The Economy and Regime Change in Ghana, 1992-2004

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Abstract

The article examines the link between economic conditions and policies, on one hand, and regime changes, on the other. Ghana’s politics, since independence has been shaped by events on the economic front more than the popularized issues of ethnicity, regionalism and personal ambitions. Most of the political transitions were to a large extent influenced by economic circumstances. The early military coups that destabilized the democratic order appeared to have resulted from the unhappiness of army officers over rising economic distress even though ideological and ambition factors were also important determinants. Even the ‘third wave’ of democratization took place within the context of economic crisis. The failure of the PNDC regime to bring about early economic recovery engendered popular disillusionment and heightened the agitations for the return to democratic rule. Post-democratization politics mimics the pattern of economic influence over regime changes. The historic power alternation in 2000 happened against the backdrop of poor economic performance by the NDC government. Macroeconomic instability including deteriorating living standards of the people was blamed on the incumbent’s economic mismanagement. Consequently, majority of Ghanaian voters effected a change of government hoping that the new government would bring about improved economic and living conditions.

Introduction

The 1990s marked a watershed in African politics. The ‘third wave’ of democratisation witnessed a drastic transformation of Africa’s political

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landscape resulting in the collapse of un-democratic regimes and the rise of democratic governments (Gyimah-Boadi, 2004: 5). Since then, most scholarly analyses have tended to focus on what the new democratised states should do in order to consolidate democracy. The economic factors that influence democratization and indeed democratic consolidation, and which were explain regime change have not been given sufficient attention. The impact of the economy on regime transition is an under-studied area in the political economy of Ghana. Arguably the economy is not the only plausible factor that accounts for regime change in developing societies. Nonetheless, most scholars agree that a good economic performance correlates strongly with popularity of incumbents and their ability to maintain power (Fair, 1996; Tuftle, 1978; Ake, 1993). Conversely, entrenched poverty, a fall in living standards of citizens, and deprivation could engender disillusionment within the body politic leading to a rejection of the incumbent.

This essay sets out to investigate the linkage between economic performance and regime change long advocated by Fair (1996), Fiorina (1981) and Downs (1957), among others, using regime changes in Ghana to illustrate the validity or otherwise of this old economy regime change argument. To do this, the paper first reviews the literature on economic conditions and regime change, and surveys a few non-economic factors that also explain regime change in developing countries. The paper then undertakes a critical look at the political economy of Ghana in the post-independence period and argues that poor economic performance by the regimes more than ethnicity, ideology and personal ambition account for the myriad of military coups that derailed Ghana’s smooth democratic process. It then examines the economic reforms in the 1980s, namely, the Economic Recovery Programme (ERP) prescribed by the international financial institutions to cure Ghana’s economic ills and assesses its impact on the transition to democratic rule in 1992. Finally, it examines post-democratization economic conditions under the Structural Adjustment Programme (SAP) and Highly Indebted Poor Country (HIPC) initiative and measures their influence on regime change and democratisation in Ghana.

Following Dominguez and Poire (1999) I argue that economic factors play a major role in individuals’ assessment of their options and choices
in electoral contests. This contrasts with the claim by Bratton and Van de Walle that economic variables generally are unrelated to the specific dynamics of political changes in Africa (Bratton and Van de Walle, 1997:71). I proceed on the assumption that while factors such as ethnicity, regionalism and personal ambition play a part in regime changes in Ghana, political transitions were determined largely by the prevailing economic conditions. Even in times of critical external shocks such as the current global economic crisis, citizens still expect the incumbent to prudently manage the economy. A survey conducted by the Department of Political Science, the results of which have been analysed in this paper, indicates that voters’ retrospective voting on developmental issues blamed the incumbent for perceived poor economic performance regardless of the negative effect of external economic forces on the Ghanaian economy.

**Economic Performance-Regime Change**

Since the third wave of democratization in Africa, there have been some interesting studies on Africa’s political economy (Olukoshi 1995; Haggard and Webb, 1994; Van de Walle, 2004; Ake 1993). The political and economic history of post-independence Ghana has also received elaborate attention in some scholarly analyses (Chazan 1983; Herbst 1993; Aryeetey & Harrigan 2000), and so has the military factor in regime change in Ghana (Luckham 1994; Hansen 1991). However, none of these studies considered the impact of economic conditions on regime changes in Ghana. Even where the economic factors were the focus, their link with regime changes in Ghana was not forcefully articulated. Rather, the economy democratization nexus has received some attention in studies on Africa (e.g. Jebuni & Oduro 1998: 19-41, Bratton and Van de Walle, 1997: 34-36). In such studies regime transitions are predicated on economic circumstances of a country.

Elsewhere in the developing world poor economic conditions have been identified as a major cause of regime change. Macroeconomic instability such as severe recession, high inflation, balance of payment deficiencies, high interest rates, *inter alia*, are conditions that severely dictate regime change. Fair (1996: 89-90) for example argues that citizens
would evaluate past economic performance of competing parties and then cast their ballots for the party that provides the highest expected future utility. Other economic variables that shape electorates’ choices include inflation, growth rate or the ‘misery index’ which combines inflation and unemployment rates (Fiorina, 1981:1-8; Tufte, 1978:12-26).

Van de Walle, (2004: 42-43) also points out that a threat to a stable political regime will arise from popular rejection of the government for perceived hardships created by the implementation of economic reform programmes. In Africa, ‘populations…come to associate their own well-being with the current government’s policies and actions’ (Bratton and Van de Walle, 1997: 34). The evidence about political change in Third World countries therefore point to a causal relationship between short-term swings in incumbents’ economic policy outcomes, the popularity of governments and their ability to maintain political power (Van de Walle, 1997:34).

In fact the electorate are viewed as ‘a rational god of vengeance and reward’ (Stokes and Butler, 1969: 25) that treat elections as a ‘referendum’ on the incumbent administration’s handling of the economy (Key, 1964: 568). In most developing democracies, incumbents enjoy electoral success during periods of economic improvement and suffer losses during periods of economic decline. As Ake rightly noted, ordinary Africans do not separate political democracy from economic democracy or for that matter from economic well-being. They see their political empowerment, through democratization, as an essential part of the process of getting the economic agenda right (Ake, 1993: 239-242). Even in consolidated democracies, economic grievances are expressed through the ballot box and can possibly lead to a replacement of one elected government by another. In the opinion of Luckham (1994: 38) the military elite effect change regime in order to improve the material conditions of life of the ordinary soldier.

**Post-independence Economic Recession and Regime Instability**

Ghana won her independence from British colonial rule on March 6, 1957. Her independence was greeted with considerable fanfare being the first African country south of the Sahara to achieve independence. Ghana’s
economy was in good shape. Since then the political fortunes of regimes have been shaped by a struggling economy which is saddled by debt, balance of payment deficits, a cycle of hyper inflation, high cost of living, unemployment and poverty (Appiah et al, 2000: 304-310). Naomi Chazan underscored this nexus succinctly:

The core of political processes in Ghana has centred on trends in the political economy: the contents it has tackled, its capacities and constraints, its attainments and failures. The processes of politics therefore revolve around activities in the political economy: its intentions, manifestations, repercussions and implications (Chazan, 1983: 154).

The February 24, 1966 coup for example, took place amidst accusation of economic mismanagement against the administration of Nkrumah’s Convention People’s Party (CPP). Cocoa, the mainstay of Ghana’s economy had suffered from low production and a severe drop in prices (Chazan, 1983: 157). The overheated economy forced prices up, and created budget and balance of payment deficits, culminating in shortages of essential goods and general economic hardships. The climate of economic depression and mismanagement which characterised the CPP’s regime prepared the grounds for the coup d’état of February 1966 (Huq, 1989; Bennett, 1975). The other factors – such as conflict between the CPP regime’s socialist ideology and the so-called liberalism of the Sandhurst trained officer corps of the Ghana armed Forces (Luckham 1994) was purely incidental. It was the economic factor that won the soldiers the mass support needed to legitimize Nkrumah’s overthrow (Chazan 1983; Hansen 1991; Bennett 1975).

Consequently, the priority of the National Liberation Council (NLC) was to provide an immediate solution to the economic crisis inherited from the CPP government. The pursuit of pro-Western economic policies with the International Monetary Fund (IMF) deflationary package of fiscal and monetary policies as a measure to reduce pressures on the economy (Herbst, 1993: 21) aimed at reversing the downward trend of the economy. When the ad hoc economic measures it had adopted failed to address the fundamental problems that faced the Ghanaian economy (Chazan, 1983: 159) the NLC was compelled to hand over power to a civilian regime in September 1969. When the economic policies of the
government of the Progress Party failed, the economic crisis intensified from 1971 onwards. Unemployment, devaluation of the local currency, balance of payment difficulties and the re-emergence of chronic shortages of essential commodities (Amissah, 1973: 16-20) during the period caused severe industrial unrests (Chazan, 1983:161). By late 1971 signs of economic failure had become apparent. The government conceded its economic failure in the 1971 budget and proposed austerity measures to rescue the ailing economy. The coup d’etat of January 1971 put an end to what was widely regarded as ineptitude in economic management. Chazan (1983) believes that the fall of the Progress Party government may have to do with the anti-Ewe stance of the Progress Party administration (Bennett 1975: 300). Surely Acheampong and his associates who led Busia’s overthrow were not Ewes. The justification for the coup that was announced by the coup makers is a clear indication of the fact that the ambience of economic hardship generated particularly by the austerity budget of 1971 delivered the Busia regime to the coup makers (Shillington, 1992: 19) who formed the National Redemption Council later renamed the Supreme Military Council under Lt. Col. I.K. Acheampong. The NRC/SMC’s early economic programmes were impressive and yielded economic dividends. Most evaluations of the economic performance of the regime in the early 1970s were not only positive; they were almost effusive (Owusu, 1975: 31-32).

By the end of 1975, inappropriate macroeconomic and institutional developments combined with various external shocks, accelerated the economy to decline leading to general shortages of food supply, inflation (above 100%) and general hardship for most Ghanaians (Shillington, 1992; Chazan, 1983). By 1978, the economy was in a severe crisis. Economic mismanagement and malpractices hurried the economy to its collapse (Huq, 1989; Jebuni and Oduro, 1998). In June 1978, General F.W.K Akuffo, second in command of the SMC regime engineered the removal of Achemapong on account of bad leadership. But this successor military regime proved less capable of surmounting the economic crisis resulting in greater hardships for the people, profound social malaise and popular discontent (Chazan, 1983: 171). Mass protests against the military regime became widespread with coalitions of civil society groups agitating for a return to constitutional rule. Although by June 4 1979, the military regime
had set in motion a transition timetable for returning the country to constitutional rule the Armed Forces Revolutionary Council (AFRC) led by Ft. Lt. J.J. Rawlings interrupted the political process with a programme to punish the leading personnel of the military regime and their civilian accomplices for various economic crimes.

In contrast to the previous military regimes that consolidated their rule and attempted to ‘revamp’ the economy and society, the AFRC devoted its time to cleaning the mess created by ‘past corrupt and incompetent regimes’ (Oquaye 1980: 23). The coup-makers hoped that punishing wrong-doers would not only deter perpetrators of corruption but also help to uproot traces of corruption, injustices and mediocrity from Ghanaian society and politics (Shillington, 1992:50; Chazan, 1983:172) and build a solid moral foundation for building a sound economy and just society with the same old political framework.

After ‘settling’ the mess, the AFRC reinvented the wheel of political campaigns. Consequently the AFRC yielded to mounting pressures to allow the scheduled general election to come off. The 1979 elections produced a landslide victory for Dr Hilla Limann’s Peoples National Party (PNP), and Rawlings’ AFRC bowed to the new constitutional leader. The transfer of power from the AFRC to PNP was reminiscent of the 1969 transition where a military regime transferred power to a civilian government apparently convinced that the new government would manage the economy well and be able to address the socio-economic needs of the people.

However the PNP government could not salvage the economy. Per capita income fell from 640 Cedis (1971) to about 460 cedis in 1981; inflation rose to an astronomical level and the exchange rate became increasingly overvalued. By December 1981, Ghana’s internal and external debt had reached a record high of 6.41 billion and 3.6 billion cedis respectively (Herbst, 1993:27; Chazan, 1983:173). Most industries folded up and scarcity of goods led to high prices on the market. Ghana experienced a systematic deterioration in the living standards of the citizenry. The hardship brought about by economic mismanagement triggered mass exodus of Ghanaians to Nigeria and other parts of Africa and to Europe in search of greener pastures. The military exploited the deteriorating economic conditions (Shillington, 1992: 64-65) and staged another
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coup on 31st December 1981 under the leadership of Rawlings. The overwhelming popular legitimacy accorded the coup meant that the populace needed a ‘saviour’ to lift them from the economic hardship.

