened and its social standing eroded by a variety of factors including a haemorrhage of experienced staff, inadequate funding (and dependence on external donors) and a decade of management instability due to high turnover of chief executives. The current executive secretary is the fifth since 1986.

The NCWD regularly sends representatives to UN meetings for women, such as the Commission on the Status of Women. Prior to the Beijing Conference, the NCWD had already undertaken a number of activities including participating in the Africa and global Prepcoms.

The NCWD's 15-year draft Plan of Action (Plan) incorporated some provisions on institutional mechanisms from the Beijing Platform for Action (PFA), and addressed some of the institutional issues of the NCWD identified by a study into its problems. Government approval for the Plan, which would restructure and revitalise the NCWD, was expected by 1997. Restructuring was to address the urgent need for material and human resources at all levels, and the NCWD would also secure a befitting national secretariat. In terms of NCWD's relationship with state structures, the Plan also included a recommendation that a presidential staffer be assigned for NCWD affairs.

The Plan called for the establishment and registration with the NCWD of gender focal points in all institutions in the country by the year 1997. It included the aim of self-financing of NCWD, but expected donor support to continue. It called for the institution of procedures for government consultation of women's groups in the appointment of NCWD members and the executive secretary. Finally, it expects to have a parliamentary committee on gender and development to monitor and evaluate the implementation of the Platform for Action, and a programme to enable the NCWD to monitor the progress of implementation of

its own 15-year Plan, with the publication of a report on women every five years, is also included.

There are many good points in the Plan's proposals for strengthening the NCWD. The proposed measures are patchy, however, and they do not fully incorporate the recommendations of the PFA. This is particularly so with regard to the role of NCWD in government policy-making processes, the clarity of its mandates, and the strengthening of its resource base. The Plan does not fully address some of the central problems ailing the NCWD, such as its staffing and resource problems, its powers and legal status, and its political and legitimacy problems. Though acknowledging the urgent need for human and material resources, the Plan makes no proposal on how to deal with it. The Plan is also weak on proposals for the collection and dissemination of gender disaggregated data and law reform. In spite of these weaknesses, the Plan if implemented would address some of the problems of the NCWD and set it on the road to implementing some Platform for Action provisions.

The NCWD's implementation record

In a report on its implementation of the PFA, the NCWD mentions the (still to be finalised) draft Plan of Action as one of its achievements. Other successes it claims include: an affirmative action proposal, which focuses on women in decision-making at the district regional and national levels and female access to education. According to the NCWD, the vice president pledged that the proposal will be implemented by the year 2000; the setting up of a national CEDAW sub-committee to monitor its implementation and that of the affirmative action proposals; a national gender strategy policy document (under preparation); the creation of gender focal points; the media dissemination of the PFA.

There are some problems with these claims. A majority of persons interviewed in a study commissioned by the Third World Network (TWN-Africa) were ignorant of the provisions of the Platform for Action and NCWD priorities for its implementation. This means that such issues are not really in the public domain and have not begun to influence the post-Beijing work of many organisations. This has partly to do with the NCWD's methods of work and its failure to publicise its plans and consult with the civil society organisations working in this area. There were no consultations on the affirmative action proposal and very limited consultations on the gender strategy document. To date, the membership of the Ghana CEDAW Committee has not been publicised. The NCWD's relationship with the gender focal points is unclear.

Part of the problem with the NCWD's post-Beijing implementation has been the weak institutional base of the programme. This is partly because the agenda is

being driven by the first lady (who led the country's delegation to Beijing) rather than by the NCWD. She set up the committees to prepare the affirmative action proposals, the Draft Plan of Action and the media dissemination plan. Her location outside the NCWD, coupled with the lack of an institutional accountability and legitimacy on questions of the Platform for Action have created difficulties for the NCWD.

Despite expectations of their involvement in its implementation, preparation of the Draft Plan of Action did not involve women's organisations and other interested NGOs beyond circles associated with the First Lady's December 31st Women's Movement (DWM). Not surprisingly, five years after Beijing, most of the provisions have not been implemented. The NCWD has very limited resources and its staffing situation remains precarious. Its board has been reconstituted without consultation of civil society organisations. There was no announcement when a presidential staffer was put in charge of its affairs.

The NCWD's poor implementation record extends to other areas of the PFA. Many people interviewed in the TWN survey did not know the NCWD's priorities in the PFA. NGOs in particular lacked adequate information about the specific interventions of the NCWD with regard to the PFA. Only a small minority of respondents were able to mention a few of these priorities: education and the girl child, poverty, health, peace, and women in decision-making. A few also mentioned the areas of economic independence and employment as priority areas chosen by the organisation. Many NGO respondents, however, complained that they had no idea of how these issues came to be chosen as priority areas and the extent to which the NCWD had implemented the PFA.

A way forward

The government has to urgently deal with the NCWD's organisational and resource problems so it can implement its mandate in general and the Platform for Action in particular. In the first place, the donor dependency of the NCWD needs to change, and the Government should commit enough resources to the national machinery as part of the process of demonstrating its commitment to the work of the organisation.

Given the wide ranging nature of the PFA mandate, it would appear that multiple institutions in different locations, with different forms, and clearly demarcated roles and powers are needed to fulfil clusters of functions. Advising on policy, implementing policy, monitoring and evaluating policy and its implementation, playing a watch-dog role and so on require different combinations of skills, resources and institutional forms.

Some functions cannot be performed from within government. Some respondents to the TWN survey proposed that the legal status of the NCWD be rooted directly in the Constitution, instead of in legislation. Parallels were drawn with the Commission on Human Rights and Administrative Justice (CHRAJ), which was created by the 1992 Constitution and has since gained great respectability. The main advantage cited was the fact that the NCWD would be independent of and not subject to interference by governments, be held in high esteem and have wider powers to promote women's concerns.

While constitutional bodies may be guaranteed some protection and autonomy, CHRAJ experience shows that they are not protected from rear-guard actions such as being starved of resources and having their decisions ignored. Thus being a constitutional body does not guarantee success without other favourable conditions such as good quality leadership and staff, a vigilant civil society and a progressive media culture.

The NCWD needs to regain its legitimacy and leading role. The draft gender strategy document, the affirmative action proposals and the Draft Plan of Action should be put out for discussion and debated by all organisations and institutions engaged and interested in gender equality work before being finalised as policy to be implemented. The NCWD also has to review its relations with civil society organisations and involve them more systematically and consciously in its activities. They in turn should offer it more support.

Finally, the NCWD's subordination to the first lady has to end. That relationship has contributed significantly to the NCWD's loss of legitimacy in the eyes of many groups and individuals working on women and gender issues.

9 National Machineries for the Advancement of Women in Africa: Are They Transforming Gender Relations? D ZODZI TSIKATA

(Contribution to Social Watch Annual Report 2001)

National machinery (or machineries) for the advancement of women are defined by the United Nations as “a set of coordinated structures within and outside government, which aim to achieve equality in all spheres of life for both women and men” (United Nations, 1999).

National machineries were designated as central to the implementation of commitments made at various UN women’s conferences and given the task of reporting progress to UN agencies. An eight-country study on national machineries for women in Africa was conducted by NGOs and academics in Botswana, Ghana, Morocco, Nigeria, Tanzania, Uganda, Zambia and Zimbabwe and published by Third World Network-Africa.

This essay discusses the findings of the eight-country study in the light of the prevailing wisdom within the UN about national machineries in Africa.

Two decades of economic crisis and structural adjustment, the triumph of neo-liberalism and the demobilisation of mass political organisations have changed many African countries dramatically. These changes have generated new challenges for the implementation of the Beijing Declaration and Platform for Action (BPFA). Not surprisingly, the optimism that characterised the 1970s when the national machineries for the advancement of women were established in many African countries has long since evaporated.

Problems only partially identified

The Beijing +5 report explicitly recognises that globalisation has adversely affected the lives of women and increased inequality, especially in developing countries. Together with structural adjustment programs, the high costs of external debt services and the declining terms of international trade, the policies and processes of globalisation have increased gender inequalities and reduced the resources available to tackle these problems.

Among the many constraints facing national machineries in Africa, the most common were identified in the eight-country study as follows: lack of consistent and clear government support; a general lack and instability of human and material resources; dependence on donors; and lack of credibility with civil society organisations. Other constraints are the unhealthy and stifling

competition from other sources of power, e.g. first ladies and ruling party women's wings; lack of influence, autonomy, legitimacy and clear mandates; and the general absence of consistency among their functions, structure and powers. These findings confirm earlier expert studies and past UN statements on the subject. The BPFA noted that national machineries are frequently hampered by unclear mandates, lack of adequate staff, training, data and sufficient resources and insufficient support from national political leadership. (Section H, paragraph 196). The Beijing + 5 report also notes that inadequate financial and human resources and the lack of political will and commitment are the main obstacles facing national machinery. These failures are further exacerbated by insufficient understanding of gender equality and gender mainstreaming within governments, poor attitudes, unclear mandates, a marginalized location within national government structures and lack of gender disaggregated data in many areas, insufficiently applied methods for assessing progress, paucity of authority and insufficient links with civil society as well as structural and communication problems within and among government agencies (Section H, paragraph 25).

These summary formulations conceal as much as they reveal. Some of the central issues facing national machineries do not get a hearing. This is partly because of the compromise character of such documents. Most problematic, however, is the uncritical acceptance by the UN, governments and many civil society organisations of some debatable notions about what needs to be done. These include widely held beliefs that national machineries have to be located at the highest levels of government and that gender mainstreaming is their most important function. Some of these neglected issues and dearly held notions will now be examined.

Undemocratic governments make undemocratic institutions

Many national machineries were established in the 1970s by undemocratic governments, coup d'état regimes, military governments or one-party state regimes. The broad lines of the UN mandate gave governments the flexibility to decide on the location and structure of national machinery. Many of the institutions established or designated as national machineries were part of government bureaucracies. One result of these undemocratic processes has been the instability of location and structure of many national machineries. Ghana's national machinery, the National Council on Women and Development (NCWD) has since its establishment in 1975 operated from no less than five different locations under five different branches of government and that will change again in 2001 with a new government in power.

Despite their locations in various ministries, the national machineries studied were not involved in policy-making. Instead, they were engaged in

implementing donor-funded projects as a way of shoring up their income base and also taking the line of least resistance. In many cases, they also had to navigate minefields strewn with first ladies and their organisations, women's wings of ruling parties and powerful NGOs. Throughout the 1980s and 1990s in Ghana and Nigeria, first ladies and their organisations reduced national machineries to poor cousins of these better-funded, better-connected and more elaborate organisations.

Donor dependence exacerbates this problem. The BPFA and the Beijing +5 report do not discuss the political implications of this. Donor dependency leaves national machineries vulnerable to questions about who is driving their agendas. Functions that have not attracted donor support, e.g. policy work, are neglected. In some cases, the nature of donor support has robbed national programs of coherence, continuity and sustainability.

Competing with civil society organisations

The Beijing +5 report cites insufficient relations with civil society as a constraint facing national machinery. Again, there is more to this than meets the eye. Relations between national machineries and NGOs in particular are affected by the larger issue of government-civil society relations. As part of government, most national machineries have inherited some of these tensions. Also, national machineries have to compete with NGOs for limited donor funding.

The claims and counterclaims made by NGOs and national machineries in the course of the eight-country study manifest these tensions. Civil society organisations considered many national machineries to be undemocratic. Claims by national machineries to have consulted NGOs on issues were usually dismissed as attempts to silence NGOs, to play them off against each other or simply to pay lip service to consultation. NGOs disputed reports made by national machineries to UN bodies. National machineries in turn raised questions about the representativeness and integrity of NGOs.

In some cases, there was no clarity on either side about what national machinery-NGO relations should be. In the absence of any structures to adjudicate these tensions, they have become the hallmark of national machinery-NGO relations. As a result, the more influential and established NGOs have tended to carry on their work without much interaction with national machineries, especially in situations where there is a history of government cooptation and repression.

National machinery is not a substantive issue in the BPFA, although institutional mechanisms fall in one of the twelve critical areas. This also explains why NGOs tend to ignore them in their work on implementing the BPFA. Many NGOs work on the substantive issues such as poverty, education and decision-making. And

yet, national machineries need to be taken seriously because NGO efforts cannot replace the role of government.

NGOs do not have the power and mandate to take charge. Furthermore, national machinery is part of the broader question of governance and accountability that should concern all members of civil society. Another constraint is the growing depoliticisation of gender equality work. In some cases, the very need for such work is being questioned. Furthermore, civil society is a complicated space for women's organisations because men dominate its agendas and cultures.

The study found that the structure, functions and powers of national machineries rarely ever matched, i.e. that national machineries had many more functions than they could ever be expected to implement in the light of their structure and powers. National machineries come in many institutional forms: councils, government departments, ministries, sub-ministries and very rarely constitutional bodies. Nevertheless, they generally engaged in similar activities and tried similar approaches. Thus they had similar problems with country specificities. Some of their functions are too difficult or inappropriate for many national machineries as presently constituted.

Challenging some long held beliefs

Some interesting questions have been raised on issues of location and capacity of national machineries. Both the Nairobi Forward Looking Strategies (NFLS) and the BPFA demanded that national machineries be located at the highest levels of government. In the Beijing +5 document, this demand has been slightly modified. Paragraph 61 states that 'strong national machinery for the advancement of women and promotion of gender equality require political commitment at the highest level. This may or may not be a retreat from the highest levels of government rhetoric.

'Highest levels of government' means something different from country to country. In some cases it is the Office of the President. For others, the criteria are budgetary (the finance ministry) or functional (the planning ministry). A problem with locating national machineries at the 'highest levels' is that, while it may give visibility and influence, it may undermine the machineries' ability to perform some of its functions. For example, the policy-making process may not be located at the highest levels of government and liaising with NGOs is not best done from the Office of the President. Moreover, critics have argued that the Office of the President is the catchall location for hard to define concerns that are competing for attention and resources. The study concludes that the best location and structure for national machineries has to be determined relative to their functions and powers.

