

**Ghana at a Crossroads –
A Presentation by His Excellency John Dramani Mahama,
Former President of the Republic of Ghana.**

Comrades, ladies, gentlemen, my brothers and sisters. Thank you for making time to join me, tonight, those here in person, and the millions from across our beloved country and the world, via the power of information and communication technology.

Some of you may not know this but I loved and studied history all the way to university level and one of the books that absolutely enthralled me was a book titled “Makers of Civilisation.”

In that book you will find many figures from the past – men and women whose names have been written in letters of gold and who have been immortalized; remembered through the ages. Some of these celebrated historical icons were artists, physicians, engineers, philosophers, military figures, kings, pastors who changed the world by boldly stepping out and challenging the status quo.

In the spirit of May Day and the celebration of workers, I say Ayekoo to us all, for our continuous contribution to the success of this country and its development. Just like the past, there are many gallant workers of today whose stories would have regaled and inspired us if told.

If there was ever any doubt, we know from history that you are the people who make our society and our nation what it is. We must join hands to ensure that we restore our nation on the path to prosperity and opportunity for all our people.

We have always sang the first stanza of our national anthem, which asks for God’s blessings on our homeland Ghana and enjoins us to resist oppressors’ rule. Many have not taken the time to observe the second stanza of our national anthem. The lyrics bear reflection:

Hail to thy name, O Ghana,
To thee we make our solemn vow:
Steadfast to build together,
A nation strong in Unity,
With our gifts of mind and strength of arm,
Whether night or day, in mist or storm,
In every need, whate'er the call may be,
To serve thee, O Ghana, now and evermore.

This stanza calls for a nation strong in unity and enjoins us with our gift of mind and strength of arm to serve our motherland Ghana, now and evermore.

This is a call to service to our motherland, a call requiring that every one of us, regardless of background, religion, ethnicity, profession, political orientation, economic status, age or gender unite while offering the gifts of our mind and strength of our arm.

Sitting on the fence is not an option in nation building. History will not remember us kindly if we accept the gradual degradation of our society and do not make an attempt to inspire ourselves to make a difference in our generation.

A NATION AT THE CROSSROADS

Countrymen and women, Ghana our dear nation is at a Crossroads, and we must tarry a while and reflect deeply on the road that we must take. The wrong choice leads us down an easy path of chaos and destruction. The right choice would lead us up a path of prosperity and dignity, but with hard work and sacrifice.

My countrymen and women, I can assure you that as our forebears did in the past, if we come together – united as one – there is no task that will be insurmountable.

The future is bright if we rebuff those who seek to divide us for their personal gain, and if we open the opportunities of our country to all our citizens irrespective of ethnicity, political affiliation, age or gender.

Thirty years have passed since President Jerry John Rawlings of blessed memory, appended his signature to the newly drafted Constitution of 1992, which made an irrevocable commitment to a return to democratic rule and constitutional governance.

In the period preceding that moment, which set in motion what has turned out to be the most stable and enduring period of governance in our history, we have plunged from the heights of the Black Star of Africa. From the lofty ambitions of the post-independence era, to the depths of economic catastrophe, institutional decay, corruption, and despondency.

Our life as a nation had been checkered with multiple governance experiments alternating between civilian and military administrations. The several starts and stops led to a situation where, by the 1980s, our circumstance seemed intractable.

The economy was in complete shamble and growing negatively. There appeared no way out of the stranglehold of poverty and despair, and we teetered on the brink of national collapse.

After a decade of stabilization by the then PNDC regime, which involved confronting and overcoming such problems as economic recession, hyper-inflation, prolonged droughts, devastating bush fires, shortage of basic commodities among other serious socio-economic problems, it became clear enough, that the broad masses of the Ghanaian people yearned for a return to democratic governance.

Thus, began the process to fulfil their genuine aspirations through a participatory and inclusive approach. The product of that process, the 1992 constitution, ushered in the fourth republic and set us apart from our peers in the sub-region as having, perhaps, the most advanced democracy in West Africa and one of the very best in Africa.

The constitution itself was a remarkable piece of work that contained elaborate provisions, which captured and guaranteed the fundamental human rights of all Ghanaians including those of speech and association.

It had extensive provisions on media freedoms and offered directive principles of state policy around which governance was to be conducted. The constitution also laid down a governance framework which emphasized checks and balances with the creation of independent state institutions with clear mandates to work towards the consolidation of democratic governance and the protection of rights.

And best of all, it was a constitution drawn up by the mass of our people – including teachers, nurses, fishermen, farmers, security personnel, butchers, traders, hairdressers through a consultative assembly.

With democratic governance fully restored, we surged forward together in the journey of nationhood with the hope and aspiration that the misfortunes of our past were well and truly behind us and that the tentative steps we took then would ultimately deliver the progress we desired.

Thirty years after these events, Ghana stands at a crossroads!

A BROKEN SOCIAL CONTRACT

Since the first elections were held under the fourth republic some thirty years ago, there have been three changes in governments. Each of these changes has been heralded by expectations of better governance leading to tangible improvements in the socio-economic conditions of our people.

The NPP government came into office in January 2017 on the back of mouthwatering promises of almost instant transformation of our country amid countless slogans. President Akufo-Addo did promise to change Ghana in eighteen (18) months if voted for. Yes, he promised to turnaround the fortunes of Ghana and create opportunities for all and take care of everyone in 18 months.

A significant number of our citizens associated the promises with good and noble intentions. In return, and despite our best efforts, the Ghanaian people offered the NPP a clear mandate to steer the affairs of our dear country.

An assessment of our current conditions shows that what is happening now bears very little or no resemblance to what was promised. There is a sharp disparity between promise and practice.

Today, most Ghanaians feel they were hoodwinked, and this is manifesting in their personal livelihood and their daily struggles.

Perhaps, the most defining challenge of our time is making the economy work for everybody. Over the last several months, our political space and societal reaction has been dominated by discussions on the challenges with introducing more taxation.

These conversations have been against the backdrop of unparalleled cronyism and nepotism, breaches of the basic tenets of conflict of interest, transparency and accountable governance, and misplaced spending priorities by the President and his inner circle.

On top of these is the subjugation of independent constitutional bodies to the whims and caprices of the President and his cronies. The painful epiphany is that in Ghana today, the frustrations of the Ghanaian people are at an all-time high.

We are well and truly at a crossroads! A crossroads that is acutely complicated by the doubt and the fear experienced by the next generations, that they face a future that carries no expectation of success in their lives.

For most Ghanaians, the feeling of despondency and hopelessness is real and personal. It is exacerbated by a dangerous trend of growing inequality and lack of upward social and economic mobility in addition to a calculated effort at constraining social justice.

Interestingly, the condescending responses from government officials to public complaints have often accentuated the frustration and anger of the people.

A government bereft of ideas has resorted to incarceration of critical voices, name calling of the citizens, and unfair categorisation of the labour force and huge numbers of unemployed youth as lazy and underserving. Worse of all, the government has been using chaotic shouts and insincere technical analysis laden with dubious comparisons and outright untruths to manage the narratives.

Another worrying trend is the bastardisation of independent constitutional bodies, obfuscating their objectivity and introducing deliberate constraints on their ability to act independently and in accordance with their mandate.

This deliberate strategy has resulted in heavily politically coloured and conflicted persons assuming positions within such institutions, alongside the swift dismissal of persons who have dared to act in an independent and fair manner. The Domelevo's of our time.

The cumulative effect of these travesties on this crossroads that Ghana has reached, is unparalleled shambolism and lack of substantive accountability in the management of national affairs.

ECONOMIC MISMANAGEMENT AND HARDSHIPS

On the economic front, Nana Addo and the NPP pledged to transform Ghana within 18 months, grow our economy at double digit, reduce borrowing, ensure fiscal discipline, bring down the cost of living, lower taxes and protect the public purse. They promised to move Ghana "from taxation to production."

In effect, none of these has been achieved. Instead, Ghanaians have been subjected to excruciating hardships and deprivation resulting directly from the mismanagement of the economy by a government that lacks the humility to accept responsibility, and the capacity to appropriately diagnose the root causes of the challenges that have brought us here.

Rather, they constantly seek to impose on us, their version of the economic reality – denying that food prices have gone up; insisting that the business climate is favourable; virulently protesting the evidence that their investments in meaningful capital expenditure is insignificant; and ignoring glaring evidence of unprecedented levels of corruption and breaches of internationally acclaimed standards of social justice.

This government contests even the most basic and glaring set of facts. This should never have been the case for a government that has been fortunate to receive far more resources in the last five years than almost all governments before them under the fourth republic, put together.

At the last reckoning, over GH¢ 500 billion had been available to them through taxes, grants, borrowing and other sources of revenue. No government in our recent history has been that fortunate.

Despite this fortune, today, the Ghanaian economy ranks among the worst managed in the world. It is characterized by unsustainable public debt due to an unprecedented fiscal deficit, comparatively high and still rising inflation, a rapidly depreciating currency, spiraling cost of doing business, ever rising cost of living, high levels of corruption, abuse of civil and human liberties, and a general loss of investor confidence. Simply put, our country is on the verge of bankruptcy.

In spite of the firm promise to reduce borrowing, this government has increased our public debt to almost GH¢ 380 billion as of the end of the first quarter of 2022. This is more than three times the debt of all governments since the days of Osagyefo Dr. Kwame Nkrumah up to January 2017.

A direct consequence of this astronomical borrowing is that our debt service obligation per annum has increased by 500% from GH¢10 billion in 2016 to about GH¢50 billion now. We are at great risk of defaulting on our debt repayments unless something drastic is done.

To be clear, despite the heavy politicisation of debt by the current administration while in opposition, the real problem we face is not just because of the daunting large size of the debt value. Rather it is the stark reality that these huge levels of borrowing have not gone into infrastructure and capital investment but have been applied, largely, to consumption, and in some cases even misapplied.

This heavy borrowing has not been met by a commensurate and significant improvement in the size of the economy to ease repayment of the debt in future.

My brothers and sisters, an important and yet very disturbing variable, often ignored in our national discourse about the debt situation, is the corresponding ballooning of government indebtedness to local businesses and other statutory bodies including SOEs.

These issues must occupy an important space within national discourse because our estimation is that government's liabilities to local businesses and other stakeholders exceed GH¢30 billion.

Arising directly from the excessive borrowing to fund consumption related expenditure is the harsh truth that, more than half of what government collects in taxes is used to service debt with the remainder going almost exclusively into public sector wages. This has created self-inflicted rigidities that leave very little space for investment in other important areas of the economy.

The effect of this, is that government is unable to meet its spending obligations in the most critical sectors of the economy on which the livelihoods of millions of our people depend.

It is little wonder therefore that out of a total of annual collection of GH¢ 2.1 billion under NHIL, as at end 2021 only GH¢ 127 million (about 6%) had been released to the Authority.

This is stifling the ability of health care providers in the private and public sectors to provide adequate care for the mass of our people.

My brothers and sisters, in the hands of a more responsible and prudent administration, the resources that have been available to this administration, should have resulted in quantum leaps in the standard of living of Ghanaians and we should have recorded major progress as a nation.

After inheriting a stable economy that was programmed and poised for rapid growth from early 2017, this government has squandered its way into a ditch from which it has become impossible to emerge without imposing even deeper hardships and suffering on Ghanaians.

The minimum expectation was that the NPP government will build on the strong foundation that had been bequeathed them and achieve incremental progress over what they met. They have instead carried out a demolition exercise of that foundation and left our economy in quicksand, sinking at an alarming rate.

However, now we know, that responsibility and prudence are not concepts that appear to be appreciated by this government.

As we speak, the cash crunch arising out of the rigidities in the economy is having a devastating toll on almost all sectors of our national life.

Take the education sector for instance.

At the basic level,

- Capitation grants have been in arrears for nearly a year.
- Textbooks have not been supplied to basic school pupils for three straight years

At the SHS level,

- Lengthy delays in the release of funds have crippled the Free SHS program compelling key stakeholders like CHASS and GNAT to issue ultimatums to government
- There have been widespread reports of food shortages and nutrition deficient, poor quality food in schools across the country and,
- The academic calendar has become erratic due to non-availability of funds to run the schools

At the tertiary level,

- UTAG recently ended a protracted strike action to call on government to honour its commitment on salary rationalization and better conditions of service. The UTAG strike severely undermined teaching and learning on our various campuses

- College of Education students have spent more time at home than in school because of the lack of funds and;
- Trainee allowances have been in arrears for several months amidst threats by school authorities to shift the cost of feeding unto students in the absence of timely release of funds by government.

The government's mismanagement of the GETFund has not helped matters in the education sector.

Similar liquidity challenges permeate all sectors of the economy. Elsewhere, the District Assemblies Common Fund still stands in arrears of several quarters – endangering our accumulated mileage in local government administration.

LEAP beneficiaries who depend on a very meagre quarterly stipends for survival have also in recent times been denied access to these payments for many months, condemning them to intense and perilous hardships.

As I said earlier, NHIS service providers are owed several months arrears and are sparingly paid for their service. This is due to the illegal diversion or misapplication of attributable funds.

Related to this is the reckless collateralisation of various funds to satisfy current consumption needs, and worse of all is the government's express desire to collateralise more of such funds:

- They have collateralized ESLA till 2035,
- They have collateralized almost GH¢10 billion of GETFUND revenue through the 7-year Daakye bond and
- After mortgaging all the family property, they are desirous of selling off the remaining family cutlery by collateralizing our mineral Revenue through the dubious Agyapa Deal.
- And it is expected that they are in the process of collateralising the revenues from the recently implemented E-levy.

Countrymen and women, yesterday at the May Day address, the President stated that it is not possible to remove taxes off petroleum products because it will result in an inability to pay public sector wages. What he did not tell workers was that some of those taxes cannot be removed because they have been collateralized and the money has already been spent.

ESLA when it was introduced had a 5-year lifespan to pay down legacy energy sector debts. Today ESLA cannot be removed as a petroleum tax because this government has spent the money upfront and has collateralised ESLA till 2035.

This entirely unwholesome practice of concealing debt through the collateralization of statutory funds for the contraction of loans must be curtailed. Hidden debts have never helped anyone let alone a nation.

Hidden debts will catch up with you as it has the effect of increasing the public debt while creating a false sense of security because those debts ostensibly sit on the books of state-owned enterprises or special purpose vehicles.

For example, whereas the Bank of Ghana in its latest Summary of Economic and Financial Data pegs our public debt at GHS 351.8 billion with a debt to GDP ratio of 80.1% at the end of 2021, the actual debt stood at GH¢362 billion when you factor into the equation, debts sitting in the names of GETFund, ESLA, and Sinohydro.

Thankfully, the strong will of the people, civil society and the NDC legislators applied the brakes to the Agyapa Deal. We must be determined to defeat the Agyapa Deal if they resurrect it – This can only be the actions of an ‘Agya boni’ and not an ‘Agya pa’.

This grim economic situation has inevitably caught the attention of the global investor community and rating agencies leading to a total loss of confidence in our economy.

Due to this loss of confidence – confirmed by our worst ever downgrade from reputable rating agencies, such as Fitch and Moody’s – we have been shut out of the international bond market since October last year and are set to remain shut out for the whole of 2022 unless the economic outlook improves significantly.

The resulting panic reaction – from the grim economic reality, the mixed and conflicting messages and outright untruths from government actors – has led to significant capital flight by businesses and international actors within our domestic bond market. And has complicated confidence in an already precarious banking sector that suffered the misfortune of the politically motivated collapse of some of our locally owned banks and financial institutions.

It is estimated that about US\$200 million in capital flight occurred in January 2022 alone and the Central bank lost about US\$687.6 million in net international reserves between November and December 2021.

This also accounts for the steep depreciation of the cedi since the beginning of this year. Based on this trend and the absence of a credible and innovative plan to stem its fall, some Financial Institutions and analysts have projected that the cedi would end 2022 at GHS 8 or above to the dollar. And almost GH¢ 10 or above to the pound sterling, with fuel prices likely to exceed the GH¢ 10 mark.

Another devastating consequence of the massive fall of the cedi is that it would cause a significant increase in our public debt even without further borrowing. This also means debt servicing will increase beyond the budgeted amount and worsen the rigidities that exist in the 2022 budget.

Moreover, inflation has risen from 8% in March 2021 to 15.7% in February 2022 and to 19.4% in March 2022 – the highest in 13 years, since 2009. There is a genuine concern that inflation could rise even further when the passthrough effect of fuel price increases among others starts to take hold.

This coupled with taxes are fast eroding the disposable incomes of households and has made life simply unbearable for majority of Ghanaians. Compounding the economic hardships, is the ever-looming danger posed by the youth bulge – the unemployment crisis.

Data from the Ghana Statistical Service indicates that our nation is not only experiencing a rise in inflation, but also an all-time high unemployment rate of 13.4 %.

This means millions of young people are wasting away their most productive years in abject disillusionment as the Akufo-Addo and Bawumia government continues to pay lip service to the tragic unemployment menace.

Unemployment is leading to social deviance with a significant uptick in armed robbery, kidnapping, fraud, scamming and ritual murders.

Millions of Ghanaian youth with higher education, are trapped in the situation of a permanent purgatory with no clear indication that they can obtain gainful employment before they turn 60 years and retire from unemployment. Yet the President continues to fritter away the taxpayer's precious money on luxurious chartered flight and other wasteful engagements.

The resort to ad hoc measures has failed to address the problem – once again, it bears saying that Ghana is at a crossroads – and this current administration has no credible solution at hand.

We proposed a number of initiatives that are still very much the solutions Ghana should implement to help tackle the problem of unemployment – the one million Edwuma Pa Jobs Creation Plan, and the free TVET combined with the National Apprenticeship Programme as contained in our 2020 manifesto.

I repeat that Government can draw on them for implementation because we can create an average of 250,000 jobs every year for the young people of Ghana as we make Ghana a 24-hour economy – three shifts of 8-hours each a day.

We must and the NDC will always support the private sector in various forms to enable them grow and expand their earnings and job openings. A stimulus package, like what we provided to pharmaceutical manufacturing companies in the past must be rolled out to other processing and manufacturing sectors.

Our vision behind the establishment of the Ghana EXIM Bank and the Ghana Infrastructure Investment Fund should not be lost.

LEADERSHIP THAT TAKES NO RESPONSIBILITY

In times of anguish and deep national crisis as we are presently witnessing, a convincing and credible response is required from leadership.

The constitutional order we chose for ourselves three decades ago has the immutable principle of accountability as one of its most enduring pillars. Accountability requires those who have the privilege to lead, to periodically render an account of their stewardship.

Since 1993, every President of Ghana, including myself have delivered the message on the state of the nation to Parliament.

It is important for our democracy, which the framers of our Constitution envisaged as the occasion on which the President delivers to the people – the governed – a truthful, principled, and transparent appraisal of the state of the nation, its achievements, and challenges.

This year's rendition of the address took on an added significance, given the obvious economic distress and widespread hardship that now pervades our nation.

A few weeks ago, President Akufo-Addo performed this constitutional duty and in view of the challenging economic circumstances that now face the citizenry, especially, the poor and the vulnerable, we had all looked forward to an address in which a truthful, objective, and transparent appraisal of the national situation would be presented to the nation.

The occasion offered scope and a unique opportunity for the President to address in concrete terms, the most pressing concerns of the people in these times and rally the nation for the purpose of extricating our vehicle of state from the ditch into which he has led us.

We had hoped that the widespread hardship and suffering that Ghanaians are experