

## **La Banque mondiale et les stratégies de réduction de la pauvreté au Ghana : renforcement de l'État ou consolidation du néolibéralisme?**

Gordon Crawford et Abdul-Gafaru Abdulai

### *Résumé*

*L'approche DSRP de la Banque mondiale au Ghana signale-t'elle une rupture avec le paradigme néolibéral? Pour le déterminer, cet article se penche sur le concept de bonne gouvernance au sein de la Stratégie de croissance et de réduction de la pauvreté (SCRP phases I et II) du Ghana, et considère le modèle étatique implicite à cette stratégie. La sécurité, la primauté du droit, la réforme du secteur public, la décentralisation et la participation de la société civile, domaines prioritaires en gouvernance, sont tous examinés. Six conclusions clé suggèrent que les mesures de gouvernance comportent un projet persistant de transformation étatique, qui vise à réduire les effectifs de l'État et à réorienter le secteur public pour le mettre au service des intérêts du secteur privé. L'étude du Ghana intime fortement que l'objectif de gouvernance implicite aux stratégies de réduction de la pauvreté influencées par la Banque mondiale, loin de rompre avec le néolibéralisme, fait plutôt partie d'un effort soutenu pour ancrer et consolider l'hégémonie néolibérale.*

## **The World Bank and Ghana's Poverty Reduction Strategies: Strengthening the State or Consolidating Neoliberalism?**

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### *Abstract*

*The article explores the World Bank's PRSP approach in Ghana to determine if it entails a break with the neoliberal paradigm. It does so by focusing on the concept of good governance within Ghana's poverty reduction strategies (GPRS I & II), and considers the model of the state that is implied. The priority governance areas of security and the rule of law, public sector reform, decentralisation and civil society participation are all examined. Six key findings emerge that suggest governance measures entail an ongoing project of state transformation that involves downsizing the state and re-orienting the public sector to serve private sector interests. The Ghana case strongly indicates that the governance agenda within World Bank-influenced poverty reduction strategies is not a break with neoliberalism but part of an ongoing effort to embed and consolidate neoliberal hegemony.*

### **Introduction: The World Bank and Policy Shifts**

The World Bank purportedly made two distinct policy shifts a decade ago, both headlined as a significant change of direction from the set of neoliberal policies of the 1980s and 1990s known as the Washington Consensus (Williamson, 1990). The first was the shift from advocacy of a 'minimal state' to an 'effective state', introduced in the *World Development Report 1997: The State in a Changing World*. In this report the Bank proclaimed its 'rediscovery of the state' and its new emphasis on 'state-market complementarity' with statements such as: "an effective state – not a minimal one – is central to economic and social development, but more as a partner and facilitator than as a director. States should work to complement markets, not replace them" (World Bank, 1997: 18). Doubtless influenced by the Bank's own rhetoric, the UK's *Guardian* newspaper reported a "Sudden U-turn" and an "astonishing *volte-face*", with the Bank

“abandon[ing] its long-running support for minimal government in favour of a new model based on a strong and vigorous state” (cited in Hildyard, 1997: 40).

The second policy shift was the change from structural adjustment programs (SAPs) to poverty reduction strategy papers (PRSPs), introduced by the World Bank and IMF in September 1999, and ostensibly signalling an explicit commitment to poverty reduction as the overarching objective of all their operations. Again this change was heralded by the World Bank as a paradigmatic shift – a new development aid paradigm – said to be based on the *principles* of country ownership, participation and partnership (World Bank, 2002a). The UK’s Department for International Development (DFID) contributed to creating the perception of a significant change in policy direction by describing PRSPs as “new and radical... an enormous conceptual shift from structural adjustment” (DFID, 2000: 92), while the World Health Organisation stated that the PRSP approach was “regarded by many... as a shift away from the neo-liberal Washington consensus” (WHO, n.d.).

This article explores the relationship between these two alleged policy shifts through a case study of Ghana. It asks whether the World Bank’s PRSP approach, and in particular the model of the state that underpins it, represents a break with the neoliberal paradigm? This question is addressed, first, by focusing on the notion of ‘good governance’, given that this concept is central to the alleged shift in World Bank thinking about the state, and, second, through an investigation of the governance measures implemented within Ghana’s poverty reduction strategy. The case study aims to ascertain whether the nature and role of the state has changed within Ghana’s PRSP or whether it remains bound by the constraints of neoliberalism.

Ghana is a highly appropriate case study for two reasons. First, it was regarded as a ‘star pupil’ of the World Bank during the two decades of SAPs and widely touted by the Bank as a success story (World Bank, 1994a). Second, Ghana has again been in the front line of African countries in the shift to PRSPs, adopting an interim PRSP in 2001, implementing its first full PRSP from 2003 to 2005 and its second from 2006 to 2009, with governance measures featuring prominently. Ghana thus provides an informative case study for an examination of the significance of the governance measures within PRSPs and the extent to

which they reflect a shift from the Bank's earlier neoliberal policy regime.

The article proceeds in five parts. After this introduction, part two examines the concept of good governance and the extent to which it entails a shift from a neoliberal conception of the relationship between state and market. Part three examines the governance measures applied within Ghana's PRSPs, while part four discusses the findings emerging from this case study. The conclusion returns to answer the question posed at the outset.

### **The World Bank, Good Governance and Rethinking the State?**

The concept of 'good governance' has been ubiquitous in development discourses for two decades, and governance measures have become an obligatory component of PRSPs. Yet, the implications of governance for the role of the state in development and for the state's relationship with the market remain somewhat ambiguous. This section examines when and why the governance paradigm emerged, how it has changed over time, and what this implies for neoliberalism.

The introduction of the term 'governance' is generally attributed to the World Bank's 1989 *Long-Term Perspective Study* on Sub-Saharan Africa (Lancaster, 1993; Nelson and Eglinton, 1992). This concluded that SAPs had failed and uttered the well-known declaration that "[w]hat Africa needs is not just less government, but better government" (World Bank, 1989: 5). Subsequently, governance has been widely promoted as a key area of policy reform, not only by the World Bank (1992 and 1994) but also by most international development agencies. Our interest here, however, is limited to the World Bank's usage of the concept.

Initially, the Bank took a dictionary definition of governance as "the manner in which political power is exercised in the management of a country's economic and social resources for development" (World Bank, 1992: 3) and identified four economic dimensions of governance as relevant to its work: public sector management; accountability; a legal framework for development; and transparency and information (ibid). Although there are political elements to concepts like accountability and transparency, the Bank stated that it restricted its attention to their economic aspects, in line with its mandate to remain apolitical. In

this way, governance reforms were presented as technical, underpinned by a neutral state. Yet, as Williams and Young (1994: 94) argued, such supposedly technical reforms, and especially the ‘good’ in ‘good governance,’ were in fact based on pro-free market assumptions as reflected in the Bank’s pronouncement that good governments must provide “rules to make markets work... and to ensure property rights” (World Bank, 1992: 6). Subsequently, the Bank’s definition of governance has evolved significantly, currently defined as

the traditions and institutions by which authority in a country is exercised for the common good. This includes (i) the process by which those in authority are selected, monitored and replaced, (ii) the capacity of the government to effectively manage its resources and implement sound policies, and (iii) the respect of citizens and the state for the institutions that govern economic and social interactions among them (World Bank Institute, 2009).