A related question is whether a women's ministry is the best form and structure for national machinery. Typically, in the countries that have never had a ministry for women, activists tended to feel that a ministry would be more effective. In places that have had a ministry, there is increasing scepticism about whether a ministry is the best structure for national machinery. The most significant question raised in the context of this debate was .when is a ministry really a ministry? In Uganda in 1998, a Ministry for Women in Development was formed under the Office of the President, while in Zimbabwe a minister was appointed without a ministry. The budget of Ghana's new Ministry for Women's Affairs casts doubt on its ambitions to be a ministry.

Other issues are the political orientation and capacity of staff and the quality of leadership. Staff members of national machineries are often first and foremost bureaucrats who have no roots in national women's movements. Often, they are not up to the highly political task of advocating for gender equality. This has been called the "femocrat" phenomenon. The jury is still out on femocrats. Some consider them to be part of the women's movement operating on a different terrain. Others condemn them as careerists working their way up in the bureaucracy. The study found that most women working in the national machineries were neither highly paid nor on a fast career track. Indeed, high turnover of staff in the national machineries was attributed to a combination of poor service conditions, a sense of marginalisation within the bureaucracy, and the political problems confronting many national machineries. Leadership is also an issue. Those who argue that senior government figures should oversee national machineries are implicitly giving up on the need for leaders with vision and commitment to gender equality. More often than not, people with gender sensitivity are not in high office and vice versa. The study showed clearly that many national machineries suffered from poor leadership and this did not help their ability to influence government policy for gender equality.

Recommendations

The study made several recommendations to address these difficult issues. It recommended the democratisation of the processes of conceptualisation, establishment and governance of national machinery. This should address the questions of effectiveness and stability of national machinery as well as promoting accountability to and better relations with civil society. Also recommended is that national machineries should be non-partisan so that they can represent the views of women across the political spectrum.

The Beijing +5 report recommends that governments consider establishing effective commissions or other institutions to promote equality. The TWN study

proposes an integrated package of institutions to deal with the many and complex functions of national machinery, with clarity about coordination, powers, functions and relations among the institutions to avoid duplication and confusion. One of the institutions in the package should be a constitutional body with powers to enforce its decisions and perform a watchdog role. This is seen as necessary to prevent arbitrary government interference, protect its autonomy and reputation, and allow it wide effective powers.

Staffing criteria should include commitment to both gender equality and gender analytic skills. Governments should fulfil their obligations and prove their commitment to gender equality by providing sufficient resources. Greater cooperation between national machinery and NGOs and other civil society organisations is needed. A stronger, more watchful and more supportive women's movement and civil society will contribute to the quest for more effective national machineries. Identified problems have to be solved in an integrated fashion, since tackling one weakness to the exclusion of others cannot bring fundamental change.

Recommendations of the Beijing +5 together with the BPFA commitments are a good beginning. They do not begin to address the central problems of national machineries, however. From the foregoing, it is clear that a more serious review and action are needed to put national machineries on the road to recovery and usefulness.

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10 The Cotonou Agreement

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(Ghana Social Watch Report 2001)

The Cotonou Agreement between the European Union (EU) and the African, Caribbean and Pacific (ACP) countries will impede efforts at strengthening South-South economic collaboration. In the particular case of Africa it will decisively undermine the strategy for continent-wide collaboration for economic development and leave the decades old Africa in place. Despite a large dose of rhetoric about food security, the Agreement, successor to the Lomé Convention, is likely to reinforce the structural impediments to food security in the ACP countries.

Two broad elements of the ACP-EU agreement, signed in February 2000, are key to the long-term efforts at the integrated economic development of ACP countries. The first concerns the new framework of economic interaction between ACP countries and Europe; and the second relates to provisions on the terms of access of European investors, businesses and products to ACP economies. If enacted by the ACP, these stipulations will remove the policy instruments these countries have put in place for a balanced development of their economies both individually and in relation to each other.

New framework regroups countries, separates weakest

Under part three of the new agreement, the parties agree to start negotiations in the year 2002 for the purposes of what is called "economic partnership agreements" (EPAs) to come into effect by 2008. From then on, in its dealings with Europe, the ACP group as it exists will cease to have any importance as far as trade relations with Europe is concerned.

The Lomé Agreement was a general trade and aid agreement applicable to all participating ACP countries. Under the post-Lomé IV regime, Europe will be establishing differential relationships with these countries. Three broad country categories are envisaged: (a) least developed country (LDC) members of the ACP group; (b) non-LDC who feel able and ready to enter into EPA regime, and (c) and non-LDCs who do not feel able/ready to enter into the EPA regime.

Each category will entail a different trade relationship with EU. The LDCs, which are supposed to be the poorest of the poor, will continue to enjoy non-reciprocal trade preferences for their products in the EU markets. In addition, the

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agreement commits the parties to a process that, by 2005, will allow duty free access in EU markets for essentially all products from the LDCs. The EU vigorously defended the phrase, “essentially all”, as opposed to “all” products. This phrase represents a formula by which the EU can keep out ACP products that compete with EU products. These products may, however, be in areas where ACP countries need access to EU markets the most.

For non-LDC countries that are not able to enter into a partnership agreement with the EU, the EU will, after assessing their situation in the year 2004, provide them with a "new framework for trade, which is equivalent" to what they have now, but in full conformity with the rules of the World Trade Organisation (WTO). This means, basically, that such countries will lose the specific preferential status they had under the Lomé Conventions. Whatever preferential access remains will be that which the EU grants generally to all developing countries.

Non-LDCs that are willing and able to enter into the EPA regime will then do so. The main content of these relationships will be the reciprocal removal of barriers to trade between the parties. That is to say, each party—the EU and the respective ACP economy—will grant equivalent access in their respective markets to products from the other party.

Countries in the three categories do not necessarily have to negotiate jointly with the EU. This applies particularly to the non-LDCs. Countries can decide whether or not they are willing and able to enter into EPAs or other forms of equivalent arrangements. But even for those who want to enter into an agreement, there are doubts as to whether such agreements will be based on their own developmental need based on the stage of development.

Implications for African integration

African countries are by far the biggest bloc in the 71-country ACP grouping. The implications of the Cotonou Agreement for the continent's integration agenda are sharply illustrative.

The process to date of African efforts at economic integration, whether at the continental or regional levels, has drawn its rationale from the particular weaknesses inherent in their economies. Most of these economies are too small to be viable on their own. Of equal importance, the internal production, distribution, and other structures of these economies are unrelated to each other. This internal fragmentation is replicated at the continental level, where most countries export similar agricultural crops to (typically European) markets.

Therefore, the concern with economic integration, as elaborated for instance in the Lagos Plan of Action (LPA) and later the Abuja Treaty, is to relate these economies to each other to widen the markets for products and also to link raw materials, capital and other factors of production to each other. Equally important is to ensure an equitable balance so that some countries, especially the small ones, do not lose out.

Given the obvious difficulty of bringing such diverse economies and traditions together, it is understandable that the strategy of the LPA and Abuja treaty is to encourage the existing regional economic groupings such as the Economic Community of West African States (ECOWAS) and the Southern African Development Community (SADC) to serve as the building blocks for the gradual achievement of continent-wide co-ordination of African economies.

Europe has different priorities

The European Union has different priorities. African economies have always served a particular function for Europe, as sources of raw materials and markets for their products. Today, European policy-makers no longer need the broad grouping of African (as well as Caribbean and Pacific) countries to meet these needs.

In part, this is because Europe is no longer dependent on African raw materials. In part, the sustained collapse of most African economies means that income levels in most of these countries do not make them effective markets for Europe's industrial goods. Europe's target markets are the so-called high-performing economies, in and outside Africa, and for these it is in competition with other industrial countries such as the United States and Japan.

The proposed free trade agreements with these selected economies address its competitive need to secure these target markets (with the added advantage of dispensing with the administrative and financial burden of the former bigger groupings). Barely a month after concluding the new partnership agreement with the African, Caribbean and Pacific (ACP) countries in February 2000, the European Union concluded a free trade agreement with Mexico, a country which is already part of a free trade area with the United States and Canada.

Not only will these arrangements reinforce the distinctions in economic fortune among African countries, as the less successful economies are hived from the more successful and encouraged to deal with Europe, their main market, in separate ways. The whole point of economic co-operation arrangements, which group stronger and weaker economies together so that they may reinforce each other in the removal of structural imbalances, is reversed.

In addition, for the more successful countries, the nature of the trade-relationship envisaged – reciprocal free trade – is one that cannot be available to other African countries. Thus a privileged relationship is established between the EU and the successful African economies, which isolates the more successful economies from the less successful ones.

Finally, the new Cotonou Agreement encourages the African countries to form themselves into groupings other than the existing, more or less geographically "natural" ones, for their dealings with the European Union. In the run up to the negotiations, there was already support in EU documentation for the strengthening of Union Economique et Monétaire Ouest Africaine (UEMOA) at the expense of ECOWAS.

Apart from the fragmentation of existing African economic organisations, the new agreement between EU and the ACP undermines the prospects of regional integration in another way. This relates to provisions by which the parties will seek to regulate the access to, and operations of, economic agents – e.g. investors – in each other's economies. Key among these rules are those relating to intellectual property protection, competition policy, and rights for the protection of foreign investors.

Inconsistent with African positions on WTO rules

As far as intellectual property is concerned, the provisions of the new agreement commit the parties to full compliance with the rules of the Trade Related Intellectual Property Rights (TRIPs) agreement of the World Trade Organisation.

This is in stark contrast to the demands of most of the South. Ever since that WTO agreement was signed, developing country governments have been protesting against its unfair terms, which entrench the monopoly of transnational corporations over technology, undermine measures to promote the transfer and adaptation of technology by developing countries to suit their needs, and open up traditional knowledge about medicine and other areas to piracy by European and other Western corporations. In fact, at the time of the negotiations for the new partnership agreements, African countries have tabled the most comprehensive proposals for the review of the TRIPs in the WTO, with the support of most other developing countries.

With regard to competition policy, the provisions appear to be concerned with preventing market abuse. Yet the language referring to "market access" and "business-friendly environment" suggests that Europeans are pursuing here the same aim they have been pursuing in the context of the WTO without much success. They want to commit ACP governments to giving the same, and in some

cases better, access to European companies than to their own national companies, especially in strategic areas such as privatisation of state enterprises.

In the case of investment protection, the provisions envisage among other things that the parties will adopt "general principles on the protection and promotion of investments, which will endorse the best results agreed in the competent international fora or bilaterally." This basically refers to adopting standards for the promotion and protection of foreign investment that Europe has been promoting for multilateral adoption in the failed MAI (Multilateral Agreement on Investment) and in the WTO. Again, ACP governments have opposed such provisions, which, in the new post-Lomé agreement, seek to entrench protections for European investors in ACP countries. These provisions will remove the ability of ACP governments to use trade and investment policies to adjust structural imbalances in their economies and promote integrated development, at national and continental levels.

Food security

Food security is a long-standing concern of most ACP countries. The new ACP-EU Partnership Agreement offers a large dose of rhetorical principle without addressing the decades-old structural impediments to food security in the ACP countries.

The Partnership Agreement articulates laudable objectives of reducing and eventually eradicating poverty that are consistent with the objectives of sustainable development and the gradual integration of the ACP countries into the world economy. By espousing the laudable principles of partnership and ownership of development strategies, participation, dialogue and the fulfilment of mutual obligations, the Agreement puts the responsibility for development squarely on the ACP states.

The principal strategy for promoting food security is the provision of export refunds as contained in the Agreement's Article 54 on Food Security. This is nothing more than a palliative and suggests a non-commitment to addressing the realities of food insecurity on the ground.

Under the Lomé IV Convention, STABEX and SYSMIN were principal instruments for export revenue stabilisation. Notwithstanding their limitations, they were important for ACP countries, which are heavily dependent on agricultural export earnings. They have been dismantled under the new Agreement and replaced with a system that seeks to provide financial support to ACP countries that experience dips in foreign exchange earnings.

The new system is less transparent and has weaker criteria for operationalisation. Access to support would depend on the extent to which the dip in export revenue bears a relationship to decline in agricultural export earnings. Besides, compensation for the shortfall merely covers the nominal decline in the export earnings without compensation for increases in the cost of needed imports. Even before the conclusion of the Agreement, the European Parliament had expressed its wish to revise STABEX and SYSMIN and give "greater priority for food self-sufficiency as a key element in the selection of projects".

The post Lomé Agreement provides for a wider range of investment support. This could mean a dearth of investments for food production given the unfavourable macro-economic environment for food production and the relatively lower returns and risks associated with agriculture in general.

Discernible hope for food security may lie in the Agreement's provision on gender. Given the preponderance of women in food production in the ACP countries, the Agreement seeks to improve food security by creating a framework for enhanced access of women to productive resources such as land and credit. This is, however, inconsistent with massive infrastructural support for ACP agriculture that favours male-dominated cash crop production for exports. Besides, adjustment support for diversification has so far meant diversification into the production and export of more cash crops and primary commodities, thus leaving the ACP states to import manufactured products and food for domestic consumption.

ACP states are mostly dependent on the production and export of primary products for the sustenance of their economies. The majority of people, particularly women, live and work in rural areas with subsistence food production as their main means of livelihood. ACP dependence on primary commodity export for over fifty per cent of foreign exchange earnings has historically been its bane, given the wide fluctuations in the revenue generation of these commodities. Besides, there is the inherent and growing imbalance in the terms of trade between the primary commodities of the ACP states and imported manufactured products. Food imports have doubled in the last three decades, yet foreign exchange earnings have declined. This puts into question a food security strategy that seeks to meet domestic food needs by earning hard currency through exports.

There can be no meaningful progress toward food security in the ACP countries as long as northern partners hold on to a Common Agricultural Policy that employs expensive and wasteful protectionist instruments and mechanisms that are detrimental to agricultural and food production in the ACP countries.

Farm subsidies in Europe depress food production in South

The reiteration of commitment to WTO obligations in the new agreement means a commitment to an Agreement on Agriculture (AOA) that weighs heavily against food security in the ACP countries. The current AOA allows developed countries to provide a multiplicity of domestic support and export subsidies that depress food production in the South. Meanwhile developing countries' domestic support for small farmers has systematically been dismantled by the World bank/IMF over the last two decades. They are now in practice debarred from applying support measures even in relation to food production. For countries whose foreign exchange situation grows worse by the year this restriction stands in sharp opposition to the quest for food security. Another iniquity that cries out in this context is that subsidies prohibited in developing countries are largely prevalent in the EU.