Economic Decay, Reforms and Transition to Democratic Rule

The first three years of the Provisional National Defence Council (PNDC) government were characterized by economic decay (Herbst, 1993: 29-32). Large fiscal deficits, financed primarily by borrowing from the domestic banking system had given rise to high rates of inflation and an overvalued currency. Trade shocks and a fall in international transactions caused a steady rise in the budget deficit to about -3% of GDP. This sharp economic decline forced the PNDC to adopt the Economic Recovery Programme (ERP) on the advice of the IMF/WB. Therefore the conventional neo-classical approach to economic development – that emphasise privatization, deregulation, trade liberalization, foreign exchange price flexibility and international cooperation were rigorously pursued (Ninsin 1998; Herbst, 1993).

Undeniably, signs of modest economic recovery were noticeable quite early. For instance, inflation fell from 120% in 1983 to 10.4% in 1985, and the GDP grew by 5%, among others. Despite such marginal improvement in the economy, difficulties persisted – the population suffered deprivation. The overwhelming number of Ghanaians that heeded the call to embrace the ERP for economic transformation became disappointed when the reforms failed to bring immediate changes in their living standards (Appiah et al, 2000: 305-307).

The deteriorating living standards of the ordinary citizen precipitated popular revolt against the PNDC. As the 1980s wore, discontent mounted against the regime’s failure to bring about real economic recovery. The 1989 strike action by the Trades Union Congress (TUC) inaugurated the public servants’ mammoth demonstrations against the negative effects of the ERP on the working population. By 1991, the PNDC was becoming increasingly insecure about popular reactions to its economic programmes. Even, its cadres, on whose support it had legitimized itself, felt disappointed by the ‘hopeless’ economic situation.
(Ninsin 1998:49-67). Leading political elites (politicians of the 1970s and early 1980s) mobilized the unemployed, working class, civil libertarians and journalists, among others, to voice dissent to the suffering of the people, arguing that the consequences of the regimes’ ERP was poverty and deprivation (Appiah et al, 2000: 306-110).

The events on the Ghanaian domestic scene that eventually forced the PNDC regime to disengage from politics were akin to the experiences of most Latin American countries - they drew much of their impetus from the prevailing economic conditions (Ake, 1993: 239-240). For instance, in Venezuela, Brazil and Peru, the failure of the existing military regimes to bring about economic growth sapped the governments of their claim to legitimacy thereby paving the way for a return to popular government (Bratton and Van de Walle, 1997: 35). This trend can also be glimpsed in other African countries’ experiences with regime changes. For instance, students and civil society outbursts in Benin in 1989 and similar popular uprisings in Mali, Chad, among others, took place within the environment of disastrous economic decline and worsening living standards of the ordinary citizen in those countries (Bratton and Van de Walle, 1997: 9).

The result was widespread popular agitation for political reforms. In many cases, the protests centred on the argument that the military lacked the competence to manage the economy and were less responsive to the suffering of the ordinary citizen. It was envisaged that democratic regimes that are responsive to popular opinion would offer the platform for citizens to voice their concern about social and economic issues. The economic miracle of Botswana and Mauritius under democratic regimes provided the justification for popular optimism about economic prosperity once Ghana returned to the democratic path. The PNDC’s announcement in May 1992 of a time table for a return to constitutional rule was enthusiastically welcomed by Ghanaians (Oquaye 1995). Following that multi party elections were held to usher in a constitutional democracy in January 1993.

The nagging questions that agitated the minds of local political elites, donors and scholars were whether democracy would survive in the face of the deteriorating economic situation and poverty in the country? What would be the impact of the economy on democratic regime change?
Economic Conditions and Regime Change in 1992 and 1996

Although the SAP was to speed up economic reforms, it failed to achieve the robust economic growth necessary to improve the living standards of majority of the population (Van de Walle, 2004:29-30). There were growing concerns in the early 1990s of the sluggish growth in real GDP and per capita incomes, increasing deterioration in trade balance and overall balance of payments situation. The rate of growth of real GDP and Gross National Product (GNP) dropped from 5.0% in 1991 to 3.5% in 1992. The trade balance continued its downward spiral with imports soaring over exports. As a result, Ghana’s current account balance deteriorated sharply (ISSER, 1993: 10). Whereas total employment in the private sector decreased by 40% between 1985 and 1990, in the public sector the decrease was about 52% (ISSER 1993:14). Studies reporting on poverty levels during the period indicated lack of progress in the living conditions of rural and some urban populations. Poverty headcount indices showed that 36.9%, 41.8% and 31.4% of the population were poor in 1988, 1989 and 1992 respectively (World Bank 1995). Although Appiah et al (2000) recognised that a drop of about 10% point of poverty during the period is significant, they opined, ‘poverty is indicated to have increased in all areas (social indicators) between 1988 and 1992 except rural coastal and urban areas other than Accra’ (Appiah et al 2000: 315).

Even within this debilitating economic condition the NDC still won the 1992 elections. What accounted for the NDC electoral victory? Ethnic and regional voting has been the conventional response to the question: that Ewe’s overwhelming support for Rawlings in the Volta region delivered the election to the NDC – Rawlings obtained 93.2% of the valid votes cast in the presidential election (see Table1). This contrasts with Adu Boahen’s, his closest competitor who received 3.6% of the regional vote cast. Surely if ethnicity and regionalism decided the 1992 election then Adu Boahen who is Akan – the largest ethnic block in the country would have won the presidential election. Yet Rawlings did well in non-Ewe constituencies and Adu Boahen performed poorly in some Akan areas (see Table1).

Ayee’s (1996) postulation of Rawlings’ win on account of incumbency abuse reinforces the economic condition thesis.
TABLE 1: Regional Voting Pattern in the 1992 Presidential Election

<table>
<thead>
<tr>
<th>Region</th>
<th>Adu Boahen*</th>
<th>J. J. Rawlings**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Votes Obtained</td>
<td>% Votes Obtained</td>
</tr>
<tr>
<td>Western*</td>
<td>22.8</td>
<td>60.7</td>
</tr>
<tr>
<td>Central*</td>
<td>26.0</td>
<td>66.5</td>
</tr>
<tr>
<td>Gt Accra</td>
<td>37.0</td>
<td>53.4</td>
</tr>
<tr>
<td>Volta**</td>
<td>3.6</td>
<td>93.2</td>
</tr>
<tr>
<td>Eastern*</td>
<td>37.7</td>
<td>57.3</td>
</tr>
<tr>
<td>Ashanti*</td>
<td>60.5</td>
<td>32.9</td>
</tr>
<tr>
<td>Brong Ahafo*</td>
<td>29.5</td>
<td>61.9</td>
</tr>
<tr>
<td>Northern</td>
<td>16.3</td>
<td>63.0</td>
</tr>
<tr>
<td>Upper West</td>
<td>8.9</td>
<td>51.0</td>
</tr>
<tr>
<td>Upper East</td>
<td>10.5</td>
<td>54.0</td>
</tr>
<tr>
<td>**Total</td>
<td><strong>30.3</strong></td>
<td><strong>58.4</strong></td>
</tr>
</tbody>
</table>

*These are Akan regions of which Adu Boahen belongs
**The Volta region is predominantly Ewe that is supportive of Rawlings

The NDC strategy in 1992 was one that sought to provide a “quick solution” to the plight of the ordinary citizen to rebuff the opposition parties’ assertions that the prevailing harsh economic condition warranted the PNDC exit. In defence, Rawlings and his newly formed National Democratic Congress (NDC) – successor to the PNDC contended that the ERP/SAP was the best option for economic recovery. They alluded to ‘gains’ made through the pursuit of ERP/SAP and appealed to the electorate to transfer power to the NDC to continue the PNDC’s ‘good’ economic policies (Jeffries and Clare 1993:346-349). Comments by the ISSER’s analysis of the performance of the economy during the period confirms the PNDC government’s position on economic recovery:

The achievement of an impressive growth in export, international credit worthiness and resumption of GDP growth were areas in which government economic policies gained some credit... liberalization stimulated imports and exports business activities leading to the return of essential goods to the market (ISSER, 1993:1-17).
It is, however, worth noting the overdependence on macroeconomic indices did not enhance accurate evaluation of the impact of the SAP. For instance, it failed to explain the disparities in the fall of inflation and rising cost of living; the effect of trade liberalization and the gradual collapse of local industries. The truth is that the more officialdom identified growth in the economy, the more the ordinary Ghanaian complained of economic hardship (CDD 1999: 8-12). In order to mitigate the mass suffering, short to medium term measures were implemented by the regime: months to the polls, the government announced a hundred percent (100%) pay increase for the working population; raised the level of personal tax exemption, to mitigate the hardship of the lower income earners. The minimum wage was increased from 170 cedis to 218 cedis. This was a necessary strategy to boost its performance rating among the disenchanted working class that had indicated its willingness to punish the regime for its harmful economic policies that had negatively affected thousands of workers’ livelihoods (Fine & Boateng, 2000: 227-240). Election-year social infrastructural expansion was everywhere in evidence. In particular, in the three northern regions where poverty continues to be endemic, basic social services reached most deprived communities (Debrah 2005; Oquaye 1995).

No doubt, the economic relief introduced by the incumbent helped to change the political fortunes of the PNDC/NDC at the polls – most voters felt that the government had responded to their economic needs (Ghanaian Times, December 1992:1). The pay increase for state employees and the provision of infrastructural development – extension of water, electricity, schools, clinics, etc, to some rural constituencies yielded dividend. By the close of 1992 the poverty level had dropped from 41.8% in 1989 to 31.4% (World Bank 1995). It appears that these positive developments convinced the working class and majority of rural voters to vote for the NDC as a reward for their ‘improved’ living conditions (Jeffries and Clare, 1993:361). Although the opposition contended that the election was a stolen verdict, international observers and some Western scholars declared genuine victory for the NDC on account, among others, of the overall PNDC’s ‘good’ economic performance, (Jeffries and Clare, 1993:362).
The election year of 1996 was unique in many respects. The electorate had become much more ‘enlightened’ on economic, including social, issues and above all, their expectations about economic progress had gone high and were therefore not willing to compromise minimal economic performance. The electorate’s behaviour in 1996 confirmed what Huntington had observed that, ‘economic growth would cause a sharp increase in social aspirations and economic inequality, and that the weak political institutions in emerging states would not be able to control or channel the resulting explosion in political participation’ (Huntington, 1968). Popular awareness about the state of the economy and government’s responsibility towards the citizenry had been made possible by the presence of active civil society groups and vibrant media activities – that transcended traditional national and regional boundaries to the rural areas. Media programmes on the economy intensified during the 1996 election campaigns highlighting poverty, unemployment and general problems within society (Smith and Temin, 2001:160-178). Thus similar to 1992, the dominant theme in the 1996 elections was the state of the Ghanaian economy. Naturally therefore the opposition campaign focused mainly on the incumbent’s handling of the economy. The NPP, in particular, found the media a reliable ally to castigate the NDC – most NPP campaign advertisements on the television, radio and newspapers portrayed the NDC functionaries as incompetent managers of the economy.

The politico-economic conflict was more pronounced on the labour front. Adjustment policies of retrenchment and freezing of salary levels, privatization, introduction of user fees and increased unemployment rate created disillusionment among labour and the youth that needed employment. Even local private businesses felt irritated by the SAP because it insisted that companies and small businesses compete with their foreign counterparts. This development led to the collapse of many of the local industries because they could not survive the stern competition (Ghanaian Chronicle, 1997:1). The public utility workers’ strike in late 1994 precipitated demonstrations by students and professional associations’ against the NDC government’s economic policies that exacerbated difficulties in living standards of the working class. The National Union of Ghana Students (NUGS) argued that the introduction of user fees on university campuses had increased students’ hardships (NUGS Press
The TUC charged that the damaging consequences of the SAP on the livelihoods of the rural and urban poor were disastrous for both multiparty politics and democracy. According to the TUC, with the minimum wage of €460 (equivalent of US$0.33) and a gallon of petrol at €1,600, a minimum-waged worker earning €12,420 a month could buy 7.76 gallons of petrol with his/her monthly salary and nothing else (TUC, 1993:1). The situation was worsened by the opposition parties’ mass demonstrations in May 1995 where they dramatized their dissatisfaction with the government’s economic policies christened, *Kume Preko* (kill me now) and *Sieme Preko* (bury me now) (Osei 2000:269-271). Against the deteriorating economic conditions, the NPP called for a critical examination of one’s living conditions before casting the ballot. In other words, voters should examine the way the government had caused a steep decline in their living standards and vote the incumbent out of power.

Whereas the NDC economic performance was far from perfect and economic conditions did not satisfy all sections of the population (see Table 3), there were important dimensions of the economy that produced positive social effects, at least for rural communities and foreign businesses operating in the country. As an ISSER publication rightly noted, the economy did better in 1996 than in previous years even though most of the targets set in the budget were not achieved. Overall, macroeconomic growth of 5.0% was higher than the 4.0% obtained in 1995; the 4.2% rate of growth of the industrial sector was better than the 3.3% in 1995, and the service sector growth rate of 6.3% surpassed the 4.9% rate in 1995 (ISSER 1997: 10-11). Inflation dropped from 59.5% in 1995 to 46.6% in 1996. Notwithstanding these, however, the general performance of the economy was weak. An inflation rate of about 60% in 1995 and 46.6% in 1996 cannot represent a healthy economy.

In most developing countries, including Ghana, incumbents use the power of their offices to increase disposable incomes in election years, especially that of the working class (Tuft, 1978:11). According to H. R. Penniman, ‘the determination to torpedo the opposition in an electoral race is the motivation for the incumbent to initiate and pursue substantive economic policies and actions with the sole intention of drawing public approval and support and so presumably strengthen its position among the voters’ (Penniman, 1981: 115-131). The incumbents’ electoral
behaviour described by Tuftle and Penniman was evident in the 1996 elections. Following labour pressure, the government introduced tax relief, including marriage/responsibility relief of between 50,000-300,000 cedis; children’s education relief between 80,000 and 240,000; and old age relief between 120,000-300,000 cedis. In June 1996, personal tax relief was increased by 88.7% from 318,000 to 600,000 cedis, and public employees enjoyed a quantum jump in their salaries (Daily Graphic, 1996:1). The cosmetic relief covered the private sector as well. Hence, agro-processing industries that used locally produced raw materials received tax exemption on their incomes. Cocoa farmers too, operating in the informal sector received bonuses and an increase in the producer price for cocoa (ISSER, 1997:1-2).

The NDC campaign focused on its marginal economic success: improvement in social indicators such as infant mortality rate (an important indicator not only of health but also of socio-economic status), fell by 14% and child mortality by 32%; child immunization rate increased by 24% and stunted growth decreased by 5% as at 1993 (see Table 2). It further pointed to relatively transformed rural infrastructure and reminded the electorate to return the NDC to power for “Continuity in Development”. The electorate were to vote for the NDC because of relative improvement in their living standards through its progressive rural development programmes (Tables 2 and 3). To be sure, the government’s rural development policy had led to a relative increase in infrastructural development. It was largely these rural constituencies that rewarded the NDC with re-election in 1996 on grounds that basic social services that deteriorated, witnessed some rehabilitation (see Table 3).

Whereas most voters admitted going through economic hardships conditions (see Table 4), their voting decisions were also informed by the prevailing relative upward adjustment of their living conditions (see above). Voters knew that their living conditions would be much better if they voted for the NDC that had promised continuity in its economic and particularly rural development policies and programmes. Survey evidence from Tables 2, 3 and 4 amply show that economic issues were salient to voters. Not only in the predominantly NDC Volta region constituencies did voters recognize improved living conditions: Keta 67%
and Anlo 59%, but also in Akan constituencies such as Effutu 54% and Shama 58%, among others, favoured the NDC (see Table 3).

TABLE 2: Poverty Reduction

<table>
<thead>
<tr>
<th>Selected Social Indicators</th>
<th>1988</th>
<th>1993</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant mortality (per 1000 births)</td>
<td>77</td>
<td>66</td>
</tr>
<tr>
<td>Under-five mortality rate (%)</td>
<td>155</td>
<td>119</td>
</tr>
<tr>
<td>Child mortality (%)</td>
<td>84</td>
<td>57</td>
</tr>
<tr>
<td>Children immunized</td>
<td>31</td>
<td>55</td>
</tr>
<tr>
<td>Nutritional status (stunted)</td>
<td>31</td>
<td>26</td>
</tr>
</tbody>
</table>

Source: Ghana Statistical Service, 1994

TABLE 3: Opinion on Improvement on Quality of Life in Some Rural Constituencies

<table>
<thead>
<tr>
<th>Opinion Keta /Anlo</th>
<th>Techiman South / Effutu</th>
<th>Shama /Nkwanta</th>
<th>Bole /Mampong</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freq./%</td>
<td>Freq./%</td>
<td>Freq./%</td>
<td>Freq./%</td>
</tr>
<tr>
<td>Yes</td>
<td>67</td>
<td>57</td>
<td>58</td>
</tr>
<tr>
<td>No</td>
<td>24</td>
<td>26</td>
<td>23</td>
</tr>
<tr>
<td>DNK</td>
<td>9</td>
<td>17</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data from Constituency Survey Carried by the Department of Political Science, 1996

TABLE 4: Some Voters’ Opinion on the State of the Ghanaian Economy

<table>
<thead>
<tr>
<th>Opinion</th>
<th>Ketu South %</th>
<th>A/Mampong %</th>
<th>Ahanta %</th>
<th>Bole-Bamboi %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Good</td>
<td>6</td>
<td>5</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Good</td>
<td>20</td>
<td>16</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td>Neither Good nor Bad</td>
<td>23</td>
<td>27</td>
<td>21</td>
<td>16</td>
</tr>
<tr>
<td>Bad</td>
<td>27</td>
<td>36</td>
<td>30</td>
<td>38</td>
</tr>
<tr>
<td>Very Bad</td>
<td>22</td>
<td>15</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>DNK</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data from Constituency Survey Carried by the Department of Political Science, 1996
One must concede that by 1996, the economy had recorded marginal improvements. Poverty levels had seen some reduction (Table 2). Social infrastructure that virtually deteriorated also saw some improvements. Of the more than half (57.4%) of respondents in the national survey who reported that they voted for the NDC, about the same percentage of voters were satisfied with their living conditions (Department of Political Science National Survey Data, 1996). In non-Ewe areas such as Shama, 59%, Effutu, 62%, Ashanti Mampong, 34%, Bole, 64% and Techiman South 58%, respondents indicated in the post-election survey that they voted for the NDC because it pursued policies such as rural electrification, provision of bore-holes and public latrines, schools, hospitals and clinics (Department of Political Science National Survey Data, 1996). Indeed, voting trends showed that the NDC did better in the rural areas than the pro-opposition urban and suburban areas. Thus, it appears that relative economic success in 1996 helped to deliver the elections to the NDC.

**Economic Performance of Regime Change 2000 and 2004**

Retired by defeat after the 1996 elections, Kufuor (the presidential candidate of the NPP) used his period of retirement to extend the NPP election campaigns that hitherto had been limited to the urban areas to the rural constituencies. This was an important campaign strategy to purge itself of its elitist image. In the past, the urban working class that opposed SAP had been mobilized by the NPP whereas the NDC had laid claim to the rural workers because it had alleviated their suffering through the provision of some infrastructural development (Debrah 2005:140). The NPP’s campaign in the hinterlands sought to advertise the party as having the capacity to prudently manage the economy. It boasted of having the human resource to bring about real economic progress to better their lots. The NPP campaigners reminded the voters that their poverty was due to economic mismanagement perpetrated by the PNDC/NDC. A change of regime would be the only way out of their predicament.

Although the incumbent’s election-year economic relief was everywhere in evidence, the NPP demonstrated to the voters that it favoured a radical transformation of the economy for the benefits of Ghanaians ra-
rather than the piece-meal approach adopted by the NDC. The NPP dramatized the economic malaise that had worsened by the year 2000. Reports on the economy by academic research institutions such as the ISSER made astonishing revelations that resonated well with the opposition’s critique of the incumbent’s economic performance: “the economic deterioration that occurred in 1998 and 1999 continued in 2000. The economy was characterized by high inflation, high interest rates, rapid depreciation of the cedi and high debt overhang” (ISSER, 2001:1). To be sure, inflation increased by more than three times from 13.8% in 1999 to 40.5% in 2000. Domestic debt burden which grew by 35% threatened macroeconomic stability and growth. Compounding the economy’s problem was the corresponding burden of external debt. The value of Ghana’s debt in relation to its total export stood at 175% at the end of 2000. Per capita income hit the lowest ($390) (ISSER, 2001:1-9).

While recognizing a marginal reduction in extreme poverty by mid-2000, only export farmers and wage employees in private employment enjoyed minor gains in their standard of living. The overwhelming number of peasants, state employees and unemployed youth who were severely hit by poverty, experienced the least gains. The non-food subgroup index went up by 54.2%, the food and beverages index rose by 24.3%. Poverty levels rose sharply: Overall the poverty level by 1999 was 40%, the equivalent of 7.2 million of the population. Notably, five out of 10 regions in Ghana had more that 40% of their population living in poverty (Ghana Statistical Service 1999). The cedi which depreciated by 49.6% on the inter-bank market was one of the highest in contemporary times (ISSER, 2001: 2-3). Lending rate for all sectors rose from the range of 30-39.75% in December of 1999 to 39-56% in August of 2000.

The unfavourable external economic situation in 2000 undermined the NDC government’s ability to manage the local economy: with drastic decline in export of cocoa, gold and timber to the lowest level ever recorded in history coupled with astronomical increases in crude oil prices, the incumbent faced an uphill task in trying to deliver on its election-year relief promises.: Evidence from a survey of voters’ opinion discussed in the subsequent paragraph attests to this observation (also see endnotes 2). By the close of 2000, poor economic performance had placed Ghana in the WB category of the severely indebted low-income countries (SILIC)
group (ISSER 2001:1-16). The poor state of the economy was reflected in the low popular rating for the NDC government in polls conducted by the Department of Political Science before the 2000 elections. The rejection of the NDC at the polls (Kufuor/NPP 56.90% as against Mills/NDC 43.10% reflected this pre-election assessment of the NDC economic performance that blamed the incumbent for lack of improved living standards.

Even in most rural constituencies that declared support for the NDC in 1996, the feeling of economic hardship increased the likelihood that the NDC would be voted out of power in 2000. In Ellemelle and Jomoro constituencies only 2% and 4% of respondents in the survey respectively reported that the economy was good. While this opinion did not differ significantly from trends in the 1996 polls, an overwhelming majority of the respondents in the pre-election survey, 82% and 79% in Ellemelle and Jomoro respectively deplored the worsening state of the economy in 2000 (Department of Political Science 2000:13-19). Respondents in pro-NDC constituencies of Kpone-Katamanso (74.8%) and Afram Plains (68%) in Greater Accra and Eastern regions respectively rated the economy as very bad. The trend was the same in Yilokrobo (43.6%), Asunafo North (86.1%), Wa Central (75%) and Sisala (64.4%) where respondents indicated a sharp deterioration in their household living standards since the last elections (Department of Political Science 2000: 34-41).

The opposition parties’ ferocious attacks blamed the NDC for the economic crisis that worsened the voters’ living standards. The mounting international and local debts, including the financial crisis of the Tema Oil Refinery (TOR), among others, were unprecedented since returning to democracy in 1992 (Financial Times 2000:1-2). Thus, 2000 imposed huge political costs on the regime. Compounding the economic woes and anti-NDC sentiments that accelerated in the mid-2000 were media publications that corruption was widespread in government. Voters’ attention came increasingly to focus on changing the NDC. Giving the opposition (NPP) the opportunity to manage the economy efficiently therefore took the ascendancy over all issues during the electioneering campaigns.

The general euphoria in 2000, therefore, was the quintessential ‘throw the bums out issue’ (Fiorina, 1981: 18). While the opposition said it had the competence to salvage the country’s economic difficulties, the
incumbent highlighted the unresolved economic problems that faced the country without prescribing any concrete alternative means of curing the country’s economic ills. The opposition NPP’s overwhelming support at the polls securing 56.90% as against 43.10% by the incumbent NDC during the run-off was indicative of the readiness of the voting population to change the regime. Thus, the climate of economic failure accounted for NDC’s loss at the 2000 polls.

The NPP assumed office in 2001 against the backdrop of ‘economic accountability’ in Ghana’s politics. Hence, its priority was to address the imbalances that had stunted growth since 1997. The economic difficulties forced the NPP to sign on to the HIPC initiative – that seeks debt forgiveness, economic growth and poverty reduction (Daily Graphic, 2001:1). The NPP defended its decision to implement HIPC on grounds that it would give the government the space to tackle the hydra headed economic problems. The immediate advantage of the HIPC was recorded on the macroeconomic front: GDP grew at 5.8% exceeding the projected rate of 5.2%; inflation was brought down to 11.8%, a significant improvement from over 40% at the time the NDC left office; per capita GNP grew by 3.5%, a moderate improvement over that of 2001; and the local currency that had suffered a long turbulence witnessed considerable strength thereby making forecasting on business transactions somewhat easy. The government claimed that the benefits obtained from the HIPC resources were ploughed into poverty-related spending that helped to transform the basic human development services such as primary healthcare, education, safe drinking water, among others (ISSER, 2003: 1-5). If there were any other benefits from the HIPC beyond the old story of macroeconomic stability, Ghanaians were yet to be told.

By 2004, it had become apparent to Ghanaians that the HIPC was not different from the SAP - the SAP was its forerunner. As the electioneering heated up, the old defence of SAP was loudly repeated for the HIPC. Reminiscent of the pre-2000 opposition campaign against the incumbent, the NDC argued that the much praised macroeconomic ‘successes’ by the NPP government and its financial donors were actually a mirage because the economic miracle did not reflect in comparative increases in living standards of the ordinary citizen. The NPP, after all, lacked the wherewithal to lead the country out of the economic encumbrance – the more
HIPC relieved Ghana of her debts, the more it created new ones (The Democrat, 2004: 1).

The Centre for Democratic Development (CDD) Afrobarometer survey in 2002 illustrates a generic picture of widespread impoverishment. A staggering cumulative total of 85% of respondents in the survey rated their living conditions as being worse off than before the last election of 2000 (CDD, 2002: 16-31). The electorate respondents identified unemployment, poverty and destitution as the most pressing economic issues that needed urgent government attention. The NPP’s government received low rating for its handling of job creation and ensuring that people had enough to eat (CDD 2002:23-24). A 65% of majority of respondents in the 2002 survey further chastised the NPP government’s economic liberalisation policy, favouring an imposition of tariffs on all imported goods (CDD 2002: 29). Indeed, economic deterioration characterized the first half of the NPP’s first term in office. Over three in five Ghanaians (63%) in the 2002 survey thought that the national economy was in bad shape. Close to two-thirds (65%) of respondents in the 2002 CDD survey described their present living conditions as bad and about 10% reported no improvement in their living standards. These were the realities on the ground by 2002. The disturbing economic conditions were a stinging reminder to the NPP government that it had failed to bring positive change to the economy and people were worse off than they were before the last election3.

The fear of losing the 2004 elections forced the NPP to make concessions. The regime’s response to the electorate’s agitation for improved conditions was reminiscent of pre-election year NDC campaign tactics. The HIPC funds were utilized to serve the incumbent’s re-election campaign strategy4. Under the guise of poverty reduction, national, regional and grassroots government agents supervised the distribution of the Social Investment Fund (SIF) to fishermen and petty traders in the Central, Greater Accra and Western regions of coastal Ghana that were known to be NPP supporters (see endnotes 4). The Presidential Special Initiatives (PSI) on salt, cassava, cotton, textiles, sorghum, oil palm and the mass cocoa spraying exercise embarked upon by the NPP yielded legions of temporary jobs for mostly young people, particularly the party faithful.
TABLE 5: Voters’ Rating of the Economy in 2004

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Good</td>
<td>407</td>
<td>8.1</td>
<td>8.2</td>
<td>8.2</td>
</tr>
<tr>
<td>Good</td>
<td>1900</td>
<td>38.0</td>
<td>38.2</td>
<td>46.4</td>
</tr>
<tr>
<td>Bad</td>
<td>1096</td>
<td>21.9</td>
<td>22.0</td>
<td>68.4</td>
</tr>
<tr>
<td>Very Bad</td>
<td>868</td>
<td>17.4</td>
<td>17.4</td>
<td>85.8</td>
</tr>
<tr>
<td>Neither Good nor Bad</td>
<td>565</td>
<td>11.3</td>
<td>11.4</td>
<td>97.2</td>
</tr>
<tr>
<td>Don’t Know (DNK)</td>
<td>139</td>
<td>2.8</td>
<td>2.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>4975</td>
<td>99.5</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>Missing</td>
<td>25</td>
<td>.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>5000</td>
<td>100</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Department of Political Science National Survey Data, 2004

TABLE 6: Voter’s Opinion on Major Economic Problems

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation</td>
<td>371</td>
<td>11.4</td>
<td>12.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Competition from sharp imports</td>
<td>171</td>
<td>3.4</td>
<td>3.6</td>
<td>15.6</td>
</tr>
<tr>
<td>High interest rates</td>
<td>226</td>
<td>4.6</td>
<td>4.8</td>
<td>20.4</td>
</tr>
<tr>
<td>Unemployment</td>
<td>2560</td>
<td>51.2</td>
<td>53.7</td>
<td>74.1</td>
</tr>
<tr>
<td>Lack of Private Investment</td>
<td>347</td>
<td>6.9</td>
<td>7.3</td>
<td>81.4</td>
</tr>
<tr>
<td>Depreciation of the Cedi</td>
<td>544</td>
<td>10.9</td>
<td>11.4</td>
<td>92.8</td>
</tr>
<tr>
<td>Poor Road Network</td>
<td>22</td>
<td>.4</td>
<td>.5</td>
<td>93.3</td>
</tr>
<tr>
<td>Lack of Financial Assistance</td>
<td>41</td>
<td>.8</td>
<td>.9</td>
<td>94.2</td>
</tr>
<tr>
<td>Bribery/Corruption</td>
<td>16</td>
<td>.3</td>
<td>.3</td>
<td>94.5</td>
</tr>
<tr>
<td>Lack of proper education</td>
<td>10</td>
<td>.2</td>
<td>.2</td>
<td>94.7</td>
</tr>
<tr>
<td>Don’t Know (DNK)</td>
<td>254</td>
<td>5.1</td>
<td>5.3</td>
<td>100</td>
</tr>
<tr>
<td>Missing</td>
<td>235</td>
<td>4.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total (N)</td>
<td>5,000</td>
<td>100</td>
<td>100</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Department of Political Science National Survey Data, 2004

While recognizing the limited opportunities created by the pursuit of the HIPC initiative, the benefits were not sustainable. The PSI and SIF targeted pro-NPP functionaries rather than a national constituency for poverty reduction (see endnotes 4). But the effect of the distribution of the benefits on the incumbent’s re-election cannot be underestimated (CDD 2005:23-35; Department of Political Science 2004). Overall rating of the
incumbent’s economic performance by 2004 had improved. In developing
countries whose economies are undergoing restructuring, government
economic policies would only result in marginal improvement rather
than dramatic changes in citizens’ living standard over a period of four
years. Therefore the 46.4% of those who reckoned that the government’s
economic performance was positive cannot be discounted. If the error
margin is put at 3.3% (considering missing information and “do not
know” responses), about half of respondents in the national survey ap-
peared satisfied with the incumbent’s economic performance (see Table
5).

The positive trend in voters’ perception of relative improvements in
the economy in urban and peri-urban constituencies are captured in con-
stituencies such as Okaikoi South (64.2%); Dome-Kwabenya (46.3%);
Nkawkaw (67%); Bolga (30%) and Ellemelle (42%). An important di-
mension of the Department of Political Science’s pre-election survey is
that most voters who recognized persistent difficulty in the economy,
particularly unemployment (see Table 6), might have been swayed by the
marginal improvement in their living standards to vote for the NPP in the
2004 elections. For instance, those who voted for the NPP in Ledzokuku,
21% and 40% indicated that their household living standard had im-
proved much better and a little better, respectively. Similarly, in Okaikoi
South, just 15.2% in the post-election survey admitted much improve-
ment in their household living standard while 73.5% indicated that it was
a little better. Even in Dome-Kwabenya where only 29.5% had experi-
enced some improvement in their living conditions, 62% voted for the
NPP because of the conviction that it possesses good (economic) policies
to develop the country (55%) (Ninsin 2006: 194).

A high rating for the incumbent’s performance was more succinctly
acknowledged in most rural constituencies: Even in traditional anti-NPP
areas in Upper West such as Bolga, the presidential election results indi-
cated, NPP (46%) and NDC (33%); Bongo, NPP (56%) and NDC (41%). Of
these, 65% (Bolga) and 68% (Bongo) said in response to why they voted
for the NPP that ‘it has good (economic) policies to develop the country’
(see Essuman-Johnson 2006: 51). Also, there seemed to be a strong point
in the argument deduced from Table 6 that voters agreed to a significant
reduction in poverty and corruption. A minority mentioned the preva-
lence of bribery, lack of proper education and financial assistance, and poor road network as problems. For the majority, these were no more the election issues because they had been addressed by the government’s prudent economic policies (see Table 5).

It is arguable therefore that those who witnessed a marginal improvement in their living standards expressed their appreciation to the NPP by voting to retain the government. Hence in the constituencies where the NPP’s economic distribution was effective, the beneficiaries reciprocated the gesture in the same magnitude. For instance, of the 70% in the Komenda-Edina-Eguafo-Abrew (KEEA) constituency that said they voted for the NPP, 60% maintained that the party had good economic policies to improve their lives. In Gomoa, a close to half (48.7%) of the 60% that voted for the NPP appreciated its good policies for the country (Essuman-Johnson 2006:58-9). Consequently, the NPP 2004 election victory, securing a 52.59% as against 46.41% by the NDC confirms the “psychology of economic voting” (Peffley, 1984: 275-294) in Ghanaian elections.

Conclusion: Lessons for Consolidating Democracy in Africa

The paper has drawn attention to important facets of democratization in Ghana and has singled out economic issues as important factors influencing regime change in Ghanaian politics. Lessons learnt include the following.

First, prospects for sustainable democracy in Ghana and Africa generally may depend, to a large extent, on the economic performance of the countries concerned. The dismal economic performance in the past was the underlying reason for the persistent political instability that held the clock of democratic progress back for several years. It is envisaged that prudent economic management that results in long-term economic growth is the likely antidote to the fragility of the democratic process in Africa. At the dawn of the 1990s most sub-Saharan African countries had suffered from long years of political instability due to economic crises. On the other hand, prevailing economic prosperity of a handful of countries, including Botswana and Mauritius was rewarded with democratic stability and progress (Van de Walle, 2004:29).
Second, although economic reform is not incongruous with democratization, only economic reform policies that radically transform the lives of the population promote sustainable democratization in developing countries. In Ghana, as in other African countries, the pursuit of patronage and distribution of state largesse to incumbent’s clientele in election-year campaigns rather than economic development through the instrumentality of the ERP/SAP/HIPC are responsible for the relative level of democratic development. Hence, the early euphoria about economic prosperity under democratically elected government degenerated into pessimism when the NDC and NPP governments failed to bring about real economic growth and development. Arguably, the greatest threats to democratic consolidation in Ghana and Africa as a whole are the prevailing high levels of poverty, disease, squalor and deprivation, debt accumulation and rising cost of living.

Third, in another sense, regime changes in a democratic dispensation will persistently coalesce around economic issues. Incumbents and opposition parties’ ability to win elections will largely depend on improvements in the economic well-being of the citizens – job creation, infrastructural development, salary increases, etc. A regime with the most promising economic package has a higher chance of winning elections than the one that pursues policies that erode the electorate’s economic power. On the other hand, bad economic conditions, deprivation and abject poverty may serve over time to run down governments’ legitimacy and fuel popular perception that their leaders will not be able to promote their economic well-being (Bratton and Van de Walle, 1997:133). The reaction of citizens will be a declaration of ‘no confidence’ in the government through the ballot box as was the case in 2000 in Ghana.
Endnotes

1. The paper combines desk research with data drawn from three (3) rounds of election surveys carried by the Department of Political Science, University of Ghana in the periods, 1996, 2000 and 2004. The research design used in the surveys included face-to-face interviews with voters, candidates and party officials selected through both the random and purposive sampling methods. These were selected from several constituencies across all the ten regions in Ghana: and reflected geographical, ethnic and demographic characteristics of the voting population. The largeness of the sample size: 100 questionnaire each for the pre and post-election surveys in each of the 20 selected constituencies in 1996, 40 constituencies for 2000 and 50 constituencies for 2004 elections made the sample detailed. Core questions sought voters’ opinions on a wide range of political, governance, development, particularly economic and living standard issues of voters.

2. Voters were aware of the effect of external shocks such as oil price hikes, drops in international prices for cocoa and gold (backbone of the economy) on the local economy. In spite of these unforseeable circumstances, voters’ assessment of the NDC indicates that they still expected prudent management of the economy by the incumbent.

3. For the NDC critique of the NPP economic performance, see, “Economic Condition is a Threat”, Ghanaian Chronicle Monday October 24, 2004. See also the Palaver Wednesday November 10, 2004: 1, “Listen to President Kufuor: Hwe Wasetena Mu” which replayed Kufuor’s 1996 elections’ campaign message to the voters.

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