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*A dynamic mapping of the political settlement in Ghana.*¹

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¹ This paper is intended to act as a conceptual bridge between the historical treatment of politics and development in Ghana (see CDD-Ghana, 2013a) and ESID's forthcoming primary investigations into the politics of particular sectors (e.g. education, oil) and domains (e.g. gender relations, spatial inequality).

Abstract

Ghana displays a number of features of democratic institutionalization and is considered a success story of democratic transformation in Africa. This paper examines the quality of Ghana's political transformation and the nature of its institutions. It seeks to identify the driving power relations and 'ideas' which are shaping Ghana's political and economic development. Following Levy (2012), this involves first framing Ghana as a particular type of competitive clientelist political settlement. The paper also brings agency to the fore by identifying the key actors and members of the ruling coalition that reproduce the political settlement. The final section presents some hypotheses concerning the direct influence of the political settlement on development in Ghana now and in the future. It concludes that in the short- to medium-term Ghana's democratic politics and development will continue to be informed and shaped by a competitive clientelist electoral politics. In the medium- to long-term, however, with the increasingly competitive nature of elections and the continuous expansion of the public space, the character of the political settlement in Ghana will create the incentive structure for the ruling coalition to adopt sustainable policies and strategies towards inclusive development.

Keywords: Ghana; political settlement; democracy; institutions; inclusive development

LIST OF ABBREVIATIONS

CCT	Coalition of Concern Teachers
CSO	Civil Society Organization
DCE	District Chief Executive
ESID	Effective States and Inclusive Development
GBA	Ghana Bar Association
GCCI	Ghana Chamber of Commerce and Industry
GCM	Ghana Chamber of Mines
GEA	Ghana Employers Association
GMA	Ghana Medical Association
GNAT	Ghana National Association of Teachers
GNUPS	Ghana National Union of Polytechnic Students
IPAC	Inter-Party Advisory Council
NAGRAT	National Association of Graduate Teachers
NDC	National Democratic Congress
NPP	New Patriotic Party
NUGS	National Union of Ghana Students
PNDC	Provisional National Defence Council
SME	Small-Scale and Medium Enterprises
TUC	Trades Union Congress
USAG	University Students Association of Ghana

1. Introduction

Ghana is considered to be one of the most successful stories of Africa's recent democratic transformation (see Throup, 2011; Abdulai and Crawford, 2010; Gyimah-Boadi, 2008, 2009a; Whitfield, 2009). With the restoration of constitutional rule in 1993, the country has held six relatively peaceful and credible multi-party elections. During this period, it has, on two occasions, experienced the rare peaceful transfer of political power from one party to the other in 2000/2001 and 2008/2009, thereby meeting Huntington's (1991) two-turnover test. Ghana has an active legislature with the key presence of a strong and credible political opposition; an independent judiciary; a growing free and vibrant media providing ample coverage of public affairs and fierce debate on political issues; as well as a relatively assertive civil society (Gyimah-Boadi and Prempeh, 2012; Carbone, 2012; Amoako, 2008a). These underlying features exemplify a deepening democratic institutionalization. To be sure, for Ghana, unlike many struggling democracies in Africa, the ballot box, the court of public opinion, and the courts of law have gained popular and elite acceptance as legitimate avenues for settling differences between contending political factions (Gyimah-Boadi and Prempeh, 2012: 95; Abdulai and Crawford, 2010).

Yet, notwithstanding this noted progress, questions remain about the quality of Ghana's recent political transformation and the nature of the country's democratic institutionalization. In a region where good governance, ingrained democratic practices, and sustainable growth are in short supply, Throup (2011) observes that it is tempting to be swept along by Ghana's success story. Ghana, however, in the view of some analysts, continues to represent at best a tentative democratic showcase. The country's democratic politics has been described as a competitive clientelist³ political settlement (Whitfield, 2011a). While democratization might have been expected to counter the developmental disparities that pre-existed it, critics argue that this clientelist political settlement has prevented Ghana from turning growth into structural transformation (Whitfield, 2011b) and challenging deep regional inequalities (CDD-Ghana, 2013a).

From this more critical reading, the competitive two-party system reflects a growing political polarization, which is both shaped by and sustains a patronage system that has penetrated all levels of government and which undermines the nation's already weak institutions (Throup, 2011). There remain significant formal and substantive deficits in the country's governance arrangement, including constitutional arrangements characterized by excessive presidentialism, weak checks and

³ Clientelism is characterized by a reciprocal relationship between a 'patron' (usually a politician) who promises to distribute public resources in favor of the 'client' (i.e. the businessman, ethnic group, party supporter, or citizen) if he or she is given control of those resources by being elected or appointed (Asante, 2012). In a very informative analysis, Kobina (2012) defines competitive clientelism as the use of electoral competition as a vehicle to gain control of the realms of state and then distribute patronage to the rank and file of ruling coalition(s).

balances, and lack of effective devolution of authority to democratic local government (Booth *et al.*, 2005). It is particularly worrying that, in spite of the increasing progress in economic growth in the last two decades, Ghana has seen little structural transformation in the productive structure of its economy (see Whitfield, 2011b; Fox *et al.*, 2011). It is therefore up for debate as to whether Ghana is on track to achieve increasingly higher levels of political, social and economic development, or whether it has merely achieved a worthwhile economic recovery and a measure of political stability within a dysfunctional context that presents structural obstacles to further progress (Booth *et al.*, 2005).

This paper engages directly with this debate by seeking to identify the driving power relations and 'ideas' which are shaping Ghana's political and economic development. Following Levy (2012), this involves first framing Ghana as a particular type of competitive clientelist political settlement. The paper further discusses the role of ideas in shaping the politics of development in Ghana, and also brings agency more directly to the fore by identifying the key actors and members of the ruling coalition that reproduces the political settlement. The final section presents some hypotheses concerning the direct influence of the political settlement on development in Ghana now and in the future.

2. Ghana: between liberal democratic success story and a competitive clientelist political settlement?

The competitive democratic life experienced during the last 20 years in Ghana has been mostly expressed and mediated through the activities of political parties and the political elites. Since Ghana's return to democracy, political parties have become the vehicle through which both political elites and individual voters have pursued their democratic objectives (Gyimah-Boadi and Debrah, 2008; Morrison, 2004). The country has settled into a consolidating competitive *de facto* two-party political system (Daddieh and Bob-Milliar, 2013). The presently governing National Democratic Congress (NDC) and the opposition New Patriotic Party (NPP) have become two of the country's dominant political parties (Daddieh and Bob-Milliar, 2013; Gyimah-Boadi and Prempeh, 2012). Both have competed for power and have each won and lost power (Whitfield, 2009.⁴ Indeed, between them they command over 90% of the electoral votes, sustaining the *de facto* two-party system (Bob-Milliar, 2011: 7; see also Kopecky, 2011). Although there has been some evidence of vote-rigging in recent elections (Jockers *et al.*, 2009), it is widely accepted that Ghana has managed to stage largely free and fair elections, providing evidence that it has moved from a personalized electoral process to one that is largely impersonalized (Levy, 2012).

This reflects a growing sense of constitutionalism in Ghana, whereby there is both an elite and popular consensus concerning the need to work within the framework of the

⁴ The NDC won the 1992, 1996, 2008 and the recent 2012 elections, while the NPP won the 2000 and 2004 elections.