The recent acceptance in principle of the multi-functionality of agriculture gives added credence to the need to protect smallholdings and family household farming. Meanwhile, the EU continues to promote the destruction of small farmers at home and rural producers abroad through its massive export subsidies. This injustice has been forcefully articulated by the Geneva-based International Union of Food (IUF).

The restrictive environment of the WTO goes beyond the AOA. The ACP-EU partnership agreement commits the parties to adhere to international agreements on TRIPS. This flies in the face of the far-reaching demands of countries of the South for the reform of TRIPS. TRIPS threatens food security directly because it effectively seeks to make rural producers dependent on multinational corporations for seeds to grow food for their own consumption.

It is from this perspective that we should view the otherwise laudable principle of partnership based on mutual respect for sovereignty. Placing full responsibility on the ACP countries for their own development is nothing more than an attempt by the EU to disclaim responsibility that rests squarely on the EU.

The unrealistic timeframe of eight years for dismantling the non-preferential trade arrangements and moving toward WTO compatibility will also affect food security, since it is impossible for the ACP countries to adjust to playing ball in the globalised market in this period. The Economic Partnership Agreements (EPA) envisaged for regionally integrated economies of the ACP at the end of that timeframe also runs counter to food security concerns. ACP countries that depend on primary agricultural production will derive minimum gains from regional integration that is structured to meet the raw material needs of Europe.

Conclusion

Recognition of the declining terms of trade and growing food insecurity associated with ever worsening balance of payment difficulties has informed the quest for food security. Some would rely on a strategy of increasing earnings to purchase food at more competitive prices. This, however, ignores the fact that most of the populations of the ACP countries are agrarian and produce largely for their own subsistence. Nor does it recognise the ever more severe foreign exchange constraints of ACP countries, meaning they cannot rely on a concept of food security that is strategically linked to a reliance on cheaper food imports.

As far back as November 1997, the first Summit of ACP Heads of States and Government in Libreville, Gabon, noted in particular the need to "develop food production so as to ensure food security for the populations". At the first ACP Civil Society Organisation Forum in November 1999 in Douala, Cameroon, there was an unequivocal declaration for food security as a priority issue in ACP-EU development cooperation. The Douala Declaration underscored the threat of recurrent hunger and famine, particularly among women, children, ethnic minority and other marginalised groups. It called for policies that promote domestic food production in particular. It also called for the promotion of coherent agricultural policies within the post Lomé and WTO frameworks, emphasising in particular food production, which is the mainstay of marginalised rural poor.

There are still those who envisage favourable outcomes for food security given the available space for elaborating compendium of texts to the Agreement and the much-touted provisions for the participation of labour organisations, civil society organisations (CSOs) and other non-state actors. The fact that the EU managed to bulldoze its objectives throughout the negotiations, however, is evidence of the inherent imbalance in the so-called partnership and a pointer to the high likelihood of EU railroading issues to its advantage. This ominous likelihood should be seen in the context of an EU that is under pressure from within to reform CAP.

The enhanced positions for the participation of civil society organisations as partners in the implementation of the Post-Lomé IV Agreement offers hope only to the extent that civil society organisations redefine their participatory role in favour of policy advocacy and build credible alliances between civil society organisations in ACP and EU countries. CSOs should see their role as removing distortions and imbalances that are structurally detrimental to production, especially of food for domestic consumption, in the ACP countries.

This advocacy role should seek to remove protectionist measures within the framework of CAP to the extent that those measures depress domestic food

production in ACP countries. It should also seek real commitment to diversification away from primary commodity production. It is the redefinition and reinforcement of CSO roles as partners that could help reduce the integrity gap between the new agreement and the real structural impediments to economic development in ACP countries.

11 The Struggle over Water

Gyekye Tanoh and Kathy Cusack

(Ghana Social Watch Report 2003)

The plan to privatise the urban water supply system by March 2003 has become a defining battlefield. For the poor, the commercialisation of water, combined with lack of investment in the sector and regressive socio-economic distribution, is a key factor in their poverty-stricken situation. At the heart of the issue are questions of need versus profit, and whether water is a right or a commodity.

Privatisation: a creeping but radical programme

In addition to politicians, top water executives in the public sector strongly support the privatisation process. The government department undertaking the day-to-day work of privatisation, the Water Sector Restructuring Secretariat, is funded by global pro-privatisation institutions such as the World Bank, the UK's Department for International Development and Japan's Overseas Economic Cooperation Fund.

Hailed for many years as a model for the successful implementation of neoliberal economic policies, Ghana joined the Heavily Indebted Poor Countries scheme early in 2001 and is now even more beholden to the World Bank and IMF. The current World Bank Country Assistance Strategy (CAS) for Ghana classifies «private sector involvement» in the provision, operation and management of public and social infrastructure as a key institutional reform whose implementation will trigger varying levels of Bank support (or punitive action if conditions are not met.)

A creeping but radical change has been taking place in Ghana's water policy. In the mid-1980s and again in the early 1990s, rationalisation of the water sector meant a combination of mass layoffs (36% of Ghana Water Company workers), tariff increases and the withdrawal of government subsidies for water. More tariff rises are planned before March 2003. Furthermore, rural and small urban water supply systems have been separated and placed under the management of a Community Water and Sanitation Agency (CWAS). There was also some re-capitalisation through government borrowing and Official Development Assistance support (estimated to amount to 8% of water investment needs) and foreign «technical assistance» which took the form of rudimentary line management, replicating inside GWC the very «loss of sovereignty that has characterised the broader adjustment process.

Until it came to power two years ago the ruling New Patriotic Party (NPP) vehemently opposed the privatisation policy. The chosen institutional mechanism for the NPP's privatisation policy is a «private-public partnership» or

private sector participation (PSP). The primary mechanisms to ensure the institutional and entrepreneurial independence—as well as financial viability—of water services, include self-financing, better effectiveness through private investment and profit incentives, and the greater efficiency of consumers' water use through price mechanisms.

The national urban water system will be divided into two discrete business units, to be run by two companies, each of which will enjoy a monopoly in its market/service area. For an undisclosed fee, private sector operators will lease each of the two urban water systems for ten years. During that time they will be responsible for «rehabilitation, renewal and operation» of the water supply, billing and collection, and management and disbursement of water revenues.

Together, the two private companies will contribute USD 130 million—one tenth of the required investment for rehabilitation and expansion over ten years, according to Government and water industry figures. The private companies are not responsible for directly providing or raising funds. The Government will fund and underwrite an Operational Investment Fund from which private companies will borrow at 1% interest, while prevailing interest rates in Ghana run between 29% and 50%. All other investment is to be provided directly by the Government.

Accordingly, the Government has cut the water investment programme from USD 1.3 billion to USD 530 million (of which the Government directly provides USD 400 million and provides or guarantees the remainder of USD 130 million for private investors). In other words, the economic criteria for private sector profitability in water service rehabilitation, maintenance and management will restrict water system expansion and overall public investment. Crucially, the public sector is stuck with the deficit-creating aspects of the water system—sewerage, rural water and sanitation, system expansion and capital investments—by an arrangement that ensures that major revenue from billing goes to the private sector.

Minimum profit rates for private water companies are guaranteed and protected from market conditions by IMF-imposed full cost recovery and automatic tariff adjustment mechanisms. Long-term exchange rate depreciation has already taken a heavy toll on the financial viability of the existing public utility. In 1998, losses due to currency exchange rate depreciation, dependence on foreign imports and external financing (e.g. interest on loans) made up 93% of the operational losses of the water company. Since only foreign multinational companies are bidding for the water privatisation contract, the reliance on foreign inputs (and labour) will certainly increase distortions created by

exchange rate depreciation. With privatisation, the automatic tariff adjustment formula ensures that these will be passed on to the consumer.

The specific performance targets under «level of service criteria» include full metering, billing and collection and the reduction of unaccounted-for or non-revenue water (NRW) from its current level of around 50% to 25% within the 10 years. NRW reduction depends on financial resources to repair and replace defective infrastructure, as well as improved administration. Efficient revenue management and a reduction in NRW are enhanced, among other things, by cutting off water supply to users who are unable to pay.

While profitability and financial viability of the provider are central priorities of the Government's water policy, social demand is marginalized. Ghana's water privatization policy explicitly exempts private water companies from providing services to urban low income communities that are not already connected to the public system. Private company service obligations also exclude all small urban and the entire rural population (grouped under the CWAS), namely the majority of the country, which does not represent an attractive market. These make up the 70% of the population who live on less than USD 1 a day and for whom access to water is determined by policies based on a demand driven approach, with [community] self-selection and clear commitment to enhance sustainability by [communities] contributing 5-7% of [water] investment cost.

In this policy, «coverage», in the context of «self-selection» based on economic demand, is constantly re-defined to scale down the service level and reduce the per capita demand from 45 to 20 litres per day. Yet even when defined at this lower level, the national drinking water supply [in non-municipal areas] dwindled from supplying 46% of the population in 1992 to 30% in 1998.

Antagonism of civil society into the breach

The long incubation of widespread scepticism, disaffection and outright opposition to neo-liberal policies has become an open struggle with the creation of the Coalition Against Privatisation of Water (CAP-W). Originally initiated by a local NGO, the Integrated Social Development Centre (ISODEC), CAP-W has now grown to become a mass civil society campaign led by the Ghana Trade Unions Congress (TUC), the largest labour organisation in the country.

CAP-W defines itself as a broad-based coalition of individuals and civil society organisations united around six activities:

- A mass civil society campaign of public debate, education and mobilization to stop the transfer of water supply to foreign monopolistic control.
- Direct citizen involvement in decisions about the alternatives for reforms in the water sector.

- The inclusion of a public sector option in water supply and restructuring, to be drafted and publicised by GWC, the existing public sector supplier.
- Full public disclosure of all documents and details of transaction proposals, bids and negotiations involving all parties involved in the so-called PSP.
- Full public funding and public sector community management for all rural and non-municipal CWAS systems.
- Access to water for all Ghanaians, backed by a statutory right to water, by 2008.

CAP-W maintains that water privatisation is a major threat to public accountability, democratisation, equitable social development and the realisation of poverty reduction goals. It has been engaged in a range of activities including research, advocacy and networking, signature campaigns, teach-ins, and local action committee work. These organised networks also aim to become grassroots instruments for ensuring the accountability of a socially responsible public water utility and water policy.

The work of CAP-W has been bitterly denounced by government officials, who claim the group is made up of unpatriotic privileged persons (and in one instance terrorists) with access to clean water who do not care whether the excluded enjoy the same. However, CAP-W's work has forced a much higher level of domestic and international discussion on the water privatisation issue than has taken place on any previous Ghanaian privatisation.

The report of an April-May 2002 international fact-finding mission to Ghana (FFM), led by British MP Jenny Tonge, and including prominent water engineers, has become a central focus of public debate. During their visit the group met government representatives as well as a broad range of civil society groups and individuals. The FFM concluded «the current Private Sector Participation (PSP) proposal is not the optimal option for ensuring expanded access to clean and affordable water for the people of Ghana. It recommends that «the Government of Ghana continue ... open dialogue and consultation with a broad representation of stakeholders regarding alternative approaches to expanding access to clean and affordable water.

While CAP-W has hailed the report, the Government has discredited it as «bogus and fraudulent, and made clear it does not intend to consider the FFM's findings and recommendations. To reinforce the government's stand, the Ministry of Works and Housing launched a campaign in the state-owned media attacking both the FFM report and CAP-W, calling them left-wing ideologues and propagandists.

Scrambling for a drop: women's unequal burden

There is evidence of increasing daily household labour, especially health care responsibilities, for women and girls. The commercialisation of water adds directly to this burden, since as the Ministry of Health shows, 70% of all diseases treated in outpatient clinics in Ghana are water-related. Water scarcity also increases household tensions that lead to violence against women and children.

The brutal cuts and restructuring pursued so far in the process of water sector reform with a view to «getting the price right» is an appalling example of the differential impact of SAP policies. The commercialisation of water, combined with lack of investment in the sector and generally regressive socio-economic distribution, have led the poor to see water supply as a key factor in their poverty-stricken situation. Yet the World Bank extolled the increased market efficiency resulting from these reforms, citing GWC as a model for reforming public sector companies.

This form of privatisation—that of «Public-Private Partnership» or «Private Sector Participation»—is rationalised as a shift away from exclusive focus on market efficiency to harnessing the dynamism and resources of the private sector to make it operate for the social good. This rationalisation fits in with the shift in approach supposedly inherent in the Poverty Reduction Strategy Programmes. Yet plus ça change, plus la même chose. Although one of the PRSP's novel features is the requirement for widespread social participation, Ghana's PRSP, and water reform in particular, is drawing widespread criticism from civil society groups because of shortcomings in its participatory process.

12 The Frightening Picture Behind the Pin-Up Dzodzi Tsikata

(Ghana Social Watch Report 2004)

Against the background of a region racked by civil wars Ghana is highly regarded as an enclave of "peace and stability". However, mass formal unemployment, growing landlessness and insecurity of tenure and the upsurge in crime are growing threats to Ghanaians' human security. A leading Ghanaian organisation has described aspects of the situation as "frightening."

Geographically Ghana sits in a West African region wracked in recent years by multiple civil wars and is surrounded by neighbours beset by political and social turmoil or volatility. Côte d'Ivoire to the west has been split into two political zones and is in an uneasy truce since late 2002 when a failed coup against the elected government degenerated into a civil war. To the north the Compaore regime in Burkina Faso has turbulent relations with opposition parties at home, who accuse it of electoral fraud and violence. It has also been widely accused of involvement in civil wars in Liberia, Sierra Leone and Côte d'Ivoire. In Togo to the east, dictator Gnassingbe Eyadema, Africa's longest serving ruler (in power since 1967), presides over a very volatile political situation and a serious economic crisis. By contrast Ghana has had three multiparty elections since the creation of the country's Fourth Republic in 1992, amidst the Africa-wide wave of political liberalisation. In the last elections in 2000 the long serving government of the National Democratic Congress (NDC) was voted out of power.