Each of these three components has been sub-divided into two measurable sub-components, for which a range of indicators have been developed. While this current definition appears to include a political concern with state-society relations, the World Bank continues to present governance measures as technical reforms. This has occurred most notably in the series of *Governance Matters* reports published since 1996, in which the Bank outlines and updates its ‘worldwide governance indicators’ for the six dimensions of governance for 212 countries globally (Kaufmann et al., 2009). Yet, wider questions concerning the nature of the governance model and the respective roles of states and markets have been ignored in this series, based on the questionable assumption that ‘good governance’ is by definition good for development and poverty reduction. However, broader debates have featured in the World Bank’s annual flagship *World Development Reports (WDRs)*, especially those for 1997 and 2002, to which we now turn.

Unsurprisingly, the rise of governance up the development agenda in the 1990s led to the *World Development Report 1997* being devoted to the subject of *The State in a Changing World*. Yet, what was surprising was this report’s avoidance of the term governance, even though the focus on

liberal state institutions introduced with the governance concept was reiterated here. As noted above, the *WDR 1997* was presented – and widely perceived – as marking a significant change of direction in the Bank’s thinking about states, markets and society. Indeed, the Bank’s press department headlined the report as “Rethinking the State” (*World Bank News*, July 26 1997). Even some relatively measured assessments of the report saw it as demonstrating “a substantial shift in the public position of the World Bank in relation to the role of government in development... a change from a state-sceptical to a state-friendly stance” (Evans and Moore, 1998: 3). However, other commentators contested such interpretations, suggesting that the report demonstrated little change in Bank thinking, and emphasized the continuities with a neoliberal agenda (Hildyard, 1997; Hildyard and Wilks, 1998).

The Report’s two main catchphrases were ‘state effectiveness’ and the ‘complementarity of state and market’, ostensibly depicting a change from the Bank’s previous preoccupation with ‘rolling back the state’. Yet these leave unanswered the further question regarding the precise tasks that the state should perform effectively. The detail of the Report did address this question, outlining five ‘fundamental tasks’ on which all governments should concentrate (World Bank, 1997: 4). However, there was little here beyond the ‘night-watchman’ role of the neoliberal minimalist state – “the state is essential for putting in place the appropriate institutional foundations for markets” (World Bank, 1997: 4).

Another seemingly innovative aspect of the 1997 *WDR* was its emphasis on ‘voice’ and ‘participation’, foreshadowing a central element of PRSPs and of the current definition of governance. Under the innocuous heading of ‘bringing the state closer to the people’, the Bank stated that “Governments are more effective when they listen to businesses and citizens and work in partnership with them in deciding and implementing policy” (World Bank, 1997: 10), and to this end it recommended “giving people a voice” and “broadening participation” (ibid). Taken at face value, such pronouncements imply the promotion of a democratic agenda. Two points can be made, however, that undercut this interpretation, both suggesting an ongoing state scepticism.

First, the emphasis on ‘voice’ and ‘participation’ is less

motivated by an interest in enhancing government responsiveness to the needs of citizens, and more by its disquiet about an 'arbitrary' and 'capricious' state, a concern also found in classical liberalism and in F.A. Hayek's work in the latter half of the 20<sup>th</sup> century.<sup>3</sup> Hildyard (1997: 45) notes that "[u]nderlying the Bank's analysis is a deep fear of the 'capricious' state", with the text "littered with references to the need to limit the scope for 'arbitrary action' by officials". In this sense, civil society participation is emphasized as a counterweight to possible state excess, intended to keep the state in check.

Second, any lingering thought that the Bank's primary motive is the promotion of popular participation in public policy-making is dispelled by the Bank's clear intent to limit the scope of democratic control over economic policy-making, confirmed by the statement that key policy areas "require insulation from political pressure" (World Bank, 1997: 117), and thus should remain off limits to public participation. Again the influence of classical liberal doctrine is evident here, concerned with circumscribing the political parameters of the state, notably restricting it from interfering in the economy.

Five years later, the World Bank returned to similar themes in the *World Development Report 2002: Building Institutions for Markets*. Here the terms 'governance' and 'good governance' were at the centre of the analysis and the close association between governance and a free market economy became more explicit. 'Good governance' is specifically defined as the ability of the state to promote the institutions that support a free market economy, inclusive of four key characteristics: the creation, protection and enforcement of property rights; the provision of a regulatory regime to promote competition; the provision of sound macroeconomic policies that create a stable environment for market activities; and the absence of corruption (World Bank, 2002b: 99).

Nonetheless, since its introduction, the concept of governance has stimulated academic debate concerning its implications for neoliberalism. For some, it "mark[ed] the demise of undiluted neoliberalism" (Archer, 1994: 13) and "rehabilitate [d] the state" (ibid.: 7), or it "modified liberal thinking which entailed, not necessarily less State, but better State" (Sano and Alfredsson, 2002: 123). In contrast, Harrison, saw the 'construction of governance states' as an effort to 'embed

neoliberalism' in a "successor phase to the neoliberalism of the 1980s" (2004: 5). In his view, governance states, as promoted by donors, entail an increasing closeness of high-level personnel (top civil servants and politicians) to global actors such as the World Bank and the IMF and sharing their free market, neoliberal orientation.

Therefore, the question is whether the model of the state inherent in governance reforms is one that breaks somewhat with neoliberalism or one that remains embedded in the same ideology. Since governance reforms in low-income countries have been primarily implemented through the mechanism of PRSPs, we now turn to the Ghana case study to examine the governance reforms contained within its poverty reduction initiatives.

### **Ghana's Poverty Reduction Strategies and Good Governance**

Ghana implemented its second full PRSP – the *Growth and Poverty Reduction Strategy* (GPRS II) – from 2006-2009. This followed an interim PRSP, introduced in mid-2000, and the first full PRSP – the *Ghana Poverty Reduction Strategy* (GPRS I) – implemented from 2003-2005.<sup>4</sup> Both GPRS I and II included governance as a key theme and the focus here is on whether the 'good governance' measures entail a strengthening of the state or a consolidation of a neoliberal agenda.<sup>5</sup> The study is undertaken primarily through documentary analysis of the Government of Ghana's (GoG) annual progress reports (APRs) that track the implementation of the GPRS. Two sub-sections follow. The first outlines the governance measures within GPRS I and II, while the second analyses the prioritisation of these various measures within the implementation programmes, and explores the underlying conception of the state that is implied.

