



Despite Reforms, Dissatisfaction Persists with Economic Conditions in Ghana

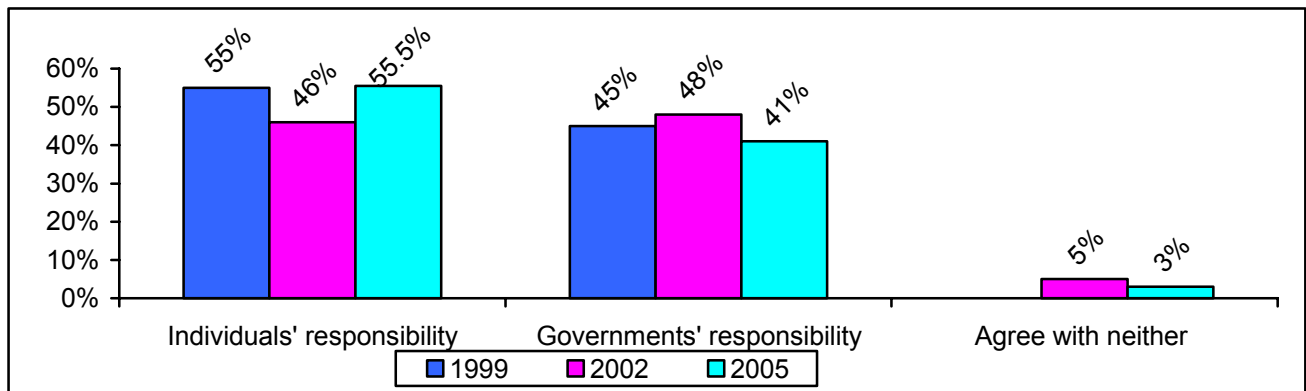
Ghana began implementing neo-liberal economic reforms in the mid 1980s under the quasi-military Provisional National Defense Council (PNDC) administration led by Flight Lieutenant Jerry John Rawlings. The two administrations of Ghana's Fourth Republic - the democratically elected Rawlings-National Democratic Congress (NDC) and its successor, the John Kufuor-New Patriotic Party (NPP) – have continued to pursue the same broad program of market-oriented reforms.

An Afrobarometer Round 3 survey of March 2005 ascertained public opinion in Ghana on economic liberalization and its perceived impacts. This report gauges prospects for the sustainability of the country's economic reform program. Details on survey sponsorship and methods are provided at the end.

Broad acceptance of market reform principles

To begin with, Ghanaians evince an attitude of individual self-reliance: over half of respondents (55 percent in 2005) believe that individuals should take primary responsibility for looking after themselves and ensuring their own success in life (1999 figure: also 55 percent; 2002 figure: 46 percent). A sizeable minority (41 percent), though, thinks government should bear the main responsibility for the wellbeing of people (1999 figure 45 percent; 2002 figure 48 percent).

Figure 1: Ghanaians evince an attitude of individual self-reliance.



Ghanaians also accept the principle of market pricing, even for some socially sensitive goods and services. For example, over two thirds (73 percent) of respondents believe it is better to pay school fees in order to raise educational standards than for children to have access to low quality free education.

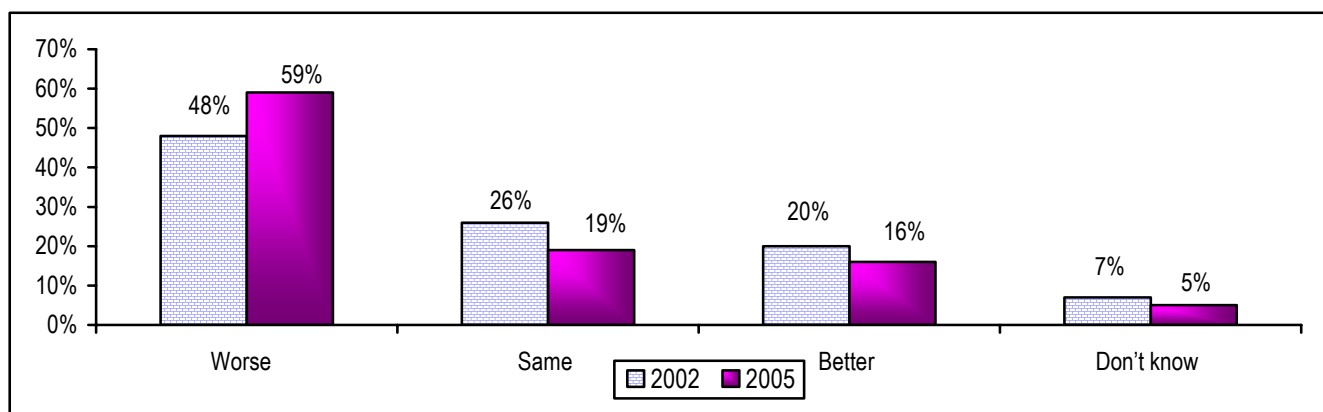
However, there is strong opposition to public sector job retrenchment. A large proportion of respondents (78 percent) believe that it is better for all civil servants to keep their jobs even if paying their salaries is costly to the nation.

Overall, though, a majority of Ghanaians support the idea of economic adjustment. Close to two-thirds (64 percent) of all adults interviewed believe that, for the economy to improve, it is necessary for them to continue to accept some hardships in the short term.

Negative assessments of the impact of liberal economic reforms

In practice, however, Ghanaians offer a generally negative assessment of the record of recent economic performance. The survey asked citizens to assess whether specific aspects of the economy are better or worse than a few years ago, or whether these aspects have remained the same. Nearly three out of five (59 percent) feel that market reform has worsened the gap between the rich and the poor over the years; only 20 percent hold contrary views. Importantly, the proportion perceiving increasing economic inequality has jumped up by eleven percentage points over the last three years.

Figure 2: Gap between rich and poor



In addition, over a quarter of adult Ghanaians (26 percent) consider that the availability of consumer goods is worse now than before. This also represents an increase in negative perception of goods availability over 2002 when the figure was only 17 percent.

The people's verdict on living standards compared to twelve months ago also shows a decline: over half (52 percent) think there has been a decline in their standards of living. Note that this is worse than the figure recorded in 2002 in Round 2 (39 percent). Only a quarter (27 percent) think living standards have improved (2002 figure: 35 percent). These views may well underscore popular frustration with economic reform.

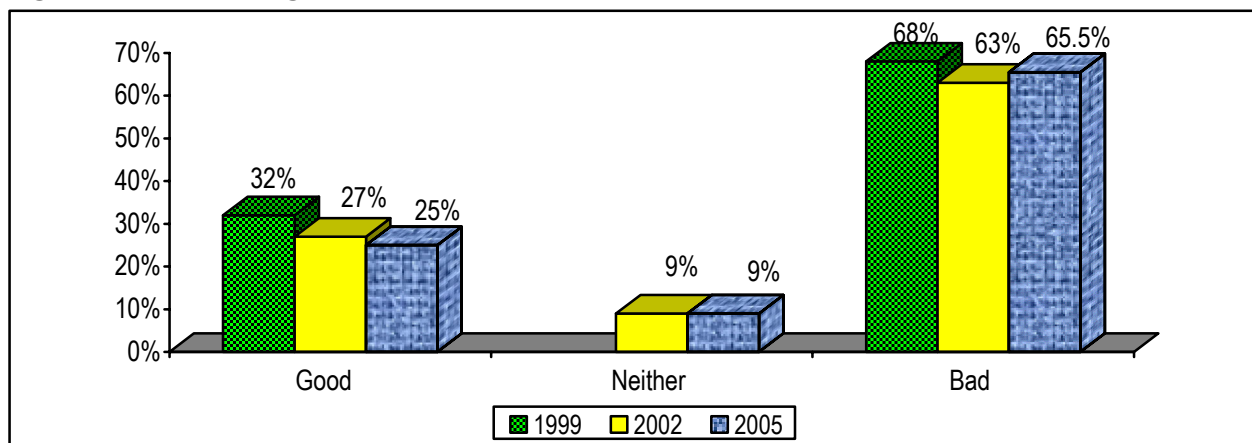
Asked to describe the present economic condition of the country and their own present living conditions, respondents described these conditions in largely negative terms. Over three in five Ghanaians (63 percent) think the national economy is in bad shape (1999 figure: 66 percent; 2002 figure: 59 percent). Close to two-thirds (65 percent) describe their present personal living conditions as bad and only one quarter report them as good (25 percent). These perceptions are quite similar to those prevailing in 1999 and 2002.

Asked to rate their own living conditions compared to those of other Ghanaians, close to half (48 percent) describe these as worse than other Ghanaians, nearly a fifth (19 percent) report "the same", and a little over a quarter (27 percent) say their living conditions are better than others.

Ghanaian expectations of future economic conditions (in twelve months time) are also falling. Respondents are generally pessimistic about the economy's prospects. Some 44 percent of respondents expect economic conditions to be better, but that is a significant drop from the 2002 figure (61 percent). However, 26 percent of respondents expect things to get worse, which is much higher than the 2002

figure (12 percent). One in five respondents (20 percent) say they do not know how economic conditions will evolve (2002 figure: 17 percent) while 9 percent expect things to stay the same (2002 figure: 11 percent)

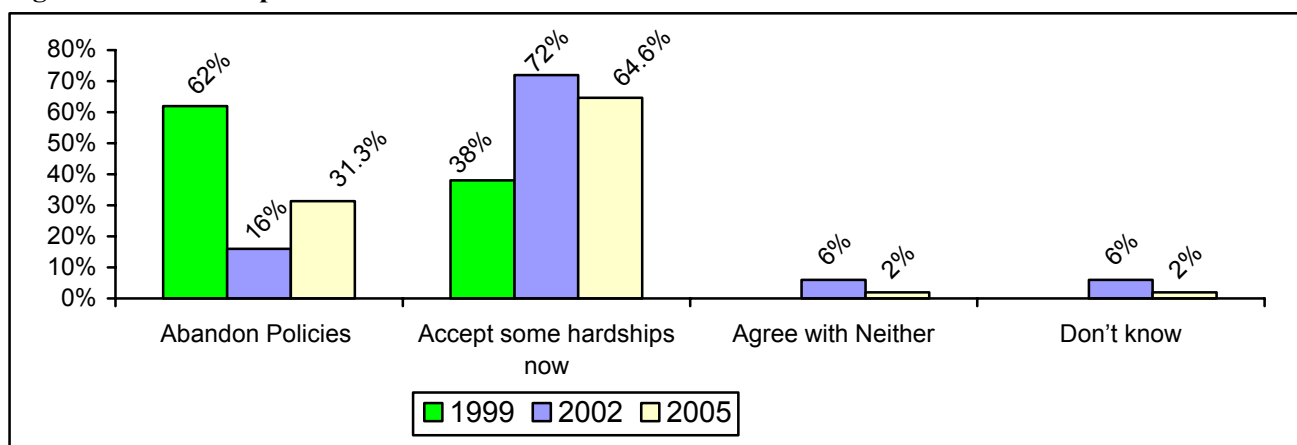
Figure 3: Present living conditions



Ghanaians are also growing less sanguine about improvements in their personal living conditions in the near future. It is true that close to half (48 percent) of respondents expect living conditions to get better as opposed to only about a quarter (24 percent) that expects conditions to get worse. But the 2005 figure represents a significant drop in economic optimism from the 2002 figure (64 percent).

No wonder popular patience with economic reform appears to be waning. The proportion willing to stick with adjustment reforms, which nearly doubled between Round 1 and 2 (the 1999 figure was 38 percent; the 2002 figure was 72 percent), is now beginning to decline. The public's acceptance of market principles that was noted at the beginning of the report, is now inflected with reemerging "adjustment fatigue." Indeed, there has been a phenomenal increase in the number of respondents who want economic reform policies to be abandoned altogether. This statistic recorded a whopping 100 percent increase (from 16 to 32 percent) between 2002 and 2005 (though it is still lower than the 1999 figure of 62 percent).

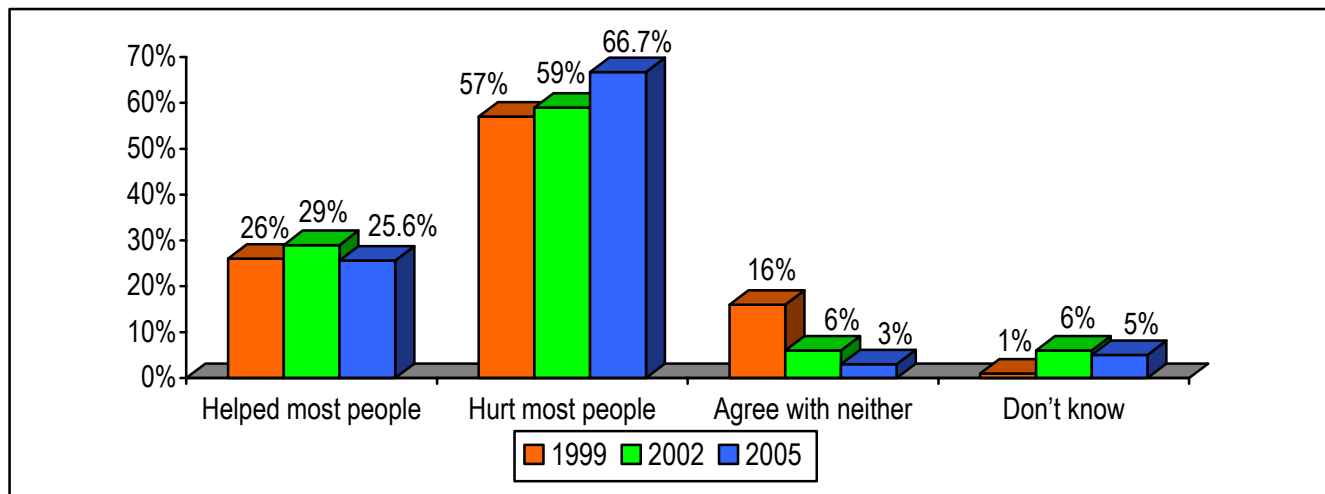
Figure 4: Economic patience



Rising popular frustration with liberal economic reforms is also confirmed by the steady increase from Round 1 to 3 in the number of respondents who consider that current economic policies have hurt more people than they have helped. A significant majority of Ghanaians (66 percent) now "agree" or "agree

very strongly” with the proposition that “government economic policies have hurt most people and benefited only a few.” The figures for 1999 and 2002 were 57 and 59 percent respectively.

Figure 5: Impact of government economic policies



Factors underlying popular frustration with economic reform

According to the 2005 Afrobarometer survey, Ghanaians have experienced recent piecemeal improvements in material wellbeing, for example in access to clean water and medical care. The proportions reporting that their households “went without” clean water and medical care, for example, declined by six and ten percentage points respectively between 2002 and 2005.

Nevertheless, Ghanaians continue to experience high levels of deprivation. Many still report that their households cannot afford basic necessities like food, water and health care. In 2005, 45 percent of respondents said that they or their family members went without medical attention at some point during the past year; 37 percent reportedly went without water; 36 percent sometimes went without food.

Levels of deprivation are generally higher in the northern zone of the country. Nearly half (45 percent) of respondents in the Upper East Region and over a third (34 percent) of respondents in the Northern Region reported having gone without food “several” times or more during the past year. A little over a quarter of respondents in the Central and Volta Regions (26 percent each) reported such common food shortages. These findings closely mirror the regions’ placement on the national poverty classification.

There was also a sharp increase between 2002 and 2005 – from 68 to 73 percent – in the proportion who reported going without a cash income. It is a measure of the depth of unemployment that a significant proportion of respondents reported not having jobs that pay cash income. Nearly half (44 percent) of respondents, including the self employed, said they had a full-time job. But about half of this group was still looking for better jobs.

Ghanaians also perceive growing unemployment, with over half (56 percent) reckoning that the availability of job opportunities has worsened as compared to what it was a few years ago. The Afrobarometer Round 2 figure was 46 percent, indicating an increasingly desperate job situation.

As a result, unemployment remains atop the nation’s most pressing economic problems. On the list of problems Ghanaians want their government to tackle, job creation remains first at 22 percent (2002 figure: 34 percent). Concerns with education (14 percent) and health (4 percent) are also prominent (2002 figures: 14 percent and 10 percent respectively).

Figure 6: Ghanaians lack jobs that pay cash income

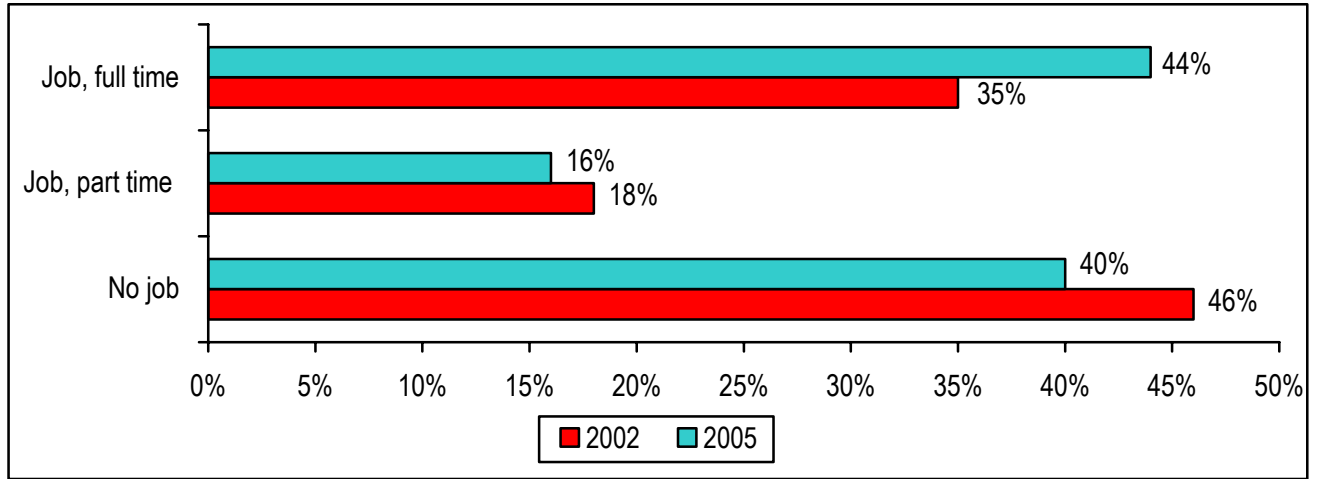


Figure 7: Perceived trends in unemployment

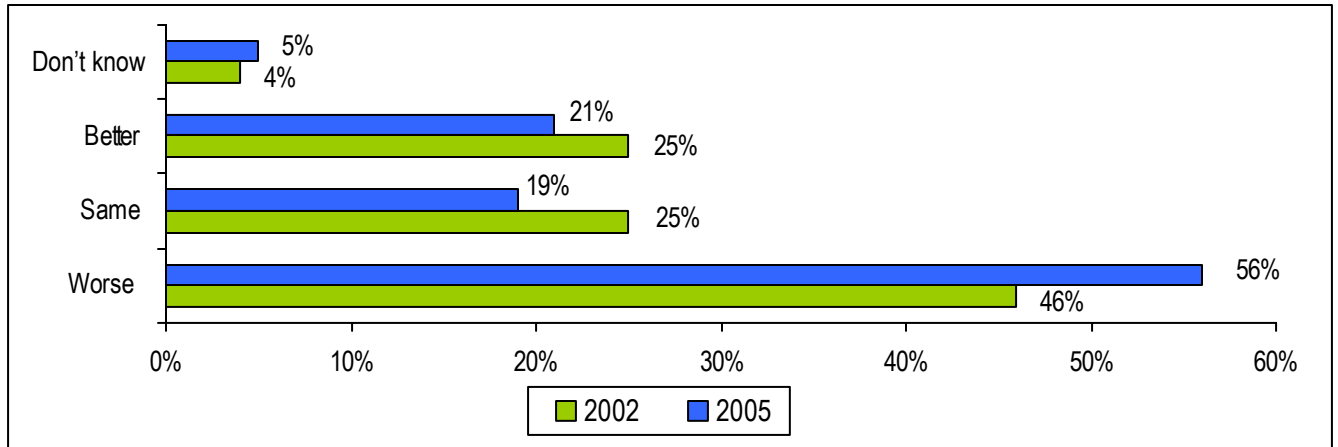
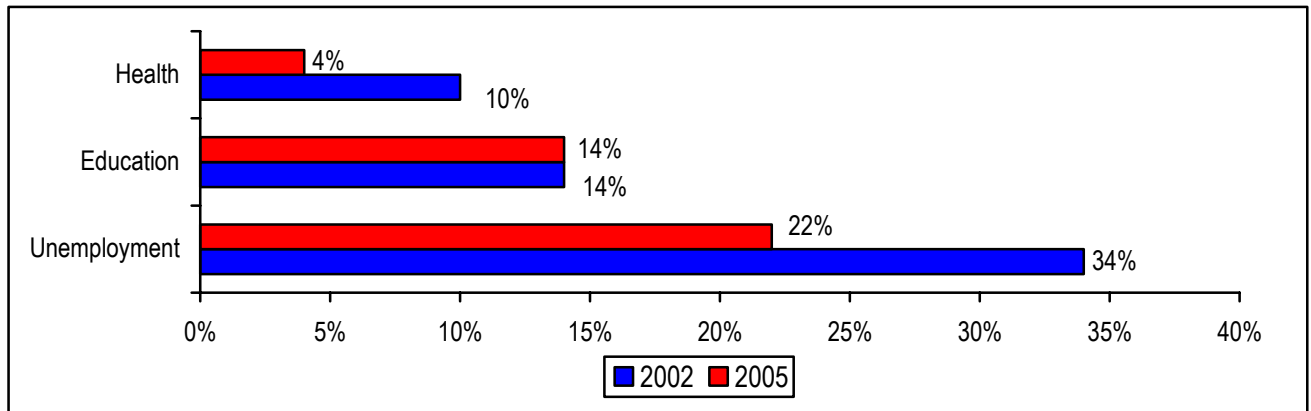
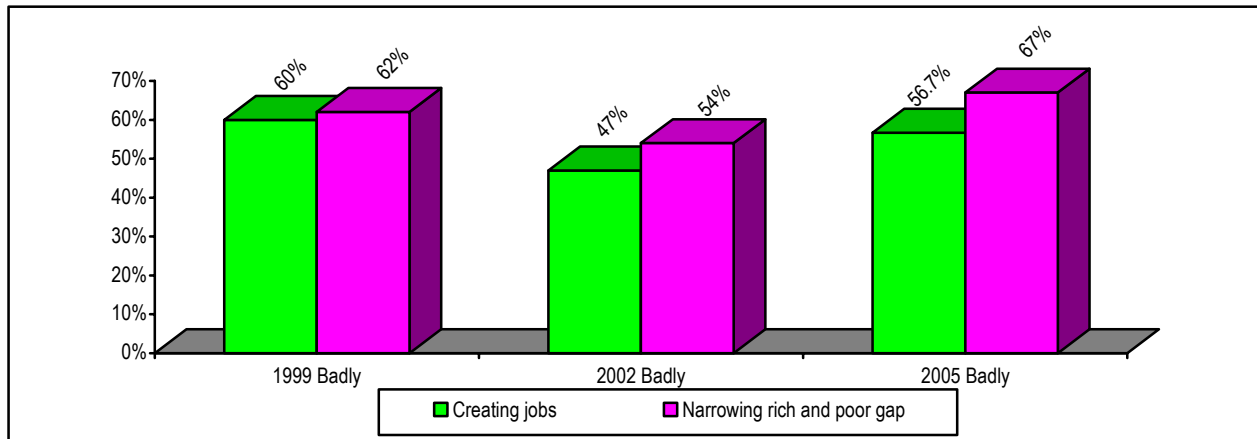


Figure 8: Top problems that Ghanaians expect government to address



Against a background of massive demand for jobs, it is noteworthy the Kufuor (NPP) administration gets a negative performance rating for job creation. In 2005, some 56 percent rate the government as doing “fairly badly” or “very badly” on employment generation (up from 47 percent in 2002). Its record in this regard does not, however, match its worst rating, that is, on narrowing the gap between the rich and the poor (67 percent in 2005, up from 54 percent in 2002).

Figure 9: Performance ratings of Kufuor (NPP) administration



Conclusion

Afrobarometer Round 3 findings confirm that the idea of a market economy continues to enjoy broad notional support among Ghanaians. But it also shows that popular assessment of the actual impact of neo-liberal economic reforms is generally negative, popular frustration with economic reforms is growing, and public support for the reforms is waning. Thus, the apparent failure of reforms to generate employment and foster popular welfare raises serious concerns about their long-term sustainability.

Three rounds of Afrobarometer surveys have been conducted in Ghana since August 1999. Rounds 2 and 3 took place in September 1992 and March 2005 respectively. Each Afrobarometer survey selects a nationally representative, randomly stratified, probability sample of citizens of voting age (18 years and above) and administers face-to-face interviews. The Afrobarometer instrument asks a standard set of questions from one round to another so that trends in public opinion can be tracked over time. Samples consisted of 1,200 respondents in each survey (1,199 in Round 3).

Round 3 interviews were conducted in all ten regions of the country and in both urban (47 percent) and rural (53 percent) areas. Respondents could choose to answer in any of the six predominant languages spoken in the country - Akan, Ewe, Ga/Adangbe, Dagbani, Hausa and English. Using the Ghana 2000 census data in March 2005, enumeration areas were randomly selected with the probability proportionate to its size in the overall population. Random procedures were also used to select households and respondents, though a gender quota was introduced at the last stage of sampling to ensure an equal representation of men and women. Every eligible adult in Ghana thus had an equal and know chance of being selected. As such, results can be generalized to the voting-age population of Ghana with a margin of error of plus or minus 2.5 percent at a confidence level of 95 percent.

The Afrobarometer is produced collaboratively by social scientists from 18 African countries. Coordination is provided by the Institute for Democracy in South Africa (Idasa), the Center for Democratic Development (CDD-Ghana) and Michigan State University. Several donors support the Afrobarometer’s research, capacity-building and outreach activities, including the Swedish International Development Cooperation Agency, the Netherlands Ministry of Foreign Affairs, the U.S. Agency for International Development, the Danish Ministry of Foreign Affairs, and the Department of International Development (UK). For more information: www.afrobarometer.org