The former darling of the Breton Woods Institutions

It is therefore hardly surprising that Ghana is highly regarded among African countries for its "peace and stability" as well as a multi party democracy, and that many Ghanaians perceive themselves to be a peace-loving people. In addition to its positive image, Ghana was the World Bank's African pin-up model for the proclaimed merits of Structural Adjustment Programmes (SAPs) from the early 1980s. The overall Ghanaian reality is however more complicated than appears from comparisons with its neighbours.

Economic conditions represent one of the most important threats to human security. Past Ghana Social Watch reports on education, health and poverty highlighted the growing poverty and inequalities in access to social services resulting from years of neo-liberal economic reforms. More recent studies attest to the exacerbation of this trend.

According to a 2002 survey [1] by the Ghana Centre for Democratic Development (CDD-Ghana) two-thirds of Ghanaians face permanent economic uncertainty.

This conclusion contrasts very sharply with the picture created by years of official celebration of two decades of neo-liberal economic reforms.

The CDD-Ghana study found, “a frightening picture of mass formal unemployment and underemployment” and a “widening of the gap between rich and poor”. Almost two thirds of those interviewed described their economic conditions as dire, more than half said they lived from hand to mouth. Job creation and the reduction of poverty and marginalisation ranked as the highest priorities of respondents in the survey. Three quarters of respondents felt market reforms have not narrowed the gap between rich and poor. Twice as many blamed the reforms for widening the gap than thought it had narrowed it.

The study concluded that Ghanaians have a “deep ambivalence over market-centred economic reforms, reflected in strong support for state interventions that offset the expressions of lukewarm preference for a market economy”. There were clear expressions of public opposition to some of the pillars of neo-liberalism. For example, two thirds of those questioned oppose trade liberalisation and would like trade policy to protect local industry and jobs even if it meant consumers paying more for goods. Nearly 80% oppose lay-offs in the public sector.

The New Patriotic Party (NPP) Government, which came to power at the beginning of 2001, has however shown a deep commitment to continuing the neo-liberal economic policies of the predecessor NDC Government. In its three years in power the NPP has been particularly proud of its “good relations” with the World Bank and IMF as well as bilateral creditors and donors. Its enthusiasm towards these institutions was clearly illustrated when in his presentation of the 2002 budget, Finance Minister Yaw Osafo Maafo proudly announced that Ghana, erstwhile darling of the Breton Woods Institutions (BWIs), would soon reach an inflexion point within the Highly Indebted Poor Countries (HIPC) Initiative. The government benches in Parliament - apparently seeing no irony in the national insolvency that is an outcome of the decades-long “love affair” with the BWIs - cheered to the rafters.

Under the terms of HIPC Ghana could have up to USD 3.7 billion of its USD 6.2 billion debt written off over a 20 year period, provided it fulfilled further stringent criteria of structural adjustment policies. Late in 2002, under strong pressure from the BWIs, a law liberalising public procurement was passed, effectively giving up the possibility of using the purchase of goods and services as an instrument for affirmative action in support of local economic activity.

Land tenure: tensions in State-society relations

In rural areas, where the majority of Ghanaians as well as the overwhelming majority of the poor live, the generalised economic insecurity in the country has an important specific dimension: growing landlessness and insecurity of tenure. A 2001 study concluded that “insecurity of tenure affects a greater proportion of society than is generally recognised and probably the majority. This extends beyond the economic poor and those who hold derivative rights, that is, those who access land belonging to others: tenants and sharecroppers, youth and women... Those with least status, knowledge or means are least well served. Loss of rights is widely occurring. Given the centrality of secure access to the social and economic fabric of society, instability threatens and in some parts of the country has already spilled into violence.”[2]

The following sets of relationships are the main axes of the above-mentioned problems: the State and rural communities, traditional chiefs and their “subjects”, members of land owning groups and non-members (“natives” and “strangers”), landlord and tenants, farmers and pastoralists, and men and women.

While the spread of commodity relations and the emergence of the modern Ghanaian State have significantly changed the traditional character of land relations in Ghana, the theory and ideology of communal ownership and associated rules have not changed.

The tensions inherent in this situation exert increasing pressure, transforming the above relational axes into flashpoints for violence in some cases: between the State’s security apparatus and communities expropriated for the benefit of logging or mining companies, communal eruptions generated by chieftaincy disputes or between “natives” and “strangers” and between farmers and state security on one side and pastoralists on the other.

Conflict in state-society relations over land have been mainly generated by government expropriation of minerals and timber resources in the countryside and building land in the urban areas. The State has controlled timber resources since colonial times and has served as the facilitator of the access of logging firms in exchange for revenue. The historic owners of these resources have had a long history of conflict with the State and loggers on account of their exclusion from the use of what used to be their commons. Draconian laws forbid violation of forest reserves by villagers even as in bits and chunks logging firms have been allowed to reduce the size of Ghana’s tropical rain forests over the last 100 or so years.

Since the mid-1980s there has been a new boom in large-scale surface mining by transnational gold companies, especially in the Western and Ashanti Regions, on

concessions granted by the State that involved the expropriation of communities. People have been physically displaced from homes and farms to make way for mines. The destruction of community livelihoods is more than matched by the destruction of the ecosystem and water bodies. State policy has largely treated protests against the impact of mining as law and order issues that pose a threat to the attraction of foreign investment. The resultant community insecurity and discontent has occasioned cyclical violence involving the State and mining companies on one side and disaffected communities on the other.[3]

A much larger problem of insecurity is posed by the manner in which chiefs and family elders have evolved into de facto landowners dealing in communal land as if it were their private property. Serious accountability issues have arisen with respect to proceeds from sale and rental of land to strangers as well as royalties from mining and timber. As chiefs and family elders increasingly make "uncustomary" demands of entitled persons or sell off land to outsiders without due process, what is available for members of the community as a whole is sharply reduced, weakening the land rights and access of women in particular. While new migrants find it harder to access land, generations of migrants who have acquired rights and settled into communities increasingly find themselves objects of exclusion. There have been cases of dispossession of some such groups.

Inequitable access to a key agrarian resource has engendered violent conflict centred primarily on chiefs (succession, scope of authority and accountability), family elders, boundary disputes between and within communities, and between natives and strangers. The latter has acquired the status of an endemic low intensity conflict in a number of peri-urban areas. Around Accra, the national capital, the indigenous people, now mainly squeezed onto narrow strips and extremely poor high density areas along the coast are increasingly trying to assert their control over land against years of government expropriation and sale by unaccountable family heads.

In 1999 a National Land Policy (NLP) was announced. Unfortunately its evolution, like so many areas of policy-making in Ghana, has involved more donor and creditor agencies - especially the World Bank, the UK Department for International Development and the German Gesellschaft für Technische Zusammenarbeit - than Ghanaians. The core weakness of the NLP is that it approaches the land issue as a technical issue that primarily requires administrative reforms rather than as an issue of social relations and politics.

Thus, it does not address the concerns of those with secondary interests in land - the poor, that is, tenants and sharecroppers (therefore the large body of migrant settlers) and women. This failure is not unconnected to the fact that the policy-making process has been dominated by the elite land-controlling groups, mainly

chiefs and their allies in the state bureaucracy. Governments have tended to deny the inherent problems in chieftaincy within a republican setting, opportunistically using chiefs as their political agents, very much in the same way as the British colonial power had done.

There is no systematic response to the appropriation of community resources by chiefs in a manner that defends community interests. The status of the poor, especially sharecroppers and tenants, are not properly acknowledged or seen as a basis of poverty. There is also a failure to acknowledge the dangerous logic of the distinction between “natives” and “strangers”, and therefore a failure to protect the property rights of the latter, within the logic of the rights created by Ghana’s Constitution.

Possible links: economic liberalisation and upsurge in crime

More often than not when communal violence has erupted there is an appeal to all concerned to see how such conflicts led to civil war in neighbouring countries. The lessons from Africa’s civil wars, of which Ghanaian governments and the population are acutely conscious, are reflected more at the level of public exhortation than public policy.

But the conflicts and instability in the West Africa region have a more substantive effect in Ghana than merely as salutary lessons. Ghana has tens of thousands of refugees who fled from the upheavals in the region. Their presence has generated xenophobic attitudes among some Ghanaians, with the blame ascribed to “foreigners” and refugees for the unprecedented wave of violent crime that Ghana has experienced in the past three years or so.

While there is anecdotal evidence that the proliferation of small arms in the region has fed the wave of crime, the evidence emerging from the arrests of suspected robbers show that they are overwhelmingly Ghanaians.

Economic insecurity is likely to be a factor in the crime wave, as indeed has been found in many other cases of the growing divide between rich and poor and unemployment. The wealthy neighbourhoods in Ghana’s main cities have been aptly described as “ghettos” in which the rich live behind high fences topped by barbed wire reinforced by prowling guard dogs and security staff. One side effect has been the boom, in an otherwise thin employment market, in security service companies and companies advertising guard dog training services.

The policing response has two worrying dimensions. On the one hand it has heavily targeted the poor and on the other it is entrenching a role for the military

in policing, contributing to assault type policing methods and the growing militarisation of Ghanaian policing.

Hundreds of young males were routinely rounded up in raids on poor neighbourhoods and showcased with media headlines blaring, a presumption of guilt. Some looked as if they had been assaulted. Among the poor, police violence is unlikely to improve the public perception of the police force, which according to the CDD-Ghana survey is regarded (by 79% of respondents) as the most corrupt public institution in Ghana.

Yet because of the public anxiety about the wave of violent crime there is very little discussion either of the human rights issues raised by police methods or of the larger issues of the possible links between economic liberalisation, economic insecurity and the upsurge in crime.

Notes:

[1] CDD-Ghana. *The Growth of Democracy in Ghana Despite Economic Dissatisfaction: A Power Alternation Bonus*. CDD-Ghana Research Paper 11, 2002.

[2] Alden Wily, Liz and Daniel Hammond. *Land Security and the Poor in Ghana. Is There a Way Forward?* A Land Sector Scoping Study commissioned by UK Department for International Development (DFID), Ghana's Rural Livelihoods Programme. 2001.

[3] Minerals are Ghana's largest export earner. Since the liberalisation of the mining sector in the mid-1980s it has been by far the greatest avenue for foreign investment inflows, attracting more than USD 5 billion in the period since. In 2003 Anglo-Gold took over the Ghanaian registered Ashanti, by far the biggest player in the Ghanaian mining industry, to create the largest gold mining company in the world. Newmont, the next biggest, is also active in Ghana.

13 A Poverty Reduction Strategy that made Little Progress

Dzodzi Tsikata

(Ghana Social Watch Report 2005)

This year's report has two main concerns. It looks at gendered poverty focusing on two main areas of poverty- employment and the quality of earnings, and access to public services, particularly education and health. In doing so the report also examines what changes have taken place in the ten years since the launch of Social Watch. Secondly the Report assesses how Ghana's PRSP, the Ghana Poverty Reduction Strategy (GPRS), addresses gendered poverty in Ghana. The statistics used in the Report are drawn from a number of official sources, including the series of Ghana Living Standards Surveys (GLSS), the fourth and latest one of which came out in 2000 and the Core Welfare Indicators Questionnaire (CWIQ) last administered in 2003. A number of academic sources also served as sources of information.

Despite the specific focus on employment, health and education the report adopts a broad definition of poverty, as "multi-dimensional, with complex interactive and causal relationships between the dimensions" (GPRS, 2003). It is seen as the lack of access to a range of resources which tangible and intangible including "income, public goods and services, common property resources, clean air, dignity, autonomy, freedom from disease and crime" (Razavi, 2000). An important element of this conception is that poverty is a state of vulnerability to shocks such as climatic and environmental changes, economic changes, social factors and civil strife and conflicts, and seasonal shortages. Poverty afflicts individuals, households, whole communities, countries and even regions. While the multi-dimensionality of poverty is widely accepted, most official documents give priority to income and consumption levels, which are measured with reference to a poverty line in terms of the percentage of persons living in poverty.

Poverty is relational- certain social groups are poor in relation to others and their poverty might be an outcome of their socio-economic relationships with others. Women and men as social groups are no different. Their poverty cannot be understood without reference to their gender. Gender inequalities shape the processes and experiences of poverty. This link between gender inequalities and poverty is empirically well established. Using income and expenditure criteria, women are currently estimated to be 70% of the world's poor. As well, overall, women have poorer demographic indices than men, and suffer additional and particular problems such as maternal mortality and morbidity and poor reproductive health. Based on the observation that countries with the highest

levels of poverty also have the greatest levels of gender discrimination, both the United Nations and the World Bank have taken the position that gender inequality undermines development and therefore the prospects for reducing poverty.

On the other hand, concerns have been expressed that while there are relationships between women's poverty and gender inequalities and while women might benefit from some anti-poverty policies, the conflation of poverty with gender inequalities could be disadvantageous for them. This is because other important dimensions of gender inequalities can become invisible. As well, gender inequalities are not simply a matter of poverty just as poverty is not simply a matter of gender relations.

Even more importantly, the instrumentalism represented by the promotion of gender equality not as an end in itself, but as a means to other ends such as poverty reduction has been criticised for its potential to undermine its status as a human rights issue. Furthermore, poor women and men are not two homogeneous groups which experience poverty solely on account of gender. Rural-urban differences (according to the GHDR 1997, 80% of those classified as poor are found in rural areas), differences in ecological zones, class, livelihood activities, access to resources and opportunities, migration status, age and marital status are all important determinants of well being even though some of these factors have different implications for women and men.

Gender, Employment and income poverty

Historically, women and men have occupied distinct positions in the Ghanaian labour force which has been shown to be highly segmented both in terms of industry and employment status (Heintz, 2005). These divisions owe their substance and vitality to the legacy of colonial policies, which deliberately targeted men for labour migration, cash crop cultivation and bureaucratic service and relegated women to the role of housewives. These policies, reinforced through the colonial educational system, found resonance in pre-colonial gender relations and have continued with only minor changes in the post colonial period. The colonially defined spatial (ecological zones, urban-rural, North-South) organisation of production and its related patterns of labour migration have continued to underpin the post colonial gender relations and poverty. Broadly speaking there are higher percentages of the poor in food producing rural areas especially in the northern savannah areas, which northern areas (the least developed in material and human development terms) have served as a labour reserve since the era of the transatlantic slave trade.