#### *Governance Measures in GPRS I and II*

In GPRS I, governance is said to entail: a) "responsive relations between the state, the private business sector and civil society" (GoG 2003: 119) and, in particular, state-private sector complementarity "in which each does what it does best... [and] effective governance demands that government development plans at all levels provide for an approach in which an enabling environment is provided for the private sector" (ibid); and b) government accountability to the public and to civil society so

that “people are empowered to participate in and influence the process of poverty reduction” (ibid). The influence of the World Bank is palpable here, with such statements echoing the concerns of the 1997 *WDR* in particular. It is apparent that ‘good governance’ in GPRS I entails both an *effective state*, where effectiveness is defined as facilitating private sector business activities, and a *limited state* that is kept in check by non-state actors known generically as ‘civil society’. Indeed, GPRS I is emphatic that an effective poverty reduction strategy requires that “the state must have limited economic objectives” and focus “on normative and regulatory functions” (GoG 2003: 35), in accordance with the fundamental neoliberal objective of confining the state’s role to the ‘creation of an enabling environment’ for private sector development.

So how did these discourses translate into actual measures to improve governance? Table 1, which is based on the APRs issued during GPRS I, shows that governance measures were divided into three main categories: security and rule of law; decentralisation; and public sector reform.

GPRS II measures dealing with ‘Governance and Civic Responsibility’ are similarly focused on the need to create an effective and accountable state, defined as one that facilitates private sector production as the engine of economic growth, while being kept in check by civil society. The objective is “to empower state and non-state entities to participate in the development process”, with governance said to entail “the promotion of an effective, responsible and accountable state machinery with improved capacity to engage the productive private sector and civil society in formulating strategies for accelerated growth and poverty reduction” (GoG, 2006: 57). Political governance measures in GPRS II are expanded to nine policy areas, as outlined in Table 2.

Ultimately, to assess governance policies in practice, one needs to determine the priority that was attached to ‘Governance and Civic Responsibility’ measures in general, as well as to each of the nine ‘policy areas’ within that category. To this end, Tables 3 and 4 address two questions: what proportion of GPRS II funds are allocated to each of the three main pillars; and what proportion of governance funds are expended on each of the nine governance policy areas?<sup>6</sup>

**Table 1: Governance Measures in GPRS I (2003-2005)**

<i>Policy Area</i>	<i>Key Issues/ Objectives</i>	<i>Examples of Measures Taken</i>
Security and Rule of Law	Strengthen police	Increase recruitment; Improve equipment; Support victims of domestic violence (2005)
	Improve administration of justice	Strengthen the Attorney General's Dept.; Train judges and magistrates
	Reduce corruption, (called 'Transparency and Accountability' after 2005)	State actors: Increased budget to Commission on Human Rights and Administrative Justice, Serious Fraud Office. Non-state actors: Support to Ghana Anti-Corruption Coalition; Legislation: Freedom of Information Bill, Whistleblowers Bill
	Support to Parliament	Train MPs (provided mainly by NGOs); ICT equipment and training
Decentralisation	Implement National Decentralisation Action Plan (2003-2005)	Integrated planning and composite budgeting in 25 pilot districts
	Operationalise Local Government Service Act (2003)	Establish Local Government Service Council and Secretariat; Appoint Head of Local Government Service; Prepare conditions and scheme of service; Prepare guidelines and modalities to consolidate Departments of the DA (ie. integrate sector departments)
	Strengthen District Assembly - citizen engagement	Planning and programming meetings between DAs & NGOs
Public Sector Reform	Restructure civil service	Renew leadership (Chief Directors); Create Ministry of Public Sector Reform (May 2005); Restructure Agencies of Central Management & Strategic Management
	Restructure Sub-vented agencies	Sub-vented Agencies Reform Bill; Regulatory framework for Sub-vented agencies
	Improve human resource management (2005)	New human resource framework (2005)
	Enhance service delivery (2005)	Establish service delivery charters in 20 MDAs & 10 districts (2005)
	Improve public financial management	Computerise financial and accounting system in MOFEP, CAGD (Controller and Accountant General's Dept) and other key ministries; Implement Public Procurement Act (2003) – tender boards and committees in MDAs, Sub-vented agencies and MMDAs; Internal Audit Agency Act (2003) – audit units in key MDAs; Financial Administration Act (2003)
Public Policy Management	Strengthen monitoring and evaluation of GPRS	M&E Technical Committee; Action plans for key MDAs (MOFEP, NDPC, GSS); Access to information on NDPC & Ghana Statistical Services websites

Sources: National Development Planning Commission (NDPC) 2004, 2005, 2006

**Table 2: Governance Measures in GPRS II (2006-2007)**

<i>Policy Area</i>	<i>Key Issues/ Objectives</i>	<i>Examples of Measures Taken</i>
Strengthen Democracy and Rule of Law	Strengthen Parliament (2006-2007)	Oversight role re. budgetary processes; Civic Engagement Outreach Programme in 5 regions
	Fight corruption in the political process (2007)	Implement public procurement and internal audit laws; CHRAJ workshop on anti-corruption for MPs, civil servants and NGOs
	Free and credible elections (2007)	District Assembly elections (2006); By-elections held
	Foster civic advocacy for a democratic culture (2007)	Participation by CSOs in annual Consultative Group meeting re. GPRS II; People's Assembly meetings held by President
Enhance Decentralisation	Expand decision-making capacity of Metropolitan, Municipal and District Assemblies (2006-2007)	Composite budgets prepared by MMDAs; Launch of Local Government Service (December 2007); Creation of 28 new districts, total of 168 (December 2007)
	Redefine type of decentralisation (2007)	Decentralisation Policy document before Cabinet (March 2007), following Joint GoG/DP review (February 2007)
	Functioning of Sub-District Structures (2007)	Proposals for reduction of numbers of Unit Committees "still under review" (2007)
	Revenue generation capacity of MMDAs (2007)	Strategies to increase IGF (Internal Generated Fund) (2006); Cabinet endorsement of DDF (District Development Fund) and FOAT (Functional Organisational Assessment Tool) (2007)
Protect rights under the Rule of Law	Increase the capacity of the legal sector (2006-2007)	Capacity building of judiciary; Ministry of Justice 'Agenda for Change' programme to improve access to justice
Public safety and security	Internal security (2006-2007)	Police recruitment
	Safety of life and property (2006-2007)	Domestic Violence Victims Support Units established (75 nationwide by end 2007); Neighbourhood Watch Committees established
	Forestall external aggression (2006-2007)	Border Patrol Units established