1992 Constitution as the basis for democracy and good governance. For many Ghanaians the Constitution has become a normative point of reference (Gyimah-Boadi, 2010b; Prempeh, 2010; Saffu, 2007), as illustrated by the use of the law courts, rather than extrajudicial means, to litigate the outcome of the 2012 presidential elections. There is also a strong popular commitment to democracy in Ghana that has persisted through poor economic conditions (CDD-Ghana, 2005a). Various rounds of Afrobarometer surveys (1-5) have consistently shown that an overwhelming majority (nearly 8 out of 10) of Ghanaians want to live in a democracy, are largely satisfied with the way it is functioning in Ghana and have patience with the system.

Unlike in the past when governments were changed through the use of violence, the common refrain in Ghana now is that the power to make and unmake governments resides in the thumb of individual voters (Boafo-Arthur, 2008). A notable consensus regarding the role of the military in Ghanaian politics has emerged, whereby public support for the military to play a prominent political role has waned considerably (Afrobarometer, 2008). There is now a strong popular sense that even an imperfect civil administration offers a better guarantee of people's liberties than would a military regime (Boafo-Arthur, 2008). The Ghanaian state, under the framework of the current democratic governance, is more stable today than at any time in the country's history. Although it must be noted that the intensity of multi-partyism and its 'winner-takes-all' form has the potential to undermine Ghana's political stability, especially during elections, it is more important to stress, as Throup has, that "when all is on the line, many Ghanaians would stop at nothing to protect the stability and the integrity of their country" (2011: 14).

The emergence of a broad elite consensus to seek power only through competitive democratic multi-party elections, and of popular citizen's support for democracy, was a hard-won process which took many years and much manoeuvring during the 1990s. Critical events and processes here included not only the process of establishing the 1992 Constitution but also the role of the Inter Party Advisory Council (IPAC) in setting and deepening the rules of engagement amongst political organizations (see CDD-Ghana, 2013a). Multi-party competition for power has thus become normalised, and provided elites with the platform to compete for citizen's votes to form a government on the basis of different visions of suitable public programmes. Political parties have given a boost to the country's democratization process (see Gyimah-Boadi and Debrah, 2008), providing a platform for citizens to exercise their franchise in electing political leaders.

The fact that no significant political group has seriously attempted to overthrow the democratic regime since 1992 is testament to the strength of the country's competitive political process and elite consensus on democracy (Abdulai and Crawford, 2010). Even when the NPP expressed dissatisfaction and rejected the results of the recently held 2012 presidential elections, it chose to contest the result via a constitutional path through the courts rather than through adopting violent means as some had predicted. The progress made here has offered some the

confidence to argue that Ghana has now fostered a political culture underpinned by a liberal democratic philosophy at both elite and popular levels.

However, critics argue that the multi-party system in Ghana has become increasingly characterized by, and is further embedding, patron-client rather than democratic forms of politics within what Levy terms a 'competitive clientelist' settlement. Political party competition in Ghana's Fourth Republic has become increasingly intense (Fox *et al.*, 2011; Whitfield, 2009). Particularly since the 2000s, elections have been highly contested, with the two main parties having each won and lost elections by the narrowest of margins, and in some instances have necessitated two rounds of polling to determine the winner⁵. Close observers suggest that the general level of elite consensus over the formal rules of the game concerning multi-party elections obscures a virulent level of contestation for power behind the scenes, whereby an increasingly defining feature of the Ghanaian two-party political system is the growing elite competition for power and the high tendency for inter-elite factionalism (Whitfield, 2011a; Bob-Milliar, 2012).

Power in Ghana's two main political parties is concentrated in the party hierarchy, membership of which offers access to rents and widespread patronage opportunities and networks (Bob-Milliar, 2012: 597). As a result, intense intra-party competition has characterized party leadership contests in the two main parties, often triggering the coalescing of elites and grassroots interests, actors and players behind certain individuals (Bob-Milliar, 2012: 574). This intensely competitive elite struggle for political power and bloc forming has not only made parties and the ruling elite more vulnerable to clientelist interests, but also contributes to the ever growing level of political competition in the country (Daddieh and Bob-Milliar, 2012; Bob-Milliar and Bob-Milliar, 2010; Fobih, 2010).

The highly competitive nature of the country's electoral process, and the constitutionally imposed four year term limit, have combined to generate strong pressures for governing parties and elites to answer to the short-term socio-economic needs of voters and their supporters, and the needs of their own short-term political survival (Carbone, 2012, Whitfield, 2011a). This enduring political pressure has informed competitive patronage and clientelist-based politics, which sustain and underlie the policy choices and preferences of the ruling elites, as well as the interests of the ruling coalitions within the parties. As such, the degree of formalization now witnessed within the electoral process does not extend far beyond the actual mechanics of polling themselves. The underlying logic of a competitive clientelist political system is a structured mutual patron-client relationship. Indeed, this relationship has dominated the politics of developing countries everywhere in the world (Asante, 2012; van de Walle, 2009). The particular form of this relationship and resulting implications for politics and development, however, vary across different democratic systems.

⁵ The 2000 presidential elections went into a second round of voting, while the 2008 presidential elections was decided after three rounds of polling.

In Ghana for example, political parties, especially the two leading ones, have not only become election winning machines but have also strived to become sources of economic empowerment for their followers. The country's political system has developed into a source of patronage where parties provide job opportunities and in some cases cash to its "workers" or the more politically correct term party foot-soldiers⁶ in their bid to win election (Asante, 2012; CDD-Ghana, 2013a; Bob-Milliar, 2011). It must be noted that the patron-client political relations that characterize the Ghanaian political system are not new. This relationship has characterized Ghana's political development since independence, becoming more manifest during the advent of the Fourth Republic and then further intensifying during the last decade (CDD-Ghana, 2013a). For some observers, this suggests that competitive clientelism in Ghana (as elsewhere) derives its underpinning from deep structural roots. These include the failure to establish a formal economy large enough to displace the informal economy (Khan, 2010), universal public organisations unable to displace personalized and partial ones (North *et al.*, 2009) and the lack of programmatic forms of party politics to replace clientelist ones (Levy, 2012).

In such a political system party foot-soldiers expect to disproportionately benefit from the reallocation of public resources: higher ranking officials, such as party officials and financiers pursue rent-seeking and influence peddling, while the ruling party governs not in the national interest but in order to returning to power in the next election (see Kobina, 2012; van de Walle, 2009). Thus, the political strategy structures a rentier system of mutual expectation in which patrons distribute resources in return for political support. So for example, in Ghana, joining a political party has become a source of economic empowerment. It appears that not joining a party can lead to an individual being 'left behind' (CDD-Ghana, 2013a; Lindberg, 2003). The consolidation of patronage-driven politics, some analysts note, has skewed political incentives and government spending in favor of influential interest groups and public investment with short-term electoral pay-offs as opposed to investments in long-term and sustainable public goods delivery aimed at broad poverty alleviation (Prempeh and Kroon, 2012; Booth *et al.*, 2005).