Thus rural women are predominantly engaged in food crop cultivation and small scale trading usually in agricultural produce while rural men are involved in both food and cash crop cultivation generally on a larger scale than women. In urban areas, while women are predominantly found in the private informal sector in trading and other service activities, men have the majority of the existing public and private formal sector wage jobs and a smaller percentage of them work in the private informal sector. This is confirmed by GLSS 4 statistics (2000).

While 23% of all males between 15 and 64 were in wage employment, the figure for females was 6%, a little over a quarter of the male figure. The converse was that 39.6% of females and 18.9% males were self-employed. 47% of males were self-employed in the agricultural sector as opposed to 31.4% of females. Only 9.6% males compared to 20.1% females were unpaid family workers in agriculture. These patterns were also reflected in the statistics on types of employers in Ghana. The majority of the population were self employed in agriculture (55.9% male 48.7% female). The state sector accounted for 9.8% males and 3.3% of females while the private formal sector accounted for 13% male and 2.9% female. The private informal sector outside agriculture had 45.1% of females and 21.4% of males. In terms of occupation, both men and women were predominantly in agriculture (59% male, 50.3% female). However, there was a striking difference in their involvement in commerce (27.3% female and 7.8% male), professional/technical (5.7% male to 2.7% female) administrative managerial (.4% male and .1% female), service (5.5% male and 4% female) and production (17.9% male and 14.4% female). Thus women were found predominantly in agriculture, manufacturing, trading and services and were employed mostly as own account workers, and in the service sector as informal wage workers.

These differences in industry and employment status have implications for earnings and access to other resources, in short some of the determinants of poverty and well being. Heintz confirms this, arguing that women's higher risk of poverty in Ghana is primarily a result of the dual segmentation of the labour force. In addition to their lower levels of involvement in wage work, women as a group occupied lower positions in the formal labour sector and therefore earned much less money than men in waged work.

In agriculture, women consistently had smaller and in some cases less fertile pieces of land often on less secure terms than men. Gender differentials in access to and control of land are a function of discriminatory inheritance rules, marital residence patterns, life cycles changes and land use patterns. Women are also

disadvantaged in access to agricultural technologies and extension. They also have more limited access to household labour and lack the resources to hire labour for their farming and other economic activities.

Within the informal sector, women's enterprises tend to be smaller and have less capital. Using an income measurement for poverty, Heintz found that while women in Ghana had 87% labour force participation rates, only slightly less than the male figure of 89.6%, they had higher representation in the ranks of the working poor (67.1 of all employed women and 63.7% of all employed men). This is because the poverty rates were lowest in formal, non agricultural private wage work where men predominate and highest among unpaid workers in family agricultural enterprises and informal self-employed workers, where women are over-represented. Heintz finds that a combination of lower average earnings and labour force segmentation has meant that women earned 76% of men's earnings per hour (2005). These differences would be even more significant but for the fact that some earnings have been estimated for unpaid family workers and factored into the calculations.

Women were found to work fewer hours on average per week than men. Part of the reason lies in their unpaid work burdens. Twice as many women as men were involved in certain unpaid activities (collecting wood- 34.6% to 16%; child care 41.3 to 12.5%; sweeping 71 to 24.9%; garbage disposal 47.6 to 18.4%; cooking 64.7% to 12.3% and fetching water- 60.2-37.7%). Even when men were involved, they spent much less time on most activities. The most striking differences in this regard were in relation to child-care which took up around 200 minutes a day of a woman's time and 128 minutes of men's time in urban areas.

One in three households in Ghana (33.6%) has a female head (GLSS, 2000). While female headship is not synonymous with poverty, certain characteristics of some female headed households are predisposing factors to poverty. In cases where female headship signifies the presence of only one independent earner, it can be a factor in the household's poverty. Norton et al (1995) for example found that while 9.4% of households were composed of one woman living with children, only 1.2% of households had one man living with children. 54% of households had at least one adult of each sex. Even more disturbing, Heintz found that while having more than one earner within a household significantly improved the situation of male headed households (67.1% for one earner, 64.3% for two earners and 61.8% for more than two earners, for female headed households, poverty rates rose with the number of earners. For one earner in informal employment, it was 67.4%, for two earners, it rose to 70.4% while for more than two, it rose to 75.7% poverty rates. Heintz concludes that the quality of

employment of the household head seems to be more important than other household characteristics such as ratio of wage earners to non wage earners (2005, p. 20).

What has changed since 1995? Official data for income poverty says that extreme poverty (defined as 700,000 cedis per annum per adult, currently about US\$77) fell between 1992 and 1999, from 36% to 27% of the population and the Upper Measure of Poverty (900,000 cedis, i.e. \$100) fell 52% to 40% of the population in the same period. A background paper for an ongoing revision of the GPRS however claims that Participatory Poverty Assessment studies “that recognise multidimensional features [poverty] and current statistical information show a downward trend in living conditions and an increase in hardship and poverty over the past decade” (Sync Consult, 2004).

A 2005 survey found that 6 of out of 10 Ghanaians felt that the years of economic liberalisation have worsened gap the between rich and poor. Recent data backs this up and suggests that the situation of the poorest women may have worsened in the last eight years. According to 2003 Core Welfare Indicator Questionnaire (CWIQ) results unemployment and underemployment in both the formal and informal sectors worsened in the period from 1998 (GSS, 1997; 2003), especially in those sectors where women are concentrated - among farmers, other small scale producers, the urban poor and the youth. Manufacturing industries have also been hard hit by among other things free flow of imports stemming from trade liberalisation. Women have tended to be among the first to be laid off in such circumstances. In the six years to 2003 the income levels of the also poor fell. The percentage of the population in the lowest income quintile increased from 15% to 19%, a 31% increase over the five year period. Six years ago income distribution in Ghana was sharply skewed: the poorest 20 percent enjoyed only 8.4 percent of the national income, whilst the richest 20 percent enjoyed as much as 41.7 percent of the national income. Given the trends from the CWIQ this picture is likely to have worsened. Given the location of women in the labour force and income brackets it is fair to deduce that the worsening of situation of the poorest women is part of these developments.

Education and Health

Access to quality education, health services, water for both drinking and agriculture, roads, markets and other services such as electricity and financial services are important for well-being, distinguish the poor from the non poor. In addition, general environmental decline in rural areas affects food security and general well being of whole rural communities. In general, rural people, who live in resource poor areas, fall more easily into poverty (Norton et al, 1995).

Some of these conditions exist in poor urban areas. Gender disparities in education and health are greatest among the poor.

According to official 2003 data 37.4% of women as opposed to 25.9% of men, a ratio of 3:2, have no formal education. In the lowest wealth quintile the ratio is 19.6% for women to 37% for men, compared to 83% to 95% in the highest quintile. According to the National Development Planning Commission “adult literacy in the rural areas has either remained stagnant or fallen between 1997 and 2003. In 2003 rural female illiteracy was a frightening 78% compared to 47% for men.

Access to most positions in the formal employment sector now requires secondary education or higher thanks to the great gap between numbers entering the labour market and the creation of new jobs. This has serious implications for women’s opportunities considering that only 5.7% of women compared to 15.8% of men had secondary or higher education in 2000. (GLSS, 2000) Outside formal education, female apprentices have a much narrower range of training options than men because of the gender segregation in artisanal occupations. Almost all the apprentices training to be carpenters, masons, blacksmiths, mechanics, repairers of electrical and electronic appliances, painters, upholsterers, car body workers and sprayers, metal workers and drivers are male. The earning capacities of most of these occupations are higher than for sewing and hairdressing, the two most popular options for women.

The government adopted a 10 year education plan in 1995. Its objectives included raising primary school enrolment to 98% by 2000. As the Table 1 below shows enrolment has only increased marginally since 1997 and still falls well short of the official target. A striking feature of the data is the marginally higher proportion of girls than boys enrolled at national and rural levels. Significantly the ratios are reversed at the secondary school levels and widen in favour of boys at the tertiary levels. In 2003 only 27% of all tertiary students were female. Below this data however is a worrying reality. Between 1999 and 2002, the dropout rate in basic education was 34%, with a higher dropout rate for girls than boys.

Table 1: Access to Primary Education – 1997 & 2003 (% of population)

| Primary | All | | Rural | | Urban | |
|-------------------|------|------|-------|------|-------|------|
| | 1997 | 2003 | 1997 | 2003 | 1997 | 2003 |
| Access | 81.2 | 85.4 | 78.9 | 81.0 | 86.9 | 93.2 |
| Primary Enrolment | 67.0 | 69.9 | 65.1 | 64.7 | 71.9 | 79.3 |
| Male | 67.9 | 69.9 | 65.6 | 64.6 | 74.0 | 79.7 |
| Female | 66.0 | 70.0 | 64.4 | 64.8 | 69.9 | 78.9 |

Source: CWIQ 1997 & 2003

Economic factors are the single most important influence on education opportunities, especially for girls. Reacting to continued public concern about this the government recently announced that from September 2005, no basic school will charge any fees with the government paying 30,000 cedis per pupil to cover the fees. The real impact of this on enrolment is uncertain. A 2003 study by ActionAid found that the annual cost of keeping a child in basic education in the capital Accra, the area with the lowest rates of poverty, is \$110 (990,000 cedis) and \$20 (180,000 cedis) in the poorest parts of the country.

Poor people are sick more often than those who are not poor and poor women bear an increased burden of disease because of their lower social status, poor access to education, health and other resources and harmful cultural practices. After showing steady improvement in the preceding ten years key health indicators have showed a worrying downward trend in the period 1997-2003. Infant and under-five mortality have both worsened as has child malnutrition. Infant mortality rose from 108 per 1,000 live births in 1998 to 111 in 2003 and over the same period under-five mortality climbed from 57 to 64 and the percentage of underweight children increased from 25% to 35.8%. There are wide regional variations in these figures. The under-five mortality figures range from 75 in Greater Accra to 208 in the Upper West Region. There is no comparable data for maternal mortality which did not fall in the five years till 1998 and on these trends, it too may have worsened.

These negative trends are due to a number of factors, primarily economic. Economic factors have provoked a massive emigration of health professionals, especially doctors and nurses from the country, primarily to the UK and North America. Among those who remain there is a strong antipathy of many to working in the rural areas. The general national shortage of health personnel which is worse in the countryside has compounded the existing inadequacy of health services and undermined both the quantity and quality of health service. Also in a situation of worsening poverty more people would have found the cost of keeping babies well nourished and health services and drugs more and more difficult to afford. Interestingly even though access to health facilities improved noticeably between 1997 and 2003, from just over 37% to almost 57% the percentage of persons actually using the facilities dropped.

Responding to widespread dissatisfaction with the high cost health the government announced a National Health Insurance Scheme (NHIS) a couple of years ago. To encourage more births in health facilities it also recently announced that deliveries will be free in all public health facilities. The NHIS is still in the process of being established but concerns have been expressed that the annual premium will still exclude some from health service.

In spite of low contraception use, the fertility rate of women in Ghana is falling and there is no agreement among population experts about why this is the case. Lower fertility rates have not changed the fact that women in Ghana are at high risk of dying from pregnancy related causes. Maternal mortality in Ghana is estimated at 214 per 100,000 compared with 10 per 100,000 in developed countries. The picture is even grimmer in the poorest regions of Ghana. In areas of the Northern Region for example, it is between 500 and 800 per 100,000.

The prevalence rates of HIV/AIDs in Ghana and elsewhere in Africa throws gender inequalities into sharp relief. Apart from physiological factors, socio-economic conditions including gender inequalities are central to women's generally greater vulnerability to the virus than men. On the one hand, women are often unable to protect themselves from infections by negotiating safe sex, particularly when they are economically or socially dependent on their partners. On the other hand, male behaviours arising from their social superiority such as their ability to have multiple sexual partners across a wide range of age groups without suffering opprobrium makes them vectors in the spread of HIV/AIDs (World Population Monitoring, 2000). In Ghana, more than 90% of all AIDs cases are found in people between the ages of 15-49 and two thirds of the cases are females (Ministry of Health, 2001).

Policies to Eradicate Poverty: From Safety Nets to the GPRS

The context for all the above developments in the past twenty years have been far reaching neo-liberal economic reforms with the standard elements of liberalisation, deregulation, reducing the role of the state and putting the welfare of capital, especially foreign, at the centre of national economic policy . Key elements of the economic programme included monetary and fiscal reform, downsizing and restructuring of the public service, privatisation of state owned enterprises and cost recovery in education and health.

The areas of the economy dominated by women were not favoured by the reforms. The economy has grown steadily since 1984 but without correlated creation of secure formal sector jobs. In contrast, the informal sector (where women predominate) grew 6.5% every year compared with the formal sector growth of 1% and was estimated to have absorbed 80% of annual increase in the urban labour force including those retrenched from the formal sector. The informal sector was estimated as accounting for 38% of the total urban labour force by the end of the 80s (GHDR, 1997). This had serious implications for the quality of employment, a key factor in the creation of the working poor. The promotion of export crops under the reforms has often not benefited women farmers as much as male farmers because of their predominance in unpaid family workers in agriculture.

The reform policies have affected the access of the poor to social services, with health services recording declines in patronage over a long period and schools recording continuing high drop-out rates. State sponsored anti-poverty strategies in health, education and some safety net provisions for particularly vulnerable sectors of society have not been able to address these problems of access (GHDR, 1997). Between 1988 and 1993, the Ghana government, in response to criticism about the adverse impacts of structural adjustment programmes instituted two safety net programmes, first the Programme of Action to Mitigate the Social Costs of Adjustment (PAMSCAD), and later a Social Dimensions of Adjustment Programme in the 1990s. Subsequently, a range of sectoral programmes of the 1980s, 1990s and 2000s have targeted poverty reduction. Education, health, employment, rural development and local government and agriculture have all had some of these programmes.

Since 2002, under the World Bank's poverty based approach to economic policy, the Ghana Poverty Reduction Strategy Paper (GPRS) has been the basic economic framework. This has shifted the issue of poverty from one for which special programmes were designed to one which is the ultimate goal of economic policy

making. The GPRS was initiated within the context of Ghana joining the HIPC Initiative in response to the debt burden incurred to finance the reform agenda and during the period when Ghana was widely touted by the IFIs and the West as an economic model for Africa.

The GPRS has some good descriptive statements about the structural problems of the Ghanaian economy. However as a document the GPRS lacks the coherence and focus which would give confidence that there is a clear understanding of problems and how to address them. While certain parts of the document acknowledge that even if there is growth, the benefits might not be equitably distributed unless efforts are made to do so, other sections read as though liberalization and the change of attitudes of farmers from “a subsistence to a commercial attitude” would solve the problems of poverty of the farmers. Also, the GPRS adopts a trickle down approach to poverty in spite of the fact that this approach has not worked over the years. Not surprisingly, the only new thing in the GPRS appears to be increased social spending and not much more besides. While the document recognizes how widespread poverty it, the document still treats poverty as though the poor were a special category of people rather than the majority of Ghanaians. To accept that most of the population have been impoverished by certain policies mean that a radical review of the policy framework is needed and the GPRS does not approach this by any stretch of the imagination.

Part of the problem is that the GPRS carries the burden of HIPC and donor conditionalities. The GPRS was drawn up mainly to fulfil one of the conditions of qualifying for debt relief under the HIPC initiative. Thus, it continues in the tradition of economic policies underpinned by donor conditionalities with the expectation that much of the programme would be funded by donors. While this clearly is an issue to be addressed gradually, there is not a sense of an effort to deal with the problem. Thus the stress on macro economic stability by the donors has shaped the tenor of the GPRS. For example, the discussion on inflation gives it responsibilities for all the ills of the economy when it should be seen more as a symptom which should be addressed as a means to an end rather than an end itself.

The Gender analysis in the GPRS document is patchy and incomplete. In the first place, the causes and incidence of poverty in Ghana are not properly analysed much less the causes and incidences of gendered poverty. The document provides statistics to show that women are predominant among the poor but the differences in the paths to poverty of men and women are not analysed. It has been noted that the document identifies the poor and notes that they predominate in certain sectors

of the economy and among certain social groups, but fails to explain why and how this is so. (Britwum, 2002; Mensah-Kutin, 2002; Dumor and Ahadzi, 2002). This failing leads to the failure to differentiate the poor as well as the different elements of poverty in a comprehensive manner. The sections on macro-economic stability and governance have no gender analysis at all. And yet, there is enough analysis of macro-economic policies elsewhere which point to their gendered implications and impacts. Governance and participation are also gendered processes and women's exclusion from these processes as a bearing on their experiences of poverty. The sections on production and employment, human development and basic services and special programmes for the vulnerable and excluded refer to certain gender inequalities. Even here, problems remain. The focus on the private sector is a significant aspect of the analysis and strategies for poverty reduction. There is no gender analysis of the private sector even though the available information indicates that women occupy the poorest sections of the private sector. Both the urban informal and the agricultural sectors do not receive proper gender analysis of its composition and character. The failure to address the urban informal sector is part of a wider failure to pay attention to urban poverty and put forward strategies for dealing with it. Impressionistic and anecdotal evidence points to urban poverty being a growing problem.

As a result of the lack of a thorough gender analysis, strategies and policies in the GPRS have hardly any gender considerations. What has been described as the tendency for policy evaporation in other poverty reduction strategy papers (Whitehead, 2004) occurs in the GPRS. For example, the main gender equality measures under the section on production, employment and human resources are a) the empowerment of women through the promotion of income generation activities supported by improved technologies, credit and guaranteed markets; and b) support for agro- processing techniques and equipment to reduce their time burden. This is a limited response to the issues raised about the structure of employment and how this predisposes women to poverty. The policy of right sizing the public sector which is stated as an aim under the GPRS is not discussed from a gender perspective for its implications for women's workers whose involvement in this sector is insecure and tenuous. There are no policies which address the private sector and informal sector from a gender perspective. As well, under governance there is not a single provision for addressing the issues of gender differences in political voice, participation and autonomy (GPRS, 2003). The care economy receives no discussion of its contribution to development and the ways in which women's unpaid care work predisposes them to poverty. Cognisance is therefore not taken of what needs to be done to ensure that women can participate fully in whatever opportunities might exist under the GPRS given their burdens in the care economy and the discrimination they suffer in employment and the enjoyment of basic rights.

Three aspects of the GPRS buttress the above critique of the GPRS document. These are the costing of the GPRS, GPRS processes and the outcomes of the GPRS. The uneven outcomes of the GPRS have been indicated in the data on the 1997-2003 period in the sections on employment, education and health.

The breakdown of proposed expenditures under the GPRS is revealing. The bulk of the amount for the medium term programme is going into roads and electricity. Another significant amount into the West Africa Gas pipeline programme which will supply energy mainly to the mining sector and other industries. The basic services programme is also going largely into infrastructure. Thus not much of the budget would directly reach the poor or have a direct bearing on their situation even if we assume that much of the special programme budget would. The programme which directly addresses gender inequalities is minuscule. Only \$ 9.05 million (0.35% of the medium term budget) is devoted to protecting women and children's rights. Given the gender biases in development programmes, it can be safely assumed that unless explicitly set out and unless the Ministry of Women's Affairs is involved in some capacity, most programmes are not likely to benefit women in a substantive way.

There are questions about the participation of the Ministry for Women and Children's Affairs in the GPRS drafting and its processes. While the Ministry, which is expected to promote gender equitable policies and programmes was expected to participate in this process, it was represented only in the thematic area of special programmes for the vulnerable and excluded. It was also appointed as the lead agency for a programme to protect women and children's rights which was worth 8.9 million dollars and the collaborating agency in another programme for developing systems to enforce the rights of protection especially for women and children. It was not mentioned in any of the health, education, water, population management, employment and agriculture programmes and neither did it feature in the macro economic stability and good governance programmes. Even if it was represented, whether as a lead or collaborating agency, it would face real challenges of resources and capacity.

The participation of citizens in economic policy making was supposed to be one of the tenets of the PRSPs. Participation was to herald a new era of policy making in which countries would own their economic programmes and be committed to implementing them. Participation, apart from its intrinsic value as the right of all citizens was expected to enhance country ownership of PRSPs. Certain contradictions in the character of the PRSPs have made this goal difficult to achieve. One of these is fact that the World Bank and the IMF continue to be in the driving seat of economic policy. The family resemblance of all PRSPs

irrespective of the country or continent in which they were drafted, noted by a number of analysts, is a testament to this. It seems to be that country ownership is not linked to authorship. The GPRS, like other PRSPs was driven by the World Bank/IMF and donors. Having ensured a certain framework and basic analysis, citizens are now being called upon to own the document. This can be seen in the Ghanaian process. As described in the PRSP, some limited consultations resulted in agreement on the main sections of the GPRS. Subsequently, technical teams were established to draft its main sections. Then certain civil society organizations and state agencies were invited to comment on the draft. Once this was done, the document was then taken through a process of consultations and finalised.

As a participatory process, this was a problematic one. The terms and status of participation at the various stages of the process were never clearly spelt out. The National Development Planning Commission (NDPC) in its wisdom determined who would participate at what stage and in what way. Take the core groups to produce the policy papers in the five thematic areas. As women's groups pointed out during the consultations on the draft, though the groups in theory were composed of representatives of various government bodies, the private sector, civil society and donors, there were no transparent criteria of representation. No women's groups were represented in these core groups. This was made even more difficult by the fact that it was consultants who drafted the various sections. They were not expected to consult or work closely with particular constituencies and not surprisingly, gender and other alternative perspectives were missing from their analysis. This technicisation of the process of producing an economic framework for Ghana was problematic in that the claims of participation being made for the document became hollow. The consultative processes once the drafts were ready were perfunctory and hurried.

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14 Growing Dependence on Inadequate Foreign Aid NETRIGHT and TWN Africa

(Ghana Social Watch Report - 2006)

The issue of how best to finance national development as part of the larger global effort to address poverty and promote social justice has attracted a lot of attention among both policy makers and development practitioners. Especially since the Monterrey Declaration in Mexico (2003), the debate has focused on a number of options including the need for raising resources through fair trade; cancellation of poor countries' foreign debts, and increased official development assistance for poverty-reduction.

But there are limits to each of these policy alternatives. While free and fair trade may give poor countries the opportunity to export, constraints in domestic production can only be addressed over a long period. Externally imposed conditionalities for accessing debt relief, also weaken policy ownership in poor countries and leave many still financially constrained.³

The erratic and fragmented nature of foreign aid, does not only make development planning and management difficult but it also distorts the policy priorities of countries like Ghana. The multiplicity of donor-country assistance frameworks such as the World Bank's Poverty Reduction Strategy Papers (PRSPs); the US's African Growth and Opportunities Act (AGOA); the Millennium Challenge Account (MCA); and the United Kingdom's Commission for Africa (CfA), creates conditions for poor countries eager for financial sources to produce "development plans" that do not reflect their locally determined policy priorities. Many of such plans have tended to ignore the gender dimensions of poverty or have attempted to pay lip-service to addressing them after pressure from women's groups.⁴

The Paradox of Aid Augmentation in Ghana

Ghana has long been the darling of the international development community for its record of two-decades-plus of "reforms" and, more recently, "macroeconomic stability." But behind this façade of success lies a record of

³ In the *Daily Graphic* newspaper of December 23, 2005 (p.1), Ghana was reported to have received total debt cancellation of \$381 million from the IMF, but with the relief spread over some 15 years, only about \$37 million was scheduled to be disbursed in 2006. Similarly, during the IMF's Regional Roundtable on Debt Relief in Zambia on March 16, 2006, only \$70 million out of total debt relief of \$4.0 billion from the G-8 was expected to be available in 2006. (*Daily Graphic*, March 20, 2006, p.1)

⁴ The Network of Women in Ghana (NETRIGHT) has been active in advocating for more commitment to gender issues poverty policies and has questioned the conceptual basis of the Ghana Poverty Reduction Strategy Papers (GPRSPs).

rising but disruptive and inadequate levels of foreign aid, contrasted by a declining trend in the domestic share of development spending.

Table 1.0 provides an insightful outline of this paradox. Disbursed foreign grants between 1999 and 2005 consistently fell below forecast in every year except 2004 – the year Ghana reached the HIPC completion point – when disbursements constituted 161.8 percent of forecast. These shortfalls, however, occurred against a background of generally rising levels of external grants. When adjusted for inflation (using 1999 prices), these grants rose from €303 billion in 1999 to €1,708 billion in 2005, a cumulative increase of 464%.⁵

| TABLE 1.0 ACTUAL REVENUE (AND GRANTS) IN MILLIONS OF 1999 CEDIS | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| Total Tax Revenue + Grants | 3,392,259 | 3,985,030 | 4,885,451 | 5,272,575 | 6,817,075 | 8,199,118 | 8,418,557 |
| A. TAX REVENUE | 3,089,259 | 3,526,296 | 3,940,678 | 4,474,783 | 5,528,399 | 6,386,229 | 6,709,867 |
| Percent Change | NA | 14.1% | 11.8% | 13.6% | 23.5% | 15.5% | 5.1% |
| B. Foreign Grants - Actual | 303,000 | 458,733 | 944,773 | 797,791 | 1,288,676 | 1,812,889 | 1,708,690 |
| Forecast | 343,000 | 768,416 | 1,125,073 | 1,037,720 | 1,319,046 | 1,120,620 | 1,792,676 |
| Difference Actual | -40,000 | -309,683 | -180,300 | -239,929 | -30,370 | 692,269 | -83,986 |
| as % of forecast | 88.3% | 59.7% | 84.0% | 76.9% | 97.7% | 161.8% | 95.3% |

Source: Ministry of Finance and Economic Planning (various budget statements)

Over the same period, the domestic share of capital expenditures fell from 48.0% to 20.0%, having reached a low of 12.0% in 2001, the year that the Ghanaian government declared its intention to seek HIPC debt relief. In that year, the government put a freeze on spending as part of a larger strategy to restore macroeconomic stability, hence the steep fall. But the restoration of macroeconomic stability has not been matched with a corresponding rise in the

⁵ Unadjusted for inflation, grants rose from €303 billion to €5,354 billion. The data for this section of the analysis was obtained from the relevant government budget statements; inflation adjustment done by author.

domestic share of capital expenditures. Significantly, this large fall in the domestic share of capital spending corresponds to a downward trend in tax-revenue growth over the period. After jumping from 14.1% in 2000 to 23.5% in 2003⁶inflation-adjusted growth in tax revenue fell to 15.5% in 2004, and then further to 5.1% in 2005. (It is projected to grow in real terms by 5.7% in 2006).

In summary, it appears that while foreign aid, particularly grants, has increased significantly, from €303 billion in 1999 to €1,708 billion in 2005 in inflation-adjusted terms, it has been erratic and largely fallen short of expectation in all but one of the seven years. Simultaneous with these developments is a decline in the domestic share of capital spending from 48.0% in 1999 to 20.0% in 2005. While such increases in aid, even if erratic, are in accord with the Monterrey Declaration, they also pose a paradoxical problem of Ghana increasing, rather than decreasing, its dependence on foreign aid.

Challenges and Opportunities for Domestic Resource Mobilisation

For the government, there are two main types of domestic resources, namely, borrowing from the local financial markets, and raising revenue through taxes. However, decades of misinformation, championed by the International Monetary Fund (IMF), about the role of public debt in development has led to a disproportionate concentration of resource mobilization efforts on taxation, to the near-repudiation of domestic borrowing for development.

The 2003 budget statement (paragraphs 683 and 526) captured this lop-sided approach to domestic resource mobilization as follows:

Delays and shortfalls in donor inflows have often forced government to cut back on development expenditures. Sometimes, the shortfalls in budgetary aid have resulted in unprogrammed domestic financing (which adds to the build-up of the domestic debt) and recourse to non-concessional external borrowing... The 2003 budget aims at reducing the reliance on net domestic financing and minimizing the dependence on donor inflows.... Our firm belief is that a government that mobilises its revenue through a well-developed domestic tax system and manages its expenditure efficiently is able to respond to the needs of its citizens even in the face of adverse external shocks.

⁶ This was largely due to a real growth of 30.4% in payroll taxes, from 19.4% the previous year.

This pledge was followed by over 12 policy initiatives aimed at increasing domestic revenue for development. This must have contributed to the sharp growth in real payroll taxes in 2003, from 19.4% the previous year to 30.4%, with corporate taxes growing in real terms by 10.9%, more than double the 4.7% recorded for 2002. By contrast, growth in “self-employed” taxes decelerated sharply from 32.3% in 2002 to 6.7%. With 64% of economic activity in the hands of self-employed persons, this category of Ghana’s tax-paying units is clearly under-taxed. Indeed, a trend analysis of tax revenue since 1983, when the Ghanaian economy was at its nadir, shows that self-employed taxes in 2005 amounted to only 23.0% of their potential level, compared with 134% for payroll taxes and 100.0% for corporate taxes in 2005.

Government’s revenue position has been harmed further in recent years by a number of corporate tax concessions that are supposed to help spur economic activity but have had no such effects because the presumed relationship between tax rates and business activity in Ghana’s mercantilist and foreign-dominated economy is very weak. In the absence of efficient infrastructure, it has been shown that lower tax rates do little to enhance growth prospects.⁷ Additionally, because such tax breaks benefit mostly foreign-owned and large business, which constitute less than 1.0% of industrial establishments in Ghana, a significant part of these tax concessions are repatriated abroad as profits.

Clearly, weak tax and internally inconsistent administration means that several potential corporate and individual taxpayers, many of them among the richest in the country, remain outside of the tax net, despite several pledges by government to plug the loopholes. Under these reforms, tax-collecting agencies were resourced in terms of recruitment, training, compensation, equipment and other facilities. But no attempt was made to simplify tax-payment procedures. The long distances often involved in getting to tax offices and the cumbersome procedures involved once one gets to these offices are all factors that discourage compliance and lead to lower tax intake.

A low national saving rate also remains a problem for domestic resource mobilization.⁸ After declining from 18.1% in 1996 to 10.6% in 2000, the rate rose to about 19.0% in 2003 only fall down to 15.1% in 2004. The domestic saving rates, which, unlike the *national* saving rate, excludes foreign financial resources and is made up of household saving, business profits, and government surpluses, has traditionally been lower than the national rate. Indeed, at about 5.0%, Ghana has one of the lowest domestic savings rates in the world. Most of

⁷ World Bank/IFC, *Doing Business 2006 – Creating Jobs*, Washington, D.C., 2006

⁸ The *national* savings rate is the sum of the domestic savings rate, comprising households, businesses, and government, and foreign financial resources that come into the country as investment or aid.

the variations in the national rate, therefore, were due to foreign financial resources.

Against this background, misconceptions about Ghana’s domestic debt, coupled with faulty measurements and analyses, have also led to an undue government aversion toward borrowing as a means of financing development. The selection of ratios, without regard for their impact on a government’s ability to finance its development, has become arbitrary and often ideological, on the grounds of “fiscal conservatism” – where government is supposed to borrow or owe less. This approach of course ignores the social implications of under-spending by government in key sectors of the economy.

In the 2006 budget, for instance, central government allocations to rural water provision were cut by about 50%, against the background of reductions in the public debt and budget deficit. A possible consequence of this retrenchment in rural water expenditures is that rural residents, particularly women and children, would have to walk far distances for water needed for basic cooking and washing. This further militates against the government’s poverty reduction efforts. An example of mis-measured debt stress appears in Table 2.0 below. With the exception of 2003, the popular debt-GDP ratio based on December only debt stock over-stated the debt stress for Ghana from 1999 to 2002. The alternative measure based on the full year’s debt stock is never used in conventional analysis.

Table 2.0 Measuring and Mis-measuring Debt Stress

| | Annual Debt Stock as % of Annual GDP | December- only Debt Stock as % Annual GDP |
|------|--|---|
| 1999 | 25.70 | 28.17 |
| 2000 | 24.08 | 28.88 |
| 2001 | 22.97 | 26.82 |
| 2002 | 24.32 | 29.19 |
| 2003 | 22.29 | 20.83 |

Data Source: Bank of Ghana

Lastly, it must be stated that mere ratios at particular points in time do not capture the dynamic interactions between debt, economic growth, and the government’s ability to service that debt.

Gender Considerations in Domestic Revenue Mobilisation

Issues of equity are integral to tax policy and cannot be overlooked in any serious discussion of domestic revenue mobilization. Depending on the nature of the tax and how it is administered, it will affect different socio-economic groups differently. Understanding these differential impacts of taxation and taking appropriate measures to deal with them is essential not only to promoting economic growth but also reducing poverty and ensuring social and economic justice.

In the case of Ghana, various studies have shown that the poor tend to bear a greater portion of the tax burden, both directly and indirectly. With respect to direct income taxes, most of the self-employed poor, especially women and petty traders in general are often assessed flat taxes by the tax authorities at rates that do not always bear a proportionate relationship to their earnings. Thus, while a salaried person would only pay taxes on what they earn, most poor people pay taxes on incomes that they are yet to earn or may not earn at all. For example, a poor woman who is assessed ₵10,000 daily tax by the government for a tax rate of 10% on the assumption that they earn ₵100,000 daily may actually earn, say, ₵90,000 instead. This would raise their effective tax rate to about 11.0% (₵10,000 divided by ₵90,000, instead of the ₵100,000 assumed by the tax authorities).

Indirectly, the poor incur a greater part of taxes through the Value Added Tax (VAT) because they are forced to pay the same rates as consumer in higher income brackets. Recent figures from a District Assembly in the Greater Accra Region, which is typical of the situation across the country, illustrates the inequity of the poor paying more taxes and not getting corresponding provision of social services by the government.⁹ The largest share of the district's tax revenue, 47.5%, comes from a combination of petty trading and tolls at the open-air market, both of which are dominated by women. Despite contributing the largest share, traders, both itinerant and fixed-location ones, are seldom the beneficiaries of essential services. Garbage collection and disposal, for example, is undertaken by the traders themselves, not the district assembly. The lack of sanitary facilities like public toilets and potable water supply also means that the incidence of sanitation-related diseases at the market maybe higher than would otherwise be the case. With women dominating market activities, they would be the disproportionate victims of such diseases. In turn, this means that they spend a disproportionate share of their earnings on health services. Indeed, it is interesting to note that pharmacies account for less than one percent of the district's revenue, despite the fact that there are many pharmacies in and around

⁹ Under Ghana's Decentralisation system, District Assemblies constitute the structures through policies and programmes are formulated and implemented at the local level. Women represent less than 10% of elected members and are therefore largely absent from critical decision-making processes.

the market that cater for the widespread practice of self-medication among the traders at the market.

While there is no disaggregated data on the gender status of tax payers, the disproportionately high percentage of women involved in economic activities, especially the informal sector, and the high incidence of poverty in this sector due to the generally low earnings, it is important that policy makers take appropriate action in the course of revenue mobilization to insulate poor women in particular against the adverse effects of unfair tax incidence.

15 NO HOPE FOR THE POOR

Ghana Social Watch Coalition

(Ghana Social Watch Report 2007)

While foreign aid has increased significantly in recent years, it has been erratic and has largely fallen short of expectations. Nevertheless, dependence on this aid has been growing, as the domestic share in development spending becomes ever smaller. At the same time, domestic resource mobilization has largely focused on taxation, leading to a disproportionate burden on women and the poor.

Every country must commit to the disadvantaged by having a social development policy that promotes universal and equitable access to a minimum set of social services and resources. This ensures long term improvements in the living standards of both women and men in the society.

In Ghana, there is a recognized basket of social provision. This includes access to water and sanitation, universal tuition-free basic education for all citizens, and primary health care. Other basic social services are food security, social security (such as pensions), housing, and economic services such as energy and transport infrastructure. A more comprehensive approach to social security must include access to a minimum level of income for all citizens of working age and all families (The Women's Manifesto for Ghana, 2004). Thus a good social security system must provide protection against basic income loss in cases of illness and injury, old age and retirement, invalidity, and family responsibilities such as pregnancy and child care. Such benefits are important especially for women, given the particular inequalities and disadvantages they experience. This paper attempts to examine Ghana's social security system from a historical and gender analytical perspective to identify challenges and options. It traces the system's historical development and addresses the current attempts at privatizing the sector and its implications for women.

Women, a Majority of the Informal Sector

The country has a working population of nine million, with women accounting for 51% of the total. The formal economy employs about 13.7% of the labour force aged between 15 and 64, while the remaining 86.3% work in the informal economy – divided between 52% in agriculture and 34.3% in non-agricultural activities (ILO, 2003). Women constitute 77% of the informal sector, and engage in both agricultural and non-agricultural activities. Informal trading is a major source of employment for many Ghanaians, especially those in the urban centres: there are 1.9 million households operating 2.3 million small businesses, and women operate over 66% of these small businesses. Over 56% of all non-farm enterprises are engaged in some trading activity, 24% in manufacturing, and the remainder in other activities (ILO, 2003).

Clearly, the vast majority of workers in Ghana are in the informal economy. Yet only 10% of the workforce, mainly those in the formal sector, benefit from social security (SSNIT, 2005). As a result, workers in the informal economy, most of whom are women, have no social security coverage. This is in spite of the fact that membership in the Social Security and National Insurance Trust (SSNIT) is supposed to be open to all who work in the informal economy, on a voluntary basis.

The History of Social Security

Before the introduction of a formal social security system in Ghana, the extended family system served as a source of social protection and a cohesive unit that provided security for vulnerable groups. But as Kumado and Gockel (2003) have noted, the advent of colonization changed this traditional system as men moved into employment centres to work in the mines, cocoa farms or the civil service. Women were virtually left on their own to engage in food production to sustain household members. The government and some private sector operators then introduced private social security schemes aimed at providing wage earners who were mainly men with some form of social protection.

The Compulsory Savings Act of 1961 sought to provide pensions for formal sector workers. The scheme created, however, collapsed through gross mismanagement. A more comprehensive social security system was subsequently introduced through the Social Security Act (Act 279) passed by the First Republican Parliament in 1965. The Act fixed the retirement age at 60 years for men and 55 years for women. It further established a Social Security Fund for the provision of superannuation, invalidity, death/survivors, emigration and unemployment benefits. It also provided for the payment of lump sums or what is known as the 'Provident Fund'. In terms of contributions to financing the scheme, workers were to contribute 5% of their monthly basic income while employers were to add 12.5%.

Weaknesses in the social security scheme adopted in 1965 were rectified through National Redemption Council Decree (NRCD) 127 of 1972. Under it, the SSNIT was established as an independent corporate body to administer the scheme. The retirement age was reduced from 60 to 55 years for men and 55 to 50 for women. The lump sum payment to retired workers was retained. The scheme also provided for coverage for up to five employees.

In 1991, the government of the Provisional National Defence Council (PNDC) repealed the 1972 social security decree, NRCD 127, and replaced the scheme then in place through PNDC Law 247 which was an attempt to redress the major defects of the provident fund scheme. Therefore, the main thrust was the conversion of the system from the payment of lump sum benefits into a pension

scheme under which monthly payments would be made to members until death. Benefits enjoyed under this law are superannuation/old age pension, death/survivors benefits and invalidity benefits. The scheme is supposed to be open to all classes of employees in both the formal and informal economy.

As a result of the inadequacies in the social security system's coverage of the working population, the majority of Ghanaians have continued to rely on informal social security schemes such as social networks, trades associations, credit unions and remittances to meet their social security needs. These schemes oblige individuals, groups and communities to offer mutual support through the pooling of resources based on their own principles of insurance to extend help to each other within certain basic regulatory conditions. Such self-financed initiatives are essentially based on trust and the capacity of the group to manage the scheme. Informal social security schemes are the main sources of security for the poor, allowing them to continue to meet contingencies such as care and support for children, the aged and the disabled. However, there have been major changes in the form of mutual aid based on social networks, resulting in low wellbeing outcomes for the poor across all age groups. This is evidenced by health-related problems like malnutrition, livelihood stress, and the detention of newborns in maternity wards pending the payment of hospital bills.

The National Health Insurance Scheme

In 2004 the government unilaterally decided to use 2.5% of workers' SSNIT contributions to establish what it called the National Health Insurance Scheme (NHIS). The NHIS was created to replace the 'cash and carry' system, based on the principle that the inability to pay the costs incurred at the point of service should not prevent access to health care services. While three types of insurance schemes were available under the law – district-wide mutual health insurance, private mutual health insurance and private commercial health insurance – the government opted for a district mutual health insurance scheme throughout all 138 districts in Ghana. Contributions are based on the ability to pay, and workers in the informal economy have been categorized into social groups to enable individuals within each category to pay according to what they can afford.

Women who were interviewed for a recent study (Akakpo, 2006) fell within categories B and C, which means they are either 'poor' or 'very poor' and are only able to pay the lowest premiums (see Table 1). It is the right of every citizen to have equal access to good health care, but there are reports of differential treatment given to NHIS card-holding patients and non-card-holding patients at hospitals. For example, because the women sampled fell within the category with the lowest paid premium, they were hardly ever given medicines, and instead were given prescriptions to buy them on their own.

Table 1: Contributions Payable by Social Groups in the Informal Sector

| Name of Group | | Who They Are | Minimum Contributions Payable Annually |
|---------------|---|---|--|
| Core Poor | A | Unemployed Adults without any identifiable support for survival | Free |
| Very Poor | B | Unemployed but with identifiable financial support from sources of low income | ¢72,000.00 |
| Poor | C | Employed Adults with low income and unable to meet their basic needs | |
| Middle Income | D | Employed Adults who are able to meet their basic needs | ¢180,000.00 |
| Rich | E | Adults who are able to meet their basic needs and some of their wants | ¢480,000.00 |
| Very Rich | F | Adults who are able to meet their needs and most of their wants | |

Source: Government of Ghana, <http://www.ghana.gov.gh/dexadd/NHIS.pdf#search>,

Privatisation of Social Security

Women have largely not benefited from Ghana's social security system because of the large proportion of them employed in the informal sector, which is mostly not covered by the system. Yet even beneficiaries in the formal sector have complained about the inadequacy of monthly pensions and their inability to meet the basic necessities of life. Such concerns prompted the government to set up a Presidential

Commission on Pensions in 2004. The Commission was to examine existing pension arrangements and to make appropriate recommendations for a sustainable pension scheme to ensure retirement income security for workers, especially those in the public sector.

The Commission proposed a three-tier pension structure, comprising two mandatory schemes and a voluntary scheme. They suggested that the SSNIT should be restructured to implement a mandatory State Social Security Pension Scheme, which would pay only periodic monthly and other pension benefits. With regard to the second tier, the Commission recommended a mandatory privately managed occupational pension scheme, preferably a defined contribution pension scheme with payments mainly in the form of lump sum benefits. Finally the Commission suggested a third tier which would be a

voluntary, privately-managed personal pension scheme, offering attractive tax incentives (Government of Ghana, 2006).

The government issued a White Paper on 25 August 2006, virtually accepting all the recommendations made by the Commission without questioning any aspect of the report.

The Challenge: Higher Pensions and Inclusion

A recent study by the Research and Policy Department of the Ghana Trades Union Congress (GTUC, 2006) revealed that salaries in Ghana are lower than those in numerous countries in Sub-Saharan Africa with the same level of economic development.

One of the implications of the low salaries in Ghana is the poor pensions paid to retirees. Currently, the lowest pension that SSNIT pays is GHC 182,000 (USD 20.50) per month, while the highest is GHC 14.9 million (USD 1,675) per month. Thus pensions are not only low, but their distribution also favours very few people, primarily men in the formal economy. The proposed 'multi-pillar system' will not address these shortcomings; on the contrary, it will worsen disparities and exclude many more, especially women, from enjoying social security.

In terms of the distribution of pensioners by gender, of the 66,971 SSNIT pensioners at the end of 2004, only 7,326 (11%) were women (SSNIT, 2005). Furthermore, despite the launching of an informal sector retirement scheme in June 2005, by the end of the year only 13,577 informal economy workers were registered with the SSNIT (6,577 who had signed on under the new scheme, together with roughly 7,000 volunteer contributors), as compared to 898,368 formal sector contributors (SSNIT, 2005). This underscores the need for a more comprehensive scheme to address the needs of both men and women in both the formal and informal sectors.

The three-tier approach which the Pensions' Commission has recommended to the government is basically the World Bank's template for managing pensions through scaling down public schemes. The privatization of pensions will create an opportunity for a very few private individuals to access cheap funds at the expense of the majority of citizens. Already a number of US firms are advertising their private pension schemes in Ghana. This approach has failed in Latin America (Bakvis, 2005) and is unlikely to work here. Once the money goes into private funds, the government would be deprived of resources to invest in social services. Women's socioeconomic well-being in particular would be sacrificed, especially in terms of their ability to access affordable health care, safe drinking water and improved energy technologies.

Research by the International Confederation of Free Trade Unions (ICFTU) has shown that the 'multipillar' system results in lower benefits for retirees, partly due to the extremely high administrative costs for private accounts encouraged by banks. Also, the fiscal cost of diverting contributions away from public pensions into mandatory private funds puts pressure on governments to reduce spending on other public services.

Clearly, a different national social security system that addresses issues of inequality, and specifically targets women and other disadvantaged groups, is what is needed to ensure a minimum lifeline provision for the poor and marginalized in rural and urban communities in Ghana.

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16 FREE MARKETS AND THE THREAT TO BASIC FOOD RIGHTS

Ghana Social Watch Coalition

(Ghana Social Watch Report 2008)

The current food crisis highlights the fundamental conflict between the need to promote basic human rights and economic policies based on free trade and investment. Every woman, child and man, individually and in community with others, has a right to adequate food. In Ghana, State intervention in the market is urgently needed to facilitate local production and distribution of food, as well as to ensure basic rights for all citizens.

Some years back, the resilience of Ghanaians and their ability to cope with crises won them the nickname “magicians”. But “magic” can only do so much. So far, Ghanaians have not surged into the streets like the people of Senegal, Burkina Faso and Cameroun, but hunger, anger and discontent are boiling higher, fuelled by sharp worldwide and domestic increases in the cost of many basic foods since the beginning of 2008.

Prices of maize, rice, millet, yam, cassava, plantain, palm oil, tomato, cowpea and groundnuts jumped between 7.95% and 124.54% from January to April alone, according to figures obtained from the Ministry of Food and Agriculture (MOFA) and published in the *Daily Graphic* of April 1, 2008. Although many of these staples are produced locally, the Government’s determination to speed integration into the globalized economy has opened the floodgates to imported basic food products, particularly rice and sugar. The global market determines the price of these products, not local buying power.

An Inadequate Promotion of Basic Rights for Women

Eradication of hunger and poverty is particularly crucial to securing the basic rights of women. Like other signatories to the Universal Declaration of Human Rights (UDHR), Ghana is obligated to promote the rights of its citizens by complying with the obligations established under the United Nations Charter and the many treaties, covenants and agreements derived from it. The country has also ratified international conventions and agreements specifically dedicated to promoting women’s rights, such as the Beijing Platform for Action (BPfA) and the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). At the regional level, Ghana’s adherence to agreements such as the Africa Charter on Human and Peoples’ Rights and its Optional Protocol on the Rights of Women in Africa entails additional commitments. The 1992

Constitution includes specific provisions designed to promote women's rights and gender equality.

The Government has attempted to demonstrate its commitment to the women's rights stipulated in these agreements by establishing a Ministry of Women and Children's Affairs (MOWAC), to advise government on policy issues affecting women's rights and promote gender equality initiatives that advance women's status and well-being.¹⁰ Unfortunately, in the eight years since MOWAC was created, the ministry has done little to advance the socio-economic well-being of women.

The sums allocated to MOWAC do not indicate strong Government support for women's rights. In recent years the ministry has been awarded 0.1 per cent of the total budget, according to a study on "Aid Effectiveness and Gender Equality in Ghana 2004-6" (Pobee-Hayford and Awori, 2007). "The small size of the budget for the MOWAC has implications for the mandate of the Ministry and its ability to carry out its duties," the authors comment. The effects of low funding are compounded by the absence of gender budgeting to monitor public expenditures for other purposes, including social welfare.

Food Production and Women's Rights

Unbridled pursuit of neoliberal economic policies coupled with the unsustainable nature of globalization policies has reduced possibilities for addressing social, economic, cultural and environmental rights of women. Even more worrying, when economic policies are implemented, women's rights are the first to be sacrificed, on the premise that they have a "natural capacity" to cope with poverty, particularly in times of crisis.

Agriculture is the primary source of economic growth, responsible for 40% of the total GDP (GLSS 4, 2000). However, closer examination reveals a strong gender bias in this expansion. Government investments have spurred a boom in export industries, primarily timber and cocoa production, where the workforce is predominantly male. At the same time, the Government has offered little support to basic food industries that are traditionally women's responsibility. As a result,

¹⁰ Ghana first established a National Council on Women and Development to meet its UN commitment in 1975. This body was transformed into the Department of Women when the Ministry of Women and Children was set up in 2001.

crops for domestic consumption, livestock and fishing have all stagnated (Amu and Gockel, 2005 cited in ISODEC, 2006). This policy shows a preference for products over people. In the period under study, two million households were growing maize, 604,100 harvested peanuts and 361,400 had a rice crop, while only 584,400 households grew cocoa.

As shown Table I, agriculture is a main source of livelihood for persons living in rural communities, however much of the production is consumed by the families themselves. Households get only 30.6 per cent of their income from agriculture, notes GLSS 4. Unpaid labour is common, 9.6% of the total for men and 20.15% for women. The table also shows that the burden shouldered by women varies according to ecological zone, indicating that climate change could have significant gender repercussions: Women do 53% of the agricultural labour in the rural coastal zone and only 36% in the rural savannah zone (ISODEC, 2006).

Table 1: Distribution of households owning or operating a farm or keeping livestock and national estimates by locality (per cent)

| Locality/Ecological Zone | Households Operating a farm or Keeping Livestock. Sample (%) | Women's share for Agricultural Activities (%) |
|--------------------------|--|---|
| Urban Area | 32 | 38 |
| Rural Area | 85 | 44 |
| Rural Coastal | 75 | 53 |
| Rural Forest | 6 | 46 |
| Rural Savannah | 93 | 36 |
| Ghana | 66 | 43 |

Source: GLSS 4 (2000)

The Ghana Poverty Reduction Strategy Paper I (GPRS I) and the Growth and Poverty Strategy (GPRS II) both concluded that most Ghanaians who live in poverty are women and that poverty is greatest among farmers who grow basic foods, a majority of whom are women.¹¹ Addressing disproportionate deprivation will require policies and programmes that increase women's access to factors of production such as land, labour, credit and agricultural technology (Women's Manifesto Coalition, 2004). Inadequate credit is a major problem. It appears that lack of collateral often prevents women, the poor and persons with disabilities from expanding production. This compels them to rely on informal

¹¹ Ghana has had to produce Poverty Reduction Strategy Papers as a condition for accessing funds from the Highly Indebted Poor Countries (HIPC) initiative which has been pushed by donors.

credit and loan arrangements, which usually charge higher interest than facilities of the commercial banks.

Policy Responses and Women's Food Rights

The Government's failure to enact any significant measures to address women's food rights has its roots in the neoliberal economic framework, which assumes that the country's development strategy will be based on aid flows and production for export, while many basic products and services, including food items, will be imported. Enhancing local food production and resource mobilization are not considered important. To succeed, this strategy requires a system of governance that limits political and technical opportunities for effective participation, and for promotion of human rights and women's rights.

Under its first President, the late Dr. Kwame Nkrumah, Ghana pursued a strategy of promoting development based on local food production. However, since his overthrow in 1966 (and subsequent death in exile), succeeding governments have executed a fundamental shift in agricultural policy. Under the country's Structural Adjustment Programme (SAP) i.e. the Economic Recovery Programme (ERP), fashioned according to World Bank (WB) guidelines, the Government has reduced the role of the public sector and given the private sector greater responsibility for providing goods and services. The Government eliminated subsidies for fertilisers and other agricultural inputs, and has attempted to reduce its role in the market. For example, the Cocoa Marketing Board (CMB) disengaged from pricing and marketing. In 1991, the Ghana National Association of Farmers and Fishermen was replaced by the Ghana Federation of Agricultural Cooperatives, funded by farmers themselves, which functions as a cooperative venture at the district, regional and national levels. This reform benefits relatively large, wealthy farmers growing cash crops. Their financial support to the cooperatives allows them to wield disproportionate influence and power. Poorer farmers, predominantly women who are subsistence producers, are largely absent from the cooperatives, and have suffered the most from the policies these organisations advocate.

The basic framework of the ERP has been maintained under GPRS I and II. Despite some attempts to address biases against women, largely in response to protests by women's groups, the economic sectors where women predominate are still neglected, and gender inequality in the agricultural sector has not been

addressed systematically. Budget allocations to the Ministry of Food and Agriculture (MOFA) are heavily dependent on donors and woefully inadequate. The Government established a Women in Agriculture Development Department (WIADD) to address women's concerns, however it provided no funding for investment initiatives in 2002; in 2003 and 2004 WIADD did receive funding - but only from international donors (ISODEC, 2006).

The New Patriotic Party (NPP) Government of John Agyekum Kuffour recently announced a program to "mitigate the hardships Ghanaians are facing as a result of escalating food and fuel prices" by reducing import duties on widely consumed food products and waiving levies on some petroleum products (Daily Graphic, May 23, 2008, p.1). This measure is expected to tamp down prices of rice, wheat, yellow corn and vegetable oil. The report added that "the government was already in consultation with its development partners to import and stock-pile additional supplies of rice and wheat to enhance food security" (Daily Graphic, May 23, 2008, p.3). However the Government failed to offer any strategy to bring more locally produced foods to market, even though investments to reduce post-harvest losses, improve transportation and modernize inadequate road networks, particularly in poor rural communities, would benefit both consumers and farmers.

Civil Society Initiatives

Civil society organisations (CSOs) have consistently called for a concerted Government effort to eradicate hunger and poverty. CSOs have seized opportunities such as the development of the Ghana Poverty Reduction Strategy Paper I (GPRS I) and the Growth and Poverty Strategy (GPRS II) to express vigorous opposition to the Government's reliance on a free market economy to eliminate poverty. Women's rights organisations, particularly the Network for Women's Rights in Ghana (NETRIGHT) have spoken out for gender sensitive policies to address poverty.

At a Civil Society Forum held in Accra April 17-21, 2008 as a prelude to the United Nations Commission on Trade and Development XII (UNCTAD XII) Ministerial Conference in Accra, activists called for new policies that address poverty. The General Agricultural Workers' Union of Ghana's Trades Union Congress (GAWU of GTUC), the Third World Network Africa (TWN-Africa) and ActionAid Ghana declared that the trade and investment relationships

developing countries have with the Breton Woods institutions and transnational corporations (TNCs) are not the solution to poverty, and called for a shift to policies that protect producers and create employment. As they have in other venues, activists denounced the European Union (EU) trade proposals, which would compel the Africa, Caribbean and Pacific (ACP) countries to lower tariffs that protect local food producers.

The most direct civil society critique of the current food crisis, hunger and poverty, particularly among women, has been developed by “HungerFREE Ghana by 2015 Campaign”. The Campaign is a joint effort of FoodSPAN (a coalition of more than 50 farmer-based organisations, including GAWU of GTUC), community-based and policy advocacy organisations such as ABANTU for Development and media outlets. In a statement issued on May 27, 2008, the Campaign expressed support for the Government initiatives to address the food crisis, but noted that they were woefully inadequate and “will not benefit small scale producers, mainly women, who produce 80% of food in Ghana”.

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