**Table 2: Governance Measures in GPRS II (2006-2007) ...continued**

<i>Policy Area</i>	<i>Key Issues/ Objectives</i>	<i>Examples of Measures Taken</i>
Public policy management and public sector reform	Increase capacity of public and civil service (2006-2007)	Ministry of Public Sector Reform 'Service Delivery Improvement Programme'; creation of Client Service Units; institution of pilot Business Process Reviews in 12 MDAs; President's Excellence Awards Programme
	Deepen pluralistic involvement in poverty reduction and growth (2006)	Annual National Economic Dialogue
Empowerment of Women	Enforce existing laws protecting women's rights (2006-2007)	Facilitate enactment of Domestic Violence Act 2007; Train of 34 gender desk officers to work in decentralised structures in North
	Enhance women's access to economic resources and promote women in public life (2006-2007)	Women in Local Governance Fund supported female aspirants in District Assembly elections (2006); Affirmative Action Policy increased proportion of women in administrative and political leadership, e.g. appointment of first female Chief Justice in 2007
	Analyse budgets and development policies from a gender perspective (2006-2007)	Ministry of Women and Children's Affairs undertook:scoping study on gender budgeting; gender policy implementation discussions with MDAs; sensitization of Chief Directors on gender issues
Enhance Development Information Management	Promote the development of Management Information System including E-governance (2006-2007)	Ministry of Communications developing: ICT within government to improve information dissemination; broadband connectivity
Promote Civic Responsibility	Ensure higher civic responsibility and citizens' involvement in economic development (2007)	'Ghana at 50' celebrations (2007) increased sense of patriotism and citizen awareness of their civic responsibility to the state
Promote Evidence Based Decision-Making	Strengthen the data base for policy formulation and decision-making (2006-2007)	Ghana Statistical Service completed the Ghana Living Standards Survey 5; Development of new statistical package, Ghana Info Data Base

Sources: NDPC, 2007, 2008

**Table 3: GPRS II Spending Priorities by Thematic Area**

GPRS II Thematic Areas	2006		2007	
	Funds Released (GoG + donors) US\$ million	% of total	Funds Released (GoG + donors) US\$ million	% of total
Private sector competitiveness	575.31	36.9%	855.23	43.9%
Human resource development	669.58	43.0%	815.77	41.9%
Good governance and civic responsibility	313.56 [GoG = 256.61 Donors = 56.90]	20.1%	277.35 [GoG = 123.02 Donors = 154.33]	14.2%
Total	1558.45	100%	1948.35	100%

Sources: NDPC, 2007: Table 6.2 p.143; NDPC, 2008: Table 6.2 p.161 & Table 6.4 p.162

Table 3 shows that ‘good governance and civic responsibility’ has the lowest allocation of resources of the three main pillars, even though the sums are not insubstantial (NDPC, 2006: 9-10). Significantly, Table 3 also shows that a very substantial proportion of total resources, approximately 40 per cent per annum, is expended on ‘private sector competitiveness’, a higher level of funding in 2007 (43.9%) than ‘human resource development’ (41.9%), despite the latter including the major areas of social development, namely education, health, safe water and sanitation – social services that are generally regarded as essential to poverty reduction.<sup>7</sup> While it is recognised that investment on productive activities is relevant in reducing poverty, these figures also tend to confirm the overall neoliberal direction of policy reform in which there is considerable support for private business interests within the GPRS.<sup>8</sup> This is in accord, of course, with the GoG’s (2006: 22) overall endorsement of the “private sector as the main engine of wealth creation and poverty reduction”.

Regarding the breakdown of resource allocation to governance measures, Table 4 demonstrates that a small number of the nine policy areas attract the bulk of available funds, while other areas are allocated tiny proportions.

As the table shows, the priority expenditure areas are decentralisation; public safety and security; public sector reform; and fiscal policy management, which together account for 92.9

**Table 4: Spending Priorities within Good Governance Policy Areas [GoG funds only]<sup>9</sup>**

'Good Governance and Civic Responsibility' Policy Areas	2006		2007	
	Funds Released (GoG only) Millions of US\$	% of total	Funds Released (GoG only) Millions of GH Cedis	% of total
Access to rights and entitlements	1.54 (of which children = 0.07 women = 0.02)	0.6%	0.11	0.09%
Strengthening practice of democracy	10.54	4.1%	14.31	12.0%
Enhancing decentralisation	123.87	48.3%	3.59	3.0%
Protecting rights under the rule of law	4.85	1.9%	13.39	11.2%
Public safety and security	70.78	27.6%	22.00	18.4%
Public policy management and public sector reforms	30.14	11.7%	43.36	36.3%
Women's empowerment	0.78	0.3%	0.51	0.4%
Enhancing development communication	0.08	0.03%	0.03	0.03%
Promoting civic responsibility	0.07	0.03%	0.01	0.01%
Fiscal policy management	13.68	5.3%	21.85	18.3%
Good corporate governance	0.07	0.03%	0.10	0.08%
Promoting evidence based decision-making	0.09	0.04%	0.06	0.05%
Strengthening of Public Institutions & Non-State Actors	0.07	0.03%	n/a	n/a
Conflict Management)	0.01	0.004%	n/a	n/a
Total	256.61	100%	119.33	100%

Sources: NDPC, 2007, 2008

per cent of released funds in 2006, and 76.0 per cent in 2007. Additionally, ‘strengthening democracy’ and ‘protecting rights under the rule of law’ received more significant funding in 2007. By contrast, other policy areas, for instance ‘women’s empowerment’ or ‘access to rights and entitlements’, receive minimal funding, all less than one per cent, and in some cases less than 0.1 per cent. The implications of these allocations are discussed in the next section.

#### *GPRS I & II and the ‘Governance State’*

Despite the number of governance policy areas having expanded from four in GPRS I to nine in GPRS II, it is evident that the main priority areas have remained much the same, albeit with some renaming: security and the rule of law, public sector reform, and decentralisation in GPRS I; public security and safety, protecting rights under the rule of law, public sector reform, and decentralisation in GPRS II. Two main questions are addressed here. First, what accounts for these governance priority areas and what do they tell us about the underlying conception of the state? Second, what is the degree of support given to non-state actors and to strengthening civic engagement with government? The next three sub-sections examine the main priority areas, while the fourth explores the issue of civil society participation.

#### *Security and the Rule of Law*

Here we examine measures contained in the ‘security and rule of law’ policy area in GPRS I and the ‘public safety and security’ and ‘protecting rights under the rule of law’ policy areas in GPRS II. Many of the measures here are beneficial to the mass of Ghanaians, notably in enhancing personal security, but closer scrutiny indicates a particular interest in the relationship between political stability and business security, especially as a means to encourage inward investment.

Measures of general benefit include police recruitment and the establishment of Domestic Violence and Victim Support Units. Freedom of Information legislation, flagged in GPRS I, would also have been widely beneficial, but was not enacted by the Kufuor government (2001-08) and still remained before parliament as a Freedom of Information Bill in late 2009. Measures to strengthen Parliament are valuable from a democratic perspective, although such support appears to have

been very limited (for example, training of 35 out of 230 MPs in information technology in 2003). Anti-corruption measures are also included under this heading (until 2005), but tend to focus solely on public sector corruption, with an absence of measures aimed at addressing the provision of bribes and kickbacks by private business.

The focus on political stability becomes more evident in GPRS II, with enforcement of the rule of law valued partly because of its perceived value in enhancing investor confidence (see GoG, 2006: 50). The language of rights is also introduced in GPRS II with a new policy area entitled 'protecting rights under the rule of law'. While everyone may benefit in principle from strengthening the rule of law, it appears that the main beneficiary in mind is private business, with the 2006 APR emphasising the "institutionalisation and implementation of policies and legislation that protect property rights, promote savings and fidelity to contractual agreements, and the creation of an overall environment that boosts investor confidence" (NDPC, 2007:117). Further, in the 2007 APR, discussions of the effectiveness of measures in this area cite a World Bank report on 'Doing Business', revealing a key underlying motivation. Ghana's improved ranking in the Bank's 'ease of doing business' table is cited by the GoG as evidence of the success of its judicial reforms, with specific reference to "improvements in processes of enforcing contracts" (NDPC, 2008: 143). In this way, the association between judicial reforms and the facilitation and protection of business interests becomes clear. It would appear that the main thrust of GoG measures is towards the security of private property and the enforcement of contract law, essential elements in (former) President Kufuor's notion of a 'property-owning democracy'.<sup>10</sup>

### *Public Sector Reform*

Public sector reform takes us more firmly into neoliberal state terrain. Here the intention is two-fold: downsizing and the creation of a business-friendly public service. The first, interestingly called 'right-sizing' in GPRS I, is clearly articulated in the statement that "[p]ublic sector reform involving right-sizing of the public service...is a *sine qua non* for provision of an enabling environment for private sector development" (GoG, 2003: 40-41). One outcome has been the extensive privatisation

and commercialisation of strategic state-owned enterprises, including the sale of the Ghana Water Company, with support from the World Bank, and the sale of a 70 per cent share of Ghana Telecom to Vodafone in 2008 for US \$900 million. Another consequence has involved the commercialisation and contracting-out of public sector activities, notably through the Subvented Agencies Law (Act 706) of March 2006. This concerns the role of parastatals and was enacted with the stated aim to “reduce the role of government in the delivery of services that can be provided more efficiently by the private sector” (NDPC, 2006: 144). The Act was introduced partly because donors insisted on its inclusion as a trigger mechanism for the disbursement of GPRS funds.<sup>11</sup> Subsequently, in 2009, the World Bank has required the government to prepare half of its subvented agencies (or parastatals) for “rationalisation, commercialisation and divestiture” as a condition for the disbursement of a \$150 million loan facility (Otchere-Darko, 2009:1). Thus, while the shift from SAPs to PRSPs was informed partly by the IMF and World Bank’s attempts to distance themselves from criticism of economic policy imposition, it is evident that conditionality prevails under the PRSP regime.

The second key area of reform involves a reorientation of the rump that remains of the public sector towards the delivery of services to the private sector, described as a “culture change” in the relationship between public and private sectors (NDPC, 2007: 33). The former is confirmed in its role as public servant, but now in service to private sector actors, who in turn are described as ‘customers’ in a new business-oriented milieu. These reforms commenced during GPRS I, stimulated by a review in 2003 by PricewaterhouseCoopers of previous public sector reform efforts in the 1990s (NDPC, 2004: 105). An initial measure entailed clearing out old chief directors in various government ministries, departments and agencies (MDAs) perceived not to be enthusiastic about the reforms, who were euphemistically “reassigned new portfolios”, while new ones were hired to implement the reform agenda (ibid).

GPRS II continued in the same vein, with each of the five policy priorities identified under ‘public sector reforms’ geared towards strengthening the private sector, inclusive of the “development of pro-business tools” (GoG, 2006: 30). A Ministry of Public Sector Reforms was also established in 2005 and

concentrated its efforts on those MDAs that interfaced regularly with the private sector, termed, 'private sector development-related MDAs' (PSD-related MDAs). In 2006, the Ministry focused on four areas "considered critical in improving the quality and speed and reducing the cost of service delivery to the private sector" (NDPC, 2007: 33). These were:

- The implementation of recommendations arising out of an Institutional Review exercise conducted with PSD-related MDAs;
- The establishment of Clients Services Units in key PSD-related MDAs;
- The implementation of Customer Charters; and
- The delivery of culture change programmes for public servants interfacing with the private sector (ibid).

The overwhelming thrust of reform is clearly towards the type of reinvented public service that is deemed appropriate in a society dominated by a market-based competitive ethos.

#### *Decentralisation*

Decentralisation is a substantive element of governance measures in both GPRS I and II. Although the rhetoric of GPRS I speaks of "deepening decentralisation" and of "accelerating the implementation of decentralisation" (NDPC 2006, Chapter 7), evidence in successive APRs shows that actual implementation has been weak. This seems to be because decentralisation is a donor-driven objective within the GPRS, which the GoG is often reluctant to implement. Three examples are highlighted below at the levels of administrative, fiscal and political decentralization.

Administratively, the operationalisation of a 'local government service' – a new administrative layer that is responsible for the hiring and firing of local government staff and for converting deconcentrated central government departments into local government departments – is a long-running saga of donor pressure and apparent GoG resistance. The intent to create such a local government service was originally stated in the *Local Government Act* of 1993 (Act 462) but the necessary legislation, namely the *Local Government Service Act* (Act 656) (LGSA), was not passed until 2003, and then only due to donor pressure through its inclusion as a specific 'trigger mechanism' for the disbursement of GPRS funds. Subsequently, there has been a dragging of feet by central government in the implementation of

the Act. Despite assurances by the GoG that the LGSA would be fully operational by the end of 2007, followed by further reassurances for 2008, the Act to date has remained unimplemented. Consequently, deconcentrated sectoral departments remain under the control of their line Ministries in Accra and District Assembly staff remain central government employees (Crawford, 2009).

Fiscally, the APR for 2004 reaffirmed a previously stated commitment to increase the District Assemblies Common Fund (DACF), the central government grant to local authorities, from 5 per cent to 7.5 per cent of tax income (NDPC, 2005: 31). Similar statements were made in successive APRs, but it was not until 2007 that the DACF was finally increased to 7.5 per cent (GoG, 2008: 36), with the GoG eventually complying with this trigger mechanism.

Politically, two significant reforms to the political structures of decentralisation have been discussed in the APRs, with the hand of donor pressure again evident. First, the lowest level of sub-district structure, the Unit Committee, was to be reduced in size and number. It was stated emphatically in the APR for 2005 that “the total number of Unit Committees is to be reduced from 16,000 to 5,000 and the membership of a Unit Committee reduced from 15 to 7”, with the process “scheduled for completion before the 2006 District Assembly Elections” (NDPC, 2006: 139). This did not happen, however, and the 2006 election of Unit Committees went ahead on an unchanged basis. The same intentions were repeated in subsequent APRs, yet reform of the sub-district structures had still not occurred by late 2009. Second, a proposal to change from appointed to elected District Chief Executives (DCEs), the political heads of local government, was outlined in the 2006 APR. However, it was noted that, “A constitutional amendment is required for the implementation of this policy measure. Government considers the proposed amendment as premature and proposes to subject the issue of electing District Chief Executives to further discussions” (NDPC, 2007: 120). This was clearly a delaying tactic and the persistent lack of commitment by government to change the position of the DCE into an elected office again suggests that this reform proposal is donor-driven, one that neither of the two main political parties, the National Democratic Congress (NDC) and the New Patriotic Party (NPP),

is inclined to implement, given the control of local government that is currently achieved by central government's power to appoint DCEs.

Although resisted, the extent of donor pressure is highly evident here. Indeed, much of the language in the GoG's APRs concerning proposed reforms to the political structures is taken from a donor-initiated 'decentralisation policy review', published in January 2007. This was ostensibly a 'Joint Government of Ghana and Development Partners' report, but the donor-driven nature of the review and the reform proposals is demonstrable in two ways. First, the task of undertaking the decentralisation review was itself a 'trigger' mechanism in 2006 (see Joint GoG and Development Partners, 2007: Annex 1), making sector-wide assistance from donors to decentralisation, including financial support for the 2006 local elections, conditional on such a review being carried out. Second, the fact that the review was converted into a 'Draft Comprehensive Decentralisation Policy Framework' and submitted to Cabinet in March 2007, but with no action taken subsequently, suggests that the GoG was merely going through the motions in order to appease donors.

So why are bilateral and multilateral agencies so keen on decentralisation? The decentralisation agenda is arguably propelled by underlying neoliberal opposition to the perceived (over)centralized state (Wunsch and Oluwu, 1990) and the consequent desire to further shrink its powers. In particular, the World Bank has long been a strong advocate of decentralisation, identifying it as a key element of good governance in the *WDR 1997*, and as a key policy reform for promoting poverty reduction in its *Attacking Poverty* report (World Bank, 2000: 106). Decentralisation in Africa was closely associated with SAPs in the 1990s (Campbell, 2001), and the example of Ghana indicates that little has changed with PRSPs. In Ghana, decentralisation remains a World Bank objective, supported by the bilateral donor agencies, with considerable pressure exerted to forcibly persuade government to comply with reform demands, yet resisted by the Ghanaian state. The pretence of 'country ownership' is most apparent here, with the real workings of donor pressure and government resistance visible just below the surface.

#### *Civil Society Participation*

From the breakdown of expenditure in Table 4, it is

evident that the large majority of GPRS funds are allocated to state institutions, albeit ones which are oriented to facilitating private sector activities, or are themselves being remodelled in various ways. Therefore, what has happened to the anticipated support for civil society participation signalled in both the GPRS I and II documents?

The GoG would seem to have adopted the World Bank rhetoric of civil society participation, but Table 4 shows that a very small proportion of funds was actually disbursed to civil society organisations (CSOs). Doubtless, conscious that World Bank/IMF approval of PRSPs requires an acceptable participatory process, the language in Ghana's PRSPs, echoes the World Bank emphasis on civil society participation, with the term 'participation' occurring 64 times within the GPRS I alone. Further, GPRS I states that "[p]articipation is manifested at four levels, viz. information sharing, consultation, collaboration and empowerment" (GoG, 2003: 34), directly corresponding with the four levels of civil society participation mentioned in the World Bank's *Sourcebook for Poverty Reduction Strategies* (2002a). Yet the evidence seems to suggest very limited commitment on the part of the Ghanaian government to effectively engage civil society in policy making. Indeed, CSO participation in the formulation of both GPRS I and II appeared to be fairly weak, with the Institute for Democracy in South Africa (2002:16) describing civil society engagement with the GPRS I as "grossly inadequate". Similar conclusions were drawn by the Swiss Coalition of Development Organizations (SCDO) (2003), African Forum and Network on Debt and Development (AFRODAD) (2003) and The Integrated Social Development Centre (ISODEC), an Accra-based NGO. As ISODEC noted:

Consultation was more with urban based NGOs and less so with rural communities. Most women's groups were not part of the process and CSOs did not have the chance to interact with their constituencies to feed back into the process or even to mobilize them to make input. Major contentious sectoral policies contained in the GPRS were hardly debated. They appear to have either been transferred from past programme commitments (e.g. water privatization...), picked from official addresses or strongly pushed by donors (quoted in Oxfam International, 2004: 36).

Even qualitatively, those few, urban-based CSOs that participated in the process “complained that they were invited by representatives of the government on short notice to attend workshops whose contents had already been pre-determined by the government” (IDEG, 2006:19). In contrast, the influence of external donors was palpable, most notably in determining the macroeconomic framework of the GPRS I, with a widely held view among Ghanaian CSOs that the “macroeconomic framework of the GPRS is owned by the IFIs rather than by the country” (SCDO, 2003: 11).

While it has been argued by some that the formulation of GPRS II entailed the most broadly consultative process of policy development in Ghana’s history (Akwetey, 2005), three major reservations remain. First, participation was by invitation from the National Development Planning Commission (NDPC), with the resultant exclusion of many civic actors (Abdulai and Quantson, 2009: 33). Second, it would seem that government’s attempt to broaden the consultative process was stimulated more by the need to satisfy donor demands. The fact that the World Bank had returned the first draft of GPRS I to the NDPC for revisions, including the need to elaborate on the participatory processes (Whitfield, 2005: 652), seems to have persuaded the NDPC to expand the consultation on GPRS II. Third, even if a greater quantity of civil society inputs were solicited, the quality of the participatory processes remained questionable. CSOs stated that there was insufficient provision of information and little time for engaging in discussions at meetings, describing their participation as mere ‘consultations’ and ‘information sharing’ (Abdulai and Quantson, 2009: 32).

The support provided, to civic engagement activities during the implementation of both GPRS I and II was equally limited. The APR for 2005 summarizes the implementation of GPRS I policies by theme (NDPC, 2006: 196-200) and shows that, out of the large number of activities listed under ‘Governance’, only three could be construed as strengthening civil society participation, with all three displaying limitations. The first, described as “developing mechanisms for permanent dialogue between Government and CSOs” (ibid), has led to the establishment of an annual ‘Peoples Assembly’ and National Economic Dialogue (NED). The ‘Peoples Assembly’ provides

citizens with a single opportunity each year to pose questions to the President, though is perceived by critics as largely a public relations exercise rather than a genuine accountability platform (Clotey, 2007). Regarding the NED, far from instituting a 'permanent dialogue', the APR for 2007 reports that this mechanism has been "phased out" (NDPC, 2008: 155). A second activity was intended "to deepen district assemblies' collaboration with civil society" through "the initiation of regular planning meetings between DA departments and NGOs" (NDPC, 2006: 199), yet no evidence is provided to demonstrate that this has happened on any institutionalized basis. Third, the effort to "institutionalise public access to information on Government business" gave rise to a 'meet-the-press' series between ministers and the media (ibid: 199-200). While significant in promoting regular government-media engagement, the 'meet-the-press' series has not been linked to the institutional framework of the country's policy-making process. Consequently, its operation depends solely on the benevolence of government, with non-governmental actors unable to demand it as a democratic right.

In GPRS II, the APRs for 2006 and 2007 similarly reveal that civic engagement measures remain very limited and display weaknesses. Under 'strengthening democracy', one sub-heading is grandiosely entitled 'fostering civic advocacy to nurture the culture of democracy', yet the specific measures to achieve this objective are less impressive. One is a provision for 'civil society participation' in the annual Consultative Group meetings between the GoG and donors, but with invitations limited to a few selected Accra-based NGOs. A second measure reiterates the support provided to the much criticised annual 'People's Assembly'.<sup>12</sup> A third makes reference to the government's invitation since 2005 for civil society inputs into the preparation of the national budget (NDPC, 2007:119). Yet, in practice, the budget process remains effectively closed to civic actors, given that government does not publish draft budgets at the development stage, making it virtually impossible for both CSOs and Parliament to make meaningful impact on decisions relating to budgetary allocations (OSIWA, 2007: 50).

The measures taken under the heading of 'women's empowerment' are similarly limited. Most positively, the 'Women in Local Governance Fund' provided support to women aspirants in the 2006 district assembly elections (NDPC, 2007:

131). In the 2007 APR, two measures are highlighted, both questionable in different ways. First, reference was made to the appointment of the first woman Chief Justice. While welcome, the government's characterisation of this single appointment as an example of 'women's empowerment' appears to serve a self-congratulatory and public relations function, distracting attention from the fact that women remain grossly underrepresented in all aspects of public life. For example, women only occupied 13% of overall Ministerial and Deputy Ministerial positions under the first Kufuor government (2001-04), and 16% of Ministers of State in Kufuor's second term (2005-08) (Dake, 2009). At the local level, the number of appointed female DCEs remained less than 11% over the period 2001-2008 (ibid). The second measure highlighted was the provision of "equipment for processing shea butter, groundnut oil, cassava and palm oil to 45 informal sector women's groups" (NDPC, 2008: 151). Yet, this would seem to be a small-scale economic development project with little or no relevance to issues of civic engagement.

Thus, despite the government's adoption of World Bank rhetoric about civil society participation, the involvement of civic actors in the formulation of both GPRS I and II was limited, while a close examination of five years of APRs reveals very few measures and minimal funding for strengthening civic engagement with government.

### **The GPRS and Governance: Findings from Ghana**

What are the findings concerning the concept of governance within GPRS I and II and the implications with regard to the nature and role of the state within a World Bank approved poverty reduction strategy? Six key points are outlined here.

First, the GoG has adopted the governance model of the World Bank in which an effective state is by definition a limited state whose main role is to support private business. This is indicated by the close association between the language and concepts used in Ghana's PRSPs and those used by the Bank in its policy pronouncements concerning governance and the state.

Second, the governance model presented in the GPRS replicates the Bank's triadic set of relations between the state, the market and civil society, where the state is subordinate to the private sector and held accountable by civil society. While

governance measures within GPRS I and II present ample evidence of state resources being used to facilitate private sector development, including through services provided by a 'business-friendly' public sector, there is little substantiation of state encouragement of civil society participation in policy-making processes beyond that of an NGO elite. A paradox emerges here with regard to the role played by CSOs and their impact on state sovereignty. In rhetorical terms, both the World Bank and the GoG express their support for 'civil society participation', yet in practice the degree of such participation is constrained and limited by both these supposed advocates. The GoG has learnt to imitate the language of participation, as well as providing some evidence of consultative mechanisms within the formulation process, in order to obtain World Bank/IMF approval of its PRSPs. World Bank motivation is even more complex and devious. Stung by the criticism of external policy imposition through the conditionalities associated with SAPs, the Bank has sought to present its democratic credentials through its avowed promotion of 'country-owned' PRSPs, including the engagement of civil society participation in policy-making. Yet, not only has the notion of country ownership been demonstrated to be largely a myth (discussed below), but donor-sponsored support to civil society associated with GPRS I and II has been largely restricted to an elite fraction of formal, urban-based NGOs (Crawford, 2006: 149-150). This can hardly be described as encouraging 'civil society participation', but rather the integration of selected Accra-based research and advocacy organisations into donor and government circles, facilitated by donor funding. The argument here suggests that the World Bank and other donors have used the PRSP process to groom an elite fraction of liberal NGOs in Ghana to act as its proxy in disciplining the state.

Third, the question remains of whether the GoG's adoption of the World Bank's governance model is voluntary or coerced? Findings are that it is both, suggesting an *internalisation* of World Bank policy prescriptions (see Ruckert and Bergamaschi in this collection). On the one hand, both GPRS I and II have been formulated and implemented under the government of President Kufuor and his New Patriotic Party (2001-2008), a centre-right, pro-business party whose ideology is not dissimilar to that of the World Bank. On the other hand, there is evidence that the GoG has had little choice but to adopt the

Bank's approach to governance. Three points seriously question the notion of 'country ownership'. One concerns the direct link between the GPRS and HIPC (Heavily Indebted Poor Countries), given the World Bank/IMF requirement for a poverty reduction strategy to guide how HIPC funds will be expended. A second point concerns the two-tranche system of release of GPRS funds by donors based on a set of performance triggers. These trigger mechanisms are conditionality by another name and, like the conditionality of SAPs, entail a very explicit set of policy prescriptions. Finally, amongst governance measures within GPRS I & II, decentralisation is the clearest example of a donor-driven agenda within an ostensibly GoG-written document, with evidence of resistance by the government to its implementation.

Fourth, in quantitative terms, while 'good governance and civic responsibility' is one of the three pillars of GPRS II, the proportion of funds allocated to this area is relatively low, though not insubstantial. However, it is the enormous allocation of public money to what is termed 'private sector competitiveness' that is of most significance, accounting for approximately 40 per cent of total GPRS II funds, with expenditure of US \$575.31 million and US \$855.23 million in 2006 and 2007 respectively (Table 3). Such levels of support from the state to the private sector indicate the hypocrisy of advocates of neoliberalism, preaching the virtues of a minimal state and low taxation, while ever ready to support private business with public money.

Fifth, turning to the *content* of governance measures within the GPRS, there is evidence of the prioritisation of those specific policy areas that limit the role of the state while seeking to transform the nature of the public sector in line with pro-business interests. Despite the appearance of coverage of a wide range of policy areas under the governance heading, especially in GPRS II, the analysis of resource allocation reveals a focus on a relatively narrow set of measures primarily aimed at reconstituting and reorienting the Ghanaian state and public sector. These include the reallocation of powers and functions away from the central state through decentralisation; the continued shrinking of the public sector through the privatization of state agencies; the so-called 'culture of change' towards a more business-friendly public sector; and an emphasis on public sector corruption, perceived as a cost to private business, while ignoring private sector corruption. Even measures to improve

'public safety and security', beneficial in theory to the mass of Ghanaians, contain a barely concealed private sector bias, aimed at securing a stable political environment that protects private property, is good for 'doing business', and encourages foreign investment.

Sixth, the introduction of the language of rights and empowerment is evident in the policy measures in GPRS II. Yet it was found that such areas are almost entirely disregarded when it comes to resource allocation. Funds allocated to 'women's empowerment' amounted to a derisory 0.3 per cent and 0.4 per cent in 2006 and 2007 respectively. Such policy areas are valued for their function in creating the *appearance* of attention to rights-deprived groups, while in *reality* they remain marginalized and relatively ignored. Such practices also demonstrate how the GoG has learnt from the World Bank and other donors in the rhetorical use of progressive-sounding buzzwords like rights, participation and empowerment, while continuing to implement policies that benefit the already rich and powerful business sectors.

### **Conclusion: Strengthening the State or Consolidating Neoliberalism?**

At the outset, this article posed the question of whether the model of the state inherent in World Bank-influenced poverty reduction strategies, as indicated in particular by the governance component, represents a break with the neoliberal paradigm.

The findings of the Ghana case study demonstrate that the state within the governance model of the GPRS remains limited in its jurisdiction and largely subordinated to the market. There is no evidence of a more interventionist state, for example, in terms of regulating the market to secure labour rights or in redistributing the benefits of economic production towards the poor and deprived. Yet the paradox of neoliberalism emerges here. While its advocates discourage any form of state intervention that seeks to control or regulate business activities, they have no compunction when it comes to the use of public funds to promote the private sector, including through a re-oriented business-friendly public sector.

The emphasis on governance within PRSPs does indicate a recognition that 'institutions matter'. But what kind of

institutions? The case study has demonstrated a focus on those institutions that support and facilitate the activities of the private sector, with a particular emphasis on those that create the conditions sought by foreign investors. This was evident from the prioritisation in the GPRS on those governance measures that seek to ensure political stability, to secure private property and to guarantee contract law. A similar orientation was seen in the emphasis on anti-corruption measures, geared towards combating government corruption as an unacceptable cost to private business, while neglecting corporate involvement in corrupt practices.

Governance measures do clearly demonstrate an ongoing project of state transformation. However, as the Ghanaian example has indicated, this is not a rebuilding of state capacity in the aftermath of neoliberal destruction. Rather there is significant continuity with previous neoliberal reforms, with ongoing systematic transformation in two main directions. One is the continued downsizing of the state and of the public sector generally. The other is the transformation of the notion of public service through its reorientation to serve business. Such public sector reform measures have been a strong component of World Bank policy and practice in Ghana for many years now. One dimension was the renewal of leadership in the Ghanaian civil service, designed to cultivate a core group of public officials with greater allegiance to such a 'cultural change' agenda, as well as closeness to the World Bank and other so-called 'development partners' (see also Thirkell-White in this volume).

The World Bank's emphasis on 'bringing the state closer to the people' was highlighted in the initial discussion, including a focus on 'participation' and 'voice'. The Ghanaian case has demonstrated that this discourse is not motivated by intent to democratize the state, but rather by the state scepticism that is characteristic of neoliberalism. The same rhetoric concerning 'civil society participation' is evident in the GPRS, but with actual measures restricted to enhancing the capacity of an elite fraction of liberal NGOs to influence government policy. Generally, such NGOs have benefited considerably from donor largesse and their role could be interpreted as acting as donor proxies in keeping watch over the state. While good governance is supposedly related to democratic improvement, the anti-democratic orientation of the World Bank and other donors is

evident in their ability to profoundly influence what is ostensibly a country-owned document, both in its formulation through approval mechanisms and in its implementation through trigger mechanisms. The democratic sovereignty of the national state continues to mean little to such powerful global actors.

In conclusion, the evidence presented here from the Ghana case strongly indicates that the governance agenda within World Bank-influenced PRSPs is not a break with neoliberalism, but part of an effort to embed and consolidate neoliberal hegemony. The pursuit of such objectives in Ghana was relatively straightforward during the administrations of the NPP government under President Kufuor (2001-08), given the closeness of its 'property-owning democracy' ideology to the Bank's pro-business ideological perspective, coupled with the relative absence of a sustained and systematic challenge from Ghanaian civil society. It is too early (at the time of writing) to provide a reliable assessment of whether any contestation to this model will be forthcoming from the current NDC government under President Mills that came to power in January 2009. However, judging by early signs, it is doubtful whether the new government will resist the neoliberal paradigm. Paradoxically, at a time of global economic crisis caused, arguably, by neoliberal policies, a governmental challenge to neoliberalism in a low-income country like Ghana may be less likely. The situation of budget deficit, intensified by the adverse impact of the global crisis, appears to have pushed the Mills' administration to accept World Bank/IMF conditionalities in return for new loans – measures which continue to limit the size of the state.<sup>13</sup> Thus, after almost three decades of neoliberal policies, it may be that Ghanaians can only expect more of the same for the foreseeable future.

#### **Endnotes**

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3. F.A. Hayek was a key academic influence on neoliberal or ‘new right’ politics that gained prominence in Western Europe and North America in the 1980s (Wainwright, 1994: 47-50).
4. The initial formulation of a PRSP in Ghana was closely connected to the Heavily Indebted Poor Countries (HIPC) initiative. Following the December 2000 elections, the new government under President Kufuor decided to apply for debt relief under HIPC, apparently influenced by key donors (Tsikata, 2001:13; Peretz and Aryeetey, 2005: 3). A HIPC agreement required the formulation of a full PRSP approved by the World Bank and IMF.
5. GPRS I had five key themes: macroeconomic stability; production and gainful employment; human resource development; programmes for the vulnerable and excluded; governance. These were reduced to three pillars in GPRS II: private sector competitiveness; human resource development; and good governance and civic responsibility.
6. Unfortunately this assessment cannot be carried out for GPRS I as the APRs do not provide a breakdown of expenditure in this way.
7. It is acknowledged that these spending figures provide no more than approximate and preliminary indicators of overall expenditure patterns, and that more definite conclusions about policy priorities would require more detailed analysis of the nature of policy interventions in the various categories of expenditure. Such an analysis is only undertaken here for the measures in the good governance area (see Table 4).
8. Examples of such support to private business enterprises under ‘private sector competitiveness’ include the promotion of the development of the private sector through facilitating access to capital through provision of credit from the government’s Export Development and Investment Fund (NDPC, 2007: 30), and through the establishment of the Venture Capital Trust Fund, inclusive of 10 years full tax exemption in order to encourage more venture capital finance companies to participate in the scheme (ibid.: 32-33).
9. Donor expenditure figures are not made available in the APRs.
10. A similar criticism was made by Azeem et al. when they described the government’s ‘property-owning democracy’ as “rooted in a misconceived role of the State and markets” (2002:15), and characterised by a “bias towards the protection and promotion of the property rights of the rich and foreign investors compared to the basic needs of the poor and the non-property-owning classes” (2002: 23).
11. ‘Trigger mechanisms’ are a form of donor conditionality. Annual disbursements of GPRS funds are in two tranches, linked directly to the achievement of “a set of explicitly defined policy triggers” (NDPC, 2007: 182). In 2006, there were a total of 67

specific performance triggers in the governance area alone (NDPC, 2007).

12. In the 2007 People's Assembly, some people who asked questions critical of government were allegedly molested (OSIWA, 2007: 50), tending to confirm the view of critics that its purpose is largely to bolster government's image.
13. Such conditionalities have included a freezing of public sector recruitment (in order to downsize) for two years and the on-going privatisation of state enterprises.

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