Competition for rent through corruption has also become more pervasive. There is considerable corruption in Ghanaian public life. Rent seeking behavior, particularly among the country's ruling and bureaucratic elites, is pervasive. Contestation and acceptance of patronage in the public sector and state-owned enterprises has gained ground, becoming a central feature of the country's political economy (Gyimah-Boadi, 2010a). Patronage and the associated distribution of the spoils of state power have become the primary pay-off for campaign and party donors as well as a means of securing new financiers (Gyimah-Boadi and Prempeh, 2012: 101). This tendency has caused most Ghanaians to consider corruption to be the major factor that is holding

⁶ Bob-Milliar (2011: 10) for example, has noted that, "throughout the Fourth Republic, party foot-soldiers have demanded openly to be rewarded by their respective parties for their activism".

back the country's development (Gyimah-Boadi, 2009b). The public sector, which is supposed to serve as a vital agency driving sustainable developmental agenda, has also not witnessed any meaningful reform (Ohemeng, 2010, 2011; Ayee, 2001), and is thereby becoming another source of corrupt practices.

The popular support for democracy in Ghana, however, appears to be somewhat tempered with the seeming renewal of ethnic politics. The ethnicization of Ghanaian politics is considered to be a heavy burden on the country's ongoing democratization process (Jockers *et al.*, 2009). Indeed, despite a strong Ghanaian culture of frowning on ethnic appeals, ethnicity has remained salient and is growing in popular Ghanaian politics (see Hugh, 2003). An ethnic electoral pattern has emerged since 1992 (Fridy, 2007). Ethnic block voting has remained a concern, at least in the stronghold of the country's two major parties (Jockers *et al.*, 2009). The NDC and NPP are viewed by majority of Ghanaians as representing Ewe/Northerners and Asante interests respectively (Jockers *et al.*, 2009).

Whereas ethnic undertones and associated mobilization have surfaced during elections, which can be a threat to Ghana's political stability, ethno-territorial nationalist tendencies have, nevertheless, remained very low in Ghana. No ethnic group in Ghana has attempted to secede. The country has remained fairly united over the last five decades (notwithstanding persistent ethnic tensions and communal conflict). Consequently, unlike many states in Africa, the legitimacy and the territorial integrity of the Ghanaian state is unchallenged. Thus far, while ethnic divisions exist in Ghana, they do not seem likely to pose a threat to the country's unity and the stability of its democracy (Fox *et al.*, 2011: 8). Ghanaians now possess broad agreement about national identity, the type of government they want, who has the right to participate in political life, and how political differences can be resolved peacefully (Fox *et al.*, 2011).

The recent discovery of oil has exposed some regional grievances in Ghana for the first time in 50 years (Thrup, 2011: 9).⁷ For instance, the Afrobarometer Round 5 survey showed that a sizeable minority of Ghanaians (40%) generally favour the government pursuing development on the basis of resource endowment of regions by creating a fund dedicated to the development of regions with oil resource. This is, however, against a majority of respondents (53%) who are opposed to any kind of measures that allow for the government to pursue development on such basis (Afrobarometer, 2012). For Ghana, it remains to be seen whether oil will become an idiom for doing politics in an already existing political landscape of forces, identities and forms of power as Watts suggests (2004: 76). Thus, it will be interesting to track how the perceptions of Ghanaians regarding these findings change over time.

⁷ One could still point out past instances of grievances expressed by regional blocs, such as northern Ghana regarding inequality gap between the North and South of Ghana, and also pre-independence agitations from the Ashantis in respect of regional autonomy, which was largely underpinned by cocoa farmers' demand of some levels of control of cocoa prices.

Furthermore, the present elite consensus among the political parties towards the maintenance of the current political status quo (democratic governance), regardless of the increasingly negative impact of patron-client based politics, may be as a result of the opportunity it provides to gain power and access to state resources (Fox *et al.*, 2011: 25). There is equally a growing concern among Ghanaians and some political actors over the long-term instrumentality of the current patronage-based political system. Consequently, there is growing demand for public sector accountability reforms, the need to reform the country's constitution to reflect new governance and public management practices particularly limiting the excessive concentration of political power in the executive branch, and for a strengthening of the legislature and improving local governance.

Without a doubt, presently, the Ghanaian state remains essentially neo-patrimonial in character. However, there is also now a renewed growing recognition, interest and focus of public policy and action on issues of inclusive social development. Indeed, while clientelism and distributional politics remain rooted in the history and culture of Ghana, socially inclusive developmental politics – issues of education, health, gender and bridging the north–south development gap – has also increasingly become important in national politics. It could be argued that these fundamental policy issues have remained on the national radar for mainly electoral purposes and, perhaps, for the clientistic agenda. However, it is also true that they have, increasingly, become issues of genuine concerns for Ghanaians and gained national importance, requiring necessary attention.

The ambiguous politics of development in Ghana thus reflects a conflict between ideas and more material or instrumental interests. On the one hand there is strong support for democratic rule, constitutionalism and 'good governance' at both elite and popular levels, support that is further ideologically embedded in positive perceptions of Ghana as a viable and unified national entity. On the other hand, the incentives generated by a highly competitive 'winner-takes-all' political system within a still largely informal political economy setting (Khan, 2010) are increasingly leading to politics being practiced in highly instrumental ways as shaped by elite interests in maintaining power. The paper returns to the nature of this ambiguity in the concluding section.

3. The Ruling Coalition: mapping the key players

What, therefore, is the character of power relations that inform the politics of development in Ghana? What is the nature of relations between the ruling elites, ruling coalition and broader social groupings? How has this relationship constructed Ghana's political settlement⁸ during the past 20 years, which has produced a seemingly competitive democratic life today? Undoubtedly, the nature of these

⁸ Political settlement is defined here as 'the balance or distribution of power between contending social groups and social classes, on which any state is based' (Gutierrez, 2011).

relations, the dynamics associated with the relations and the disparities between countries of similar characteristics have effects on the decisions that are made by ruling elites, and thereby could explain the varying political and socio-economic development outcomes. The nature of these relations, embedded in existing political settlements of countries, determine how effective and accountable public authority evolves between the state and organized groups to the extent that where the incentives of those in positions of power and influence run counter to the interests of the wider public, the powerful resist changes that might deepen democracy and lead to improved delivery of public goods (DFID, 2010; DFID, 2011). Dogan and Higley (1998), similarly, stress the importance of these negotiations between elite leaders in the formation of regimes and national political histories by arguing that political elites have a large degree of autonomy in these processes.

Historically, the ruling elites⁹ in Ghana have consisted of leaders of political parties, owners of large business organisations, the top leadership of the military establishment, judiciary, legislature, the executive comprising the presidency and the council of state, the civil service, and the bureaucracy. These actors, it can be argued, have been primarily responsible for policy decision making in Ghana over the years, albeit with varying degrees of incentives and power. Beyond these actors are others such as the labour unions, mainly the Trades Union Congress (TUC), faith-based organisations and their leadership (by virtue of the role they play in complementing government efforts in the provision of basic services and also in terms of the moral authority they exert on their followers), donor and developmental partners (in their role as funders of government development projects), transnational actors (particularly those in the extractive industries), small and medium scale enterprise (SME) holders, local political business elites, small scale farmers, and civil society organisations (CSOs). These groups have broadly supported the ruling elite in decision making process and entrenched their hold of power. The CSO sector includes professional groups such as the Ghana Bar Association (GBA) and Ghana Medical Association (GMA), the Ghana National Association of Teachers (GNAT) and the National Association of Graduate Teachers (NAGRAT), students groups, women groups, and other marginalized or vulnerable bodies.

Some of these actors, particularly the CSOs, professional groups, business associations and development partners may not necessarily be factions within the ruling coalition but are critical actors in the decision making process. There are others, like foot-soldiers and various wings (youth, women) that represent factions in the ruling coalition and do have strong bargaining powers. For instance under the NPP government business associations and the media were considered powerful and had influence on the ruling elite¹⁰. Similarly under the NDC local foot-soldiers are

⁹ The set of actors whose contributions matter most and are often considered in policy formulation, implementation and other key decisions that affect the social, political and economic make-up of the country.

¹⁰ This was particularly so because the ideology of the NPP (property owning democracy and the promotion of rule of law) were favourable to these actors

increasingly becoming powerful, given the social democratic party's stronger basis amongst the masses.

Based on the above identification of key actors and groups with levels of influence in policy process, the present mapping of key actors in relation to the political settlement in Ghana can be represented in figure 1 as follows:

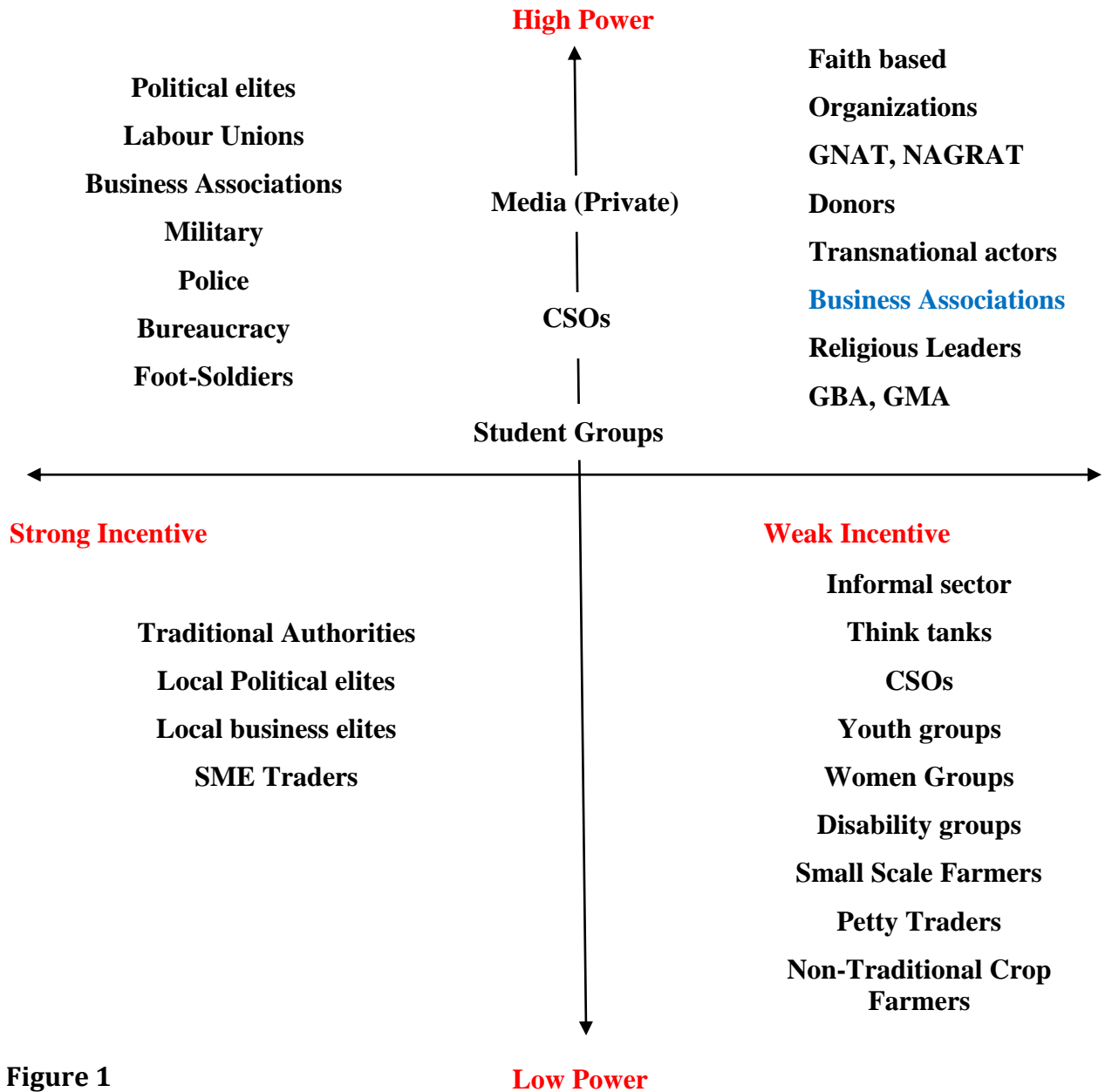


Figure 1

The chart above identifies actors considered key in Ghana's current political settlement. It also describes the level of influence these actors bring to bear on socio-economic and political decision making processes in Ghana. Adapted from Mirza Hassan's (2013) paper on political settlement dynamics in Bangladesh, the top section of the chart describes actors with significant levels of power and influence,

whilst those below the line have little power. Actors on the left hand side of the chart are those with a strong incentive to maintain the existing political settlement, whereas those on the right side of the chart have less incentive to do so and may be actively seeking to change it. Thus an actor in the first quadrant on the top left has high power and a strong incentive to maintain the existing political settlement. Moving in a clockwise direction, actors in the second quadrant are those with high power but weak incentive to maintain the existing political settlement. Actors in the third and fourth quadrants are those with low power and low incentive to change the existing political settlement, and those with strong incentive to maintain the existing situation but low power to do so, respectively.

The left-hand side could be framed as constituting the ruling coalition, with the ruling elite occupying the highest part of the top quadrant and the factions upon which the coalition rests constituting the rest. To a considerable degree, one could include donor and developmental agencies in this category of high profile actors in the decision formulation process. Although they might not legitimately be considered as representatives of the people, in terms of the scale of varying power and influence on decision making, the donor and developmental partners have, traditionally, been noticed in the areas of political and economic development¹¹. At the lower end of the scale are the traditional authorities, the clergy, media, and civil society organisations, professional bodies, labour union and students, among others, who at various stages of the country's history have had influence on how policies have been formulated and implemented.

However, when it comes to which of these actors have strong or weak incentives to maintain or advocate for change and/or alteration to the present political settlement, it is instructive to note that groups such as traditional authorities, local political elites, local business elites and SME traders may have strong incentives to maintain the existing political settlement but do not always have power to influence how decisions are taken within the ruling elite. Actors such as the media, CSOs and organized students groups, such as the Ghana National Union of Polytechnic Students (GNUPS), University Students Association of Ghana (USAG), and the National Union of Ghana Students (NUGS) present the only credible challenge to the durability of the current political settlement in Ghana.

¹¹ The donors and development partners remain important players in Ghana's economic policy-making process contrary to the speculation that their influence may be declining following Ghana's attainment of lower middle income status and the discovery of oil and natural gas. Recent reports of international donors (the multi-donor support group) temporarily withholding budgetary support to government appear to have affected economic growth negatively. The group, apparently unhappy with the country's huge expenditure of over 70% of revenue on public sector wages, and unstable local currency, made the decision after their annual review of the economy. See news story retrieved on October 26, 2013 from <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=287756> Ghana's Minister of Finance seems to have confirmed the impact of non-disbursement of donor funding on the economy. See story retrieved October 26, 2013 from <http://business.peacefonline.com/economy/201310/176266.php>

The media has, within the last decade, carved a niche for itself in monitoring the government's promises and commitments to improving lives, thus increasing demand for transparency and accountability in government. According to the recent Afrobarometer survey (Round 5), the media, especially broadcast media (radio), account for 79% of the news sources for citizens in Ghana. Indeed recent issues related to governmental complexities in the oil and gas sector have all emanated from the media with technical support from CSOs through their advocacy research. This explains why the media, CSOs and student groups have all been captured under both the first and second quadrants.

Similarly, business associations have been captured under both the first and second quadrants to capture the varying strength of the various associations. The group in the first quadrant is made up of groups such as the association of contractors, which has strong political linkages. These groups by virtue of the role they play in financing the ruling coalition have high power and a strong incentive to maintain the existing political settlement because it inures to their benefit. On the other hand, business associations such as the Association of Ghana industries, Ghana Chamber of Commerce and Industry (GCCI), Ghana Employers Association (GEA), Ghana Chamber of Mines (GCM), top bank executives and stock brokers among others have high power but low incentive to maintain the existing political settlement as inefficiencies in the current structure such as bribery, cumbersome bureaucratic processes and rent seeking attitudes of bureaucrats, government agencies and officials only increases the cost of doing business.

For the professional groups, such as GNAT, NAGRAT, and student groups, although they may have high power (by virtue of the services they provide, the size of the constituency they represent and the contributions they make to the durability of the existing political settlement), they are handicapped in terms of the incentive to change as a result of the diversities and variation in their midst. That is, even though GNAT is widely acknowledged as the main body responsible for the promotion of teachers' welfare in Ghana, within the last few years several splinter groups including NAGRAT and the Coalition of Concerned Teachers (CCT) have sprung up as a result of mistrust and perceptions of leadership inefficiencies in GNAT among teachers. This has effectively reduced the bargaining power of teachers.

On the part of foot-soldiers, it is instructive to note that traditionally they have not been included among the decision making actors. However, their posturing in the Fourth Republic, particularly within the last few years, and the highly significant role they play during elections and in sustaining the ruling elite, has given them impetus, as the ruling elite is weakened when they strike. During the last four years, there have been instances where foot-soldiers have stalled bidding processes at district assemblies and resisted the appointment of District Chief Executives (DCEs). In all these cases, they succeeded in pressuring the ruling elite to subscribe to their proposals. Most recently, due to the continuous agitations by foot-soldiers, ministers

of state have lost their positions and some foot-soldiers have in the process been appointed¹².

To be sure, policy formulation in Ghana has been under the control of a coalition of elite factions, which compete amongst themselves for access to resources and political power since independence (Parks and Cole, 2010: 6). Indeed decisions regarding where to spend the country's resources by this coalition have primarily looked at the incentive structure available to them before embarking on any policy intervention or reforms. At the levels of individuals and groups, the ruling elite have often ensured that political decisions are framed by beliefs and ideologies when deciding on how policies and programmes for development are conceived. However, such processes are leveraged upon by leaders with extreme power and grip within the ruling elite in ways that includes selecting policies (formally adopted and *de facto*) that they perceive will help – directly or indirectly -- to keep them and their ruling coalition in power or to regain power when in opposition (Laws, 2012). This pervasive experience has meant that the ruling elites across the political divide have pursued and implemented policies that have a short time horizon, do not significantly shift the allocation of resources towards building productive sectors and are often plagued by problems of enforcement (Whitfield, 2011a).

The compounding factors resulting in this phenomenon include high degrees of vulnerability in power due to a strong opposition party, by strong lower-level factions within the ruling coalition due to their importance in winning elections, and by a high degree of fragmentation among the ruling elite, not excluding a weak domestic capitalist class and, arguably, high inflows of foreign aid. One example of this glaring short-term political interest-driven policy formulation relates to the political party financing during elections. The code of conduct and other regulatory frameworks of the political parties regarding elections in Ghana acknowledge party financing as the most important political resource that drives party vibrancy and competitiveness (CDD-Ghana, 2005b: 5). However, it forbids parties from being sponsored by non-Ghanaians. In spite of this, there have been many instances where political parties have grossly abused these provisions because the extent of contributions and the identity of the donors have remained a closely guarded secret (Ayee *et al.*, 2007).

Indeed, within the last few years, with elections having been very competitive, political parties and politicians have depended on powerful business actors in the ruling elite and coalition for funds to run party campaigns in return for scandalous government contracts and support. As Fobih (2010) argues, the political party system has become an important source of patronage, where it is expected to provide jobs, opportunities, and in some cases cash to its “workers.” Under these conditions, the interests of the ruling coalition have often worked against the pockets of

¹² <http://politics.myjoyonline.com/pages/news/201005/46008.php> ;
<http://politics.myjoyonline.com/pages/news/201005/46467.php> ;
<http://politics.myjoyonline.com/pages/news/201301/100060.php> ;
<http://politics.myjoyonline.com/pages/news/201301/100079.php> ;
<http://politics.myjoyonline.com/pages/news/201301/100171.php>

administrative efficiencies in the state bureaucracy and officials' ability to address the main blockages in the branches of government providing services. Interestingly, these arrangements have been prominent under both democratic and authoritarian governments. However, there have been exceptions under some regimes and within some sectors of the economy. As Whitfield (2011a) suggests, the military junta, the Provisional National Defence Council (PNDC), managed to undertake fundamental economic reforms that previous governments were unwilling or unable to implement. This was because of the structure of the ruling coalition, which had lower level factions within the PNDC and was very weak. At the onset, the PNDC ruling elites were made up of members with relatively little experience in politics and as a military junta did not see it necessary to build a political base for election. Therefore the PNDC did not intend to develop a political base in the sense of mass and winning coalition in order to seek for re-election. This allowed for broad political settlement within the ruling PNDC coalition to undertake major difficult structural adjustment policies¹³.

Even if one were to cite the emergence of IPAC following the 1992 elections as a forum to deliberate and formulate policies on electoral governance, it is a clear instance of an achievement of elite consensus in Ghana¹⁴. The IPAC promoted elite interactions before and after the election, as well as demonstrating how national elites transcended their disunity through settlements and convergences. Elite consensus is the key variable that determined the acceptance of the outcome of the 1996 general elections by both the government and minority parties (Ayee, 1998).

These instances notwithstanding, the existing political settlement that describes the ruling elite has persisted over the period because of a general consensus among the ruling coalition that the president includes people from all the major regions and ethnic groups in their government (Langer, 2009). This to a large extent gives legitimacy to whatever actions and decisions are taken, as all interested parties are involved in the policy inception stage and implementation. This arrangement, albeit informal, explains the absence of conflict in the country (DFID, 2010). In fact these same arrangements have even been extended to party appointments with almost all the political parties in the country making frantic efforts to introduce affirmative action for ethnicity, gender and disability issues in the criteria for appointment. Hence, since 1992, almost all the political parties have involved various interest groups (particularly emphasizing ethnic balance and the north-south divide) in negotiating processes and outcomes, such as new political, economic and constitutional reforms and arrangements.

¹³ However, unlike the NPP, when it needed to seek re-election the various aspirations among the members of the ruling coalition made it difficult to implement policies without experiencing dissenting views. From within the NPP ruling coalition each faction had a relatively large support base and therefore required some levels of consensus in policy formulation and implementation.

¹⁴ See Ayee (1998) 'Assessing the Progress of Democracy and Good Governance in Africa: The Ghanaian Case' for a comprehensive account of how the IPAC was formed. Available at: <http://unpan1.un.org/intradoc/groups/public/documents/cafrad/unpan008718.pdf>

Despite this inclusivity, in recent years the country has experienced several outbreaks of civil unrests. For example within the last four years there have been several strikes from various labour unions over their migration onto the single spine salary structure. In all these events what has become clear is that while some of these labour unions are involved at all stages regarding their migration, others whose contributions are not perceived to be important and do not hold a big constituency are mostly shortchanged.

There appear to be incentives to change the current political settlement, and alter the existing power relations to make it more inclusive and more developmental. However, the political will to make such an arrangement or system work is still very low. For instance, despite a long held belief among the ruling coalition and the political elite that adequate information regarding government transactions and dealings enhances governmental accountability and transparency, the willingness on the part of the legislature and the executive to pass the freedom of information bill remains low. The freedom of information bill, which was introduced in the Legislature in 2003, has yet to be enacted into law under two different political administrations. The NPP, which crafted the draft law in 2003 failed to enact it during its time in office, and the NDC, since returning to power in 2009, has not demonstrated any serious commitment to conclude the passage of the law¹⁵.

Similarly, although there is general consensus among the ruling elite that strengthening district assemblies by rolling out effective decentralization, including empowering the citizens to elect their DCEs, would improve its efficiency and accountability, none of Ghana's political parties have had the political will to initiate the necessary reforms. For instance, since 2000 all the political parties in their manifestos have indicated their commitments to have DCEs elected but none in power has been able to initiate the necessary reforms or even given indications as to when such a proposal may be rolled out. This is mainly due to the patronage benefits that accrue to ruling parties for maintaining the status quo.

Among the various actors which constitute the ruling elite and ruling coalition, the incentive to change the current political settlement mostly rests on their level of authority and the constituency they represent, which makes it difficult for the ruling elite to ignore their concerns. For example, while the youth of the country is considered vital to winning elections, they have a low incentive to change the existing political settlement fundamentally because the power they wield is too low. On the other hand, Business Associations (such as the Association of Ghana Industries, Labour Unions (such as the Trades Union Congress), the Military, Police and foot-soldiers, have a strong incentive and an equally strong power to maintain the existing political settlement¹⁶. Indeed because of this power, it has become commonplace for

¹⁵ See news story on government attitude towards the passage of freedom of information law retrieved on 26 October, 2013 from <http://www.dailyguideghana.com/?p=24667>

¹⁶ This is judging from the contributions they make and the size of the constituency they represent in consolidating the power of the ruling elite. See Coffey International Development (2011) and Gyampo (2011) for full discussions on foot-soldiers.

all the political parties to seek buy-ins from these actors in the preparation of their respective manifestos and also secure their support during electioneering campaigns.

The manifestation of excessive politicization of the bureaucracy, which assumed higher proportions in the Fourth Republic has also meant that while the bureaucrats have a high degree of power by virtue of the role they play in policy formulation and implementation, the incentive structure available to change the existing political settlement is low based on the fact that they are always in a dilemma with regards to toeing the line of the political elites in the party in power and remaining professionals. In most cases decisions that are socially and economically feasible as proposed by the bureaucrats have been replaced by politically feasible alternatives for fear of losing political power. For example, although the decision of government to subsidize the prices of petroleum products for citizens has been identified to have dire consequences on the long term sustainable socio-economic development of the country, the political will to deregulate the domestic petroleum sector remains uncompleted because of its obvious implication on a party's hold of power (Kwarkye, 2011). Consequently, governments have had to spend billions of cedis on subsidies that benefit a few but leaves the majority of the people impoverished. Indeed it was reported in the 2012 budget alone that the total cost of government subsidy on petroleum products up to September 2012 would be 247 million Ghana cedis. This was expected to rise to 347 million Ghana cedis by the end of December (Kwarkye, 2011).

In summary therefore, the resilience of Ghana's ruling elite and coalition is still strong. However with ever expanding free media and a strong civil society base, who are using evidence based advocacy to reach out to the masses, there is a likelihood of reforms to make it more developmental and deliver the kind of outcomes expected by citizens, especially considering the huge interest and expectations that have built since the discovery of oil in the country. The next section explores the links between the political settlement and development in more depth.

4. Ghana's political settlement and implications for development

Within the competitive clientelist settlement that has emerged and deepened in Ghana, following the return of multi-party politics in 1992 (CDD-Ghana, 2013a), it is possible to identify at least three different types of influence on the character and trajectory of development in the country. Each of these phases has also been informed by the shifting global politics of development. The first concerns macroeconomic stability and growth, the second social investments for human development, while the third relates to more structural development challenges.

The achievement of political stability in Ghana is itself a legacy of the earlier shift in the early 1980s, from a lack of political order to a dominant leader settlement under the military rule of Rawlings. This provided an environment within which economic

growth steadily returned and could then be sustained, based in part on a process of building effective institutions in the area of economic governance and with a high level of both support and pressure from international donors. The most visible institutional example of this has been the Bank of Ghana, which has received the high levels of political protection and technical capacity-building required to help deliver the conditions for macroeconomic stability and improved economic productivity. A different but equally illuminating exemplar of how Ghana's political settlement plays out in terms of development institutions is COCOBOD (the Ghana Cocoa Board). Although political protection and capacity-building also helped COCOBOD to achieve high levels of productivity for Ghana's main export crop, this involved defying IFI pressures to liberalize, with some critical observers noting that the country's political and economic elite (many of whom come from cocoa-growing regions) were particularly predisposed to ensuring that cocoa was protected.

After experiencing unstable growth for much of the 1980s and 1990s, Ghana started showing signs of sustained upward growth recovery and consolidation. Ghana's economic performance over the last few years has mirrored the general trend in development across much of the developing world. While most of the macroeconomic indicators are showing remarkable progress, the same cannot be said about inequality and human development indicators. Within the last decade in spite of the remarkable growth in the economy from a paltry 3.9% in 1992 to 6.4% in 2006, inequality within the same period has also increased from 38% to 43%. The table below shows Ghana's performance trend in some selected indicators.

Indicator	1992	2006
Growth	3.9	6.4
Poverty	51.07	28.59
Inequality	38.13	42.76
Human Development Ranking	119	136

Source: World Bank Database 2012 and UNDP, HDR 1992, 2006¹⁷

As pointed out by Bogetic *et al.* (2007), during the last two decades, Ghana has achieved an economic growth rate considered largely pro-poor. While the results have been impressive, uneven benefits across spatial and social lines remain (CDD-Ghana, 2013a). The country has averaged a *real per capita* growth rate of 3.2% and a sustained upward trend peaking at 6.2% in 2008 (CDD-Ghana, 2013a). With recent GDP per capita estimated at US\$1,289, Ghana has emerged as a low middle income country and the country with the highest per capita income in West Africa (Kolavalli *et al.*, 2011). This sustained real growth has resulted in a corresponding increase in average incomes and reductions in poverty levels in the country. From a high of 57% in the early 1990s, the national poverty headcount now stands at 28% (Gyimah-Boadi, 2008), with further decreases projected over the coming years. Ghana has

¹⁷ We limited our data to only 1992 and 2006 for which available data for all the indicators exist. We did not get data for poverty rate in 2000 and inequality for the same year from our cited World Bank database.

thus halved its 1990 poverty level and is on target to meet the UN 2015 Millennium Development Goal of halving extreme poverty earlier than many African countries.

The Ghanaian economy has also achieved relatively good outcomes in terms of employment, creating nearly three million jobs between 1991 and 2006 for the 24-64 age groups (Amoako, 2008b). Macroeconomic instability, a perennial challenge since independence, appears to have been brought under relative control (see Hutchful, 2002; Leechor, 1994; World Bank, 1993), largely through political elites allowing economic governance institutions to function effectively and making efforts to achieve a balance between public expenditure and revenue mobilization, although as we argue below this is periodically undermined by the third trend we have identified.

The second and related trend concerns the emergence of an elite consensus around promoting a particular version of development, based not only on market-led growth but also on achieving human development through public investments. This move can be linked more directly to the growing demands of electoral accountability under the shift towards competitive clientelism over the 1990s, and received further impetus from the shift towards the Post-Washington Consensus over the same time period. Expressed first in terms of the populist policies of the Rawlings' NDC regimes of 1990s, which for example introduced electrification in the north in part as a bid to secure its electoral base there, over the late 1990s and 2000s Ghana's consolidating two-party system has helped also to maximize voters' capacity to influence policymakers by holding them accountable for the outcomes of their decision (Carbone, 2012).

Increasingly, the possibility of losing power has encouraged Ghanaian electorates and elites to believe that voters can hold politicians accountable for their stewardship of the state and the economy (Gyimah-Boadi and Prempeh, 2012). Consequently, political parties and/or ruling elites are focusing more on providing public goods, which benefit larger constituencies rather than narrow groups (Gyimah-Boadi and Prempeh, 2012; Lindberg and Weghorst, 2009), to ensure that they continue to stay in office once they win power. For example, commenting on the 2000 elections, Carbone (2012) notes that, in order to win power the opposition NPP exploited public concern over health care by promoting a national health insurance scheme despite this ostensibly running counter to its espoused ideology. Confronted with a competitive electoral framework that has proved capable of overturning ruling parties, Ghana's ruling elites are responding to distributional demands for public goods provision alongside private/club goods.

As such there has now developed a 'new' shared growth and poverty agenda in Ghana. The agenda emphasizes economic growth and broad-based poverty reduction. While the two main parties espouse different ideologies in practice, however, there is no much policy difference among them. The broad policy objectives as stated in the defunct *Ghana Vision 2020* document have remained the cornerstone of Ghana's pursuit of accelerated economic growth within a liberal political and economic framework. This policy consensus has seen governments

throughout the fourth republic emphasize good governance, macroeconomic stability and private sector development, modernize agriculture, and promote infrastructural development as basis for achieving a shared poverty reducing growth (see Government of Ghana 1995, 2003, 2005 and 2010). Despite the intensity of the political competition between them, which in terms of theory and political rhetoric reflects genuine ideological differences (the NDC defines itself as a social democratic party, while the NPP frames itself as the liberal/conservative market oriented option), both have tended to pursue a liberal free market developmental paradigm when in office.

As with growth, this consensus has proved effective on the ground. Corresponding social investments in the areas of health and education have equally seen the country achieve relative improvements in life expectancy, maternal mortality and considerable increases in school enrollment for both boys and girls (UNDP, 2010). These are major developments and in the view of many analysts observing the Ghanaian transformation in the last decades, the country's recent economic recovery and the consequential social progress make the case that rapid development rooted in the context of a competitive clientelist democracy is not necessarily impossible (see Gyimah-Boadi, 2010a; Fosu, 2009).

This brings us to the third tendency identified in the recent literature on the politics of development in Ghana, which argues that the character of Ghana's current political settlement is preventing it from making further progress, particularly in terms of achieving structural transformation as well as growth, challenging deep inequalities (both social and spatial) and securing the delivery of higher quality public goods as well as a higher quantity. In terms of the growth and macroeconomic stability required to sustain this progress and gain the levels of investment required for further advances, critics note that the tendency for macroeconomic instability and fiscal discipline to waver at and immediately after election times (see Diwan, 2011), is a clear indication of the weak economic and political institutions, and short-term interests that inform the political elite. As a result, the country's level of growth remains precarious and is plagued with macroeconomic instability resulting largely from election-induced fiscal indiscipline (Osei, 2012; Youngblood and Franklin, 2008; Sandbrook and Oelbaum, 1999).

Since the resumption of democracy in 1993, there has been an exceptionally large fiscal deficit nearly each election year followed by a painful fiscal adjustment afterwards, with those in 1992, 1996, and 2008 proving particularly destabilizing (Diwan, 2011; Prempeh and Kroon, 2012). The recently held 2012 election is no different¹⁸. Ghana's ruling elites across governments have met broad distributional pressures with side payments as part of their strategy for maintaining their ruling coalition and winning elections (Whitfield, 2011b). The intensity of political

¹⁸ After the 2012 election, the government announced a deficit of 12.0% of GDP. This is far higher than the budgeted projection of 6.7% for the fiscal year. (see Government of Ghana, 2013).

competition and the winner-takes-all nature of elections raises the stakes to such an extent that the logic of political survival takes precedence over the national interest.

These tendencies in turn make it unlikely that elites will make the kinds of difficult decisions and long-term investments required to deliver structural transformation (Whitfield, 2011b). Ghana's multi-party politics, which increasingly has become highly partisan, polarized and relatively violent (Fridy, 2007; Ayelazuno, 2009), appears to have negative impact on national development. In the view of Gyimah-Boadi and Prempeh (2012: 102), the partisan polarization in Ghanaian politics has made it nearly impossible to build a broad and enduring political consensus on taking the national development agenda forward. Social provisioning in the education sector is one area where policy-making, rather than following an impersonal and bureaucratic approach, has increasingly become more clientelistic and politically-driven (see CDD-Ghana, 2013b). The country is still struggling to reach broad consensus on where to focus investment towards achieving the delivery of higher quality education¹⁹. Over time, policy-making in this sector has become partisan and informed by short-term goals as well as actions that mobilize election votes rather than sustainable human development.

Politics in Ghana over the last decades has witnessed sporadic violent actions associated with divisive partisan competition. Elections have mobilized and polarized the country in unstable and undesirable ways (Fox *et al.*, 2011). Ghana's two main political parties have consistently engaged in personalized attacks on opposition figures, ethnic mobilization and, to a lesser degree, violence. Similarly, in spite of the impressive economic and social gains made since the restoration of a democratic government, the country has also exhibited some recurring development challenges and a lack of structural transformation: growing rural-urban political and social inequality; a gendered opportunity gap; and a continuing north-south development inequality (CDD-Ghana, 2013a; Fox *et al.*, 2011; Aryeetey *et al.*, 2009; Ninsin, 2007).

Likewise, in the context of Ghana's recent oil discovery underlying the emerging oil economy, Ghana's destabilizing 'toxic politics', and continuing weak institutional guarantees, is said to pose serious risk to Ghana's stabilizing, highly competitive democracy (Prempeh and Kroon, 2012; Throup, 2011; Gary 2009). The rancorous effect of petroleum politics on public life is already in evidence, with the two main parties accusing each other of corrupt dealings over oil production contracts (Throup, 2011: 9). Most worryingly, discussions over the challenges of addressing the future of a Ghanaian economy which is not only stable with steady improvements, but also transforming (sustained macroeconomic stability, economic diversification, enhanced job opportunities, and broad inclusive social development) have been swallowed by the politics of personal attacks and accusations. Similarly, institutional oversight to

¹⁹There is still ongoing debate whether to make the duration of Senior High School (SHS) three or four years. This has resulted in different policy changes under the governments of the two dominant parties (NPP and NDC); and in recent past a debate on whether to drive more investment in providing infrastructure or subsidies to increase enrolment at SHS level. These debates are conducted largely along partisan lines.

govern the emerging oil economy appears to be weak. In the face of growing citizen expectations that the country's oil wealth will positively transform Ghana's economy, the weak institutional oversight and the corroding patronage politics, increases the likelihood of Ghana's oil becoming a curse instead of a blessing. This could pose a threat to Ghana's long-term stability and progress.

As such it seems that the politics of development in Ghana is somewhat ambiguous. Within the context of the intense competitive clientelist politics, Ghana's ruling elites and parties have built an environment conducive to achieving economic growth, poverty reduction and improved levels of human development (CDD-Ghana, 2013a). This has been closely informed by transnational influences, in terms of donor influence and financing but increasingly in terms of the resources available from oil. However, there is less consensus around the importance of structural transformation, challenging inequalities and delivering high-quality public goods, and some drivers that work not only against this but which may also undermine the gains in terms of growth and macroeconomic stability. There is also a sense that unless the latter (higher level) development goals are achieved, the former may be undermined. At present, therefore, it would seem accurate to portray Ghana as being on the trajectory of a liberal democratic developmental state (Gyimah-Boadi, 2009), rather than the more transformational or social democratic version witnessed elsewhere (Sandbrook *et al.*, 2007).

Conclusion: How does the political settlement shape the politics of development in Ghana? Some broad hypotheses

What emerges from this analysis of the politics of development in Ghana is an ambiguous and dynamic picture, whereby apparently strongly-rooted democratic tendencies and high levels of commitment to national unity and development are under threat from the increasingly instrumental nature of politics and deepening of factional loyalties, sometimes expressed in ethno-regional terms. On the one hand, Ghana's economic and social progress is a result of a supportive economic, business and institutional policy environment (Aryeetey and Kanbur, 2008, Hutchful, 2002). These have come about as a result of the combination of the country's stabilizing and competitive political environment and political elite consensus around economic stability and social investment. Improved macroeconomic governance resulting from relatively successful fiscal institutional management regimes; limited but successful public sector institutional reforms, and additional "democracy dividends", in the form of increases in bilateral and multilateral aid, combine to underlie the country's sustained positive economic growth and moderate social improvements (Whitfield and Jones, 2009).

Increasingly competitive elections have generated incentives for politicians to emphasize broad issues (such as macroeconomic stability, inflation control, redressing north-south inequality, public sector institutional reform) rather than focusing almost exclusively on dispensation of patronage benefits (CDD-Ghana,

2011). The stage at which Ghana finds itself has been the result of the growing demonstrable elite commitment to stabilizing the institutional political framework (Whitfield, 2009. Ghana's political elites and associated ruling coalitions' have been committed to economic growth and human development. Thus, Ghana's relative prosperity is partially the product of good stewardship of the economy by both of the country's two main political parties (NDC and NPP). As has been articulated by both Throup (2011: 5) and Gyimah-Boadi (2010a), both parties have created a model of economic management that has been and remains crucial to the state's economic performance and political stability. There is strong elite and popular support for democracy and for national unity and a growing sense of the need to provide public goods as a right rather than on the basis of patronage, with political parties increasingly acting in programmatic ways, around election time at least.

However, these ideal notions of what Ghana is and how it should function are undermined by the political practices employed to gain and maintain power in a competitive clientelist context within which the means of accumulating economic and political status and power are closely entwined. For sceptics, the idea of Ghana as a coherent national entity is thus threatened by the often ethno-regional turn that multi-party politics takes and its democratic prospects undermined by the tendency to treat citizens as clients. Ghana's path to mature democracy, its competitive politics and relatively young institutions- as well as the resultant electoral fiscal cycle – remain a constraint to faster growth and sustainable development (Diwan, 2011). Part of the challenge is the patronage politics that continue to bedevil Ghanaian politics.

Ghana's system of competitive clientelism undermines its public institutions and has a deleterious effect on public institutional efficiency which is leading to inefficiencies in the provision of public goods and social provisioning. In the short- to medium-term, it is unlikely that Ghana will escape all the Levy (2012) broadly defined features of competitive clientelist political system--that in a competitive clientelist political system electoral competition is primarily patrimonial rather than programmatic; that the bureaucracy is likely to be dysfunctional and weak; that the state checks and balances and commitment mechanisms are ineffective; and that rent offers the currency of politics and the foundation of stability. All these elements do have implication for general development outcomes, and in particular inclusive development. Again, the advent of oil seems as likely to deepen the regressive rather than progressive tendencies at play here.

However, there are also signs of something emerging through the middle of this apparent dualism, a hybrid form of political settlement perhaps. For example we would argue that Ghana represents a different form of competitive clientelism to the more virulently ethicized version apparent in Kenya; rather, clientelism in Ghana seems to have evolved into something more akin to US-style pork-barrel politics, whereby the key currency is votes rather than ethnic (or other) allegiance. Although still a form of patronage, this is a less regressive force and holds the prospect of moving politics forward to a more programmatic basis in the future.

Against this background, and in the context of key research areas under the ESID project, the following can be postulated:

- That, Ghana's democratic politics and development will continue to be informed and shaped by a competitive clientelist electoral politics in the short- to medium-term;
- That, the management of Ghana's oil resources is likely to be governed in a personalized and clientelistic ways;
- That, the increasingly competitive character of Ghana's political system will drive up the levels of public investment in social provisioning, but that this will also undermine the incentives required to drive up public sector performance in terms of higher quality public goods provisioning (e.g. in education).

In the medium- to long-term, however, with the increasingly competitive nature of elections and the continuous expansion of the public space, particularly with the media participation, the character of the political settlement in Ghana will create the incentive structure for the ruling coalition to adopt sustainable policies and strategies towards inclusive development (at least if one looks at the attempts by both parties to address the north-south development gap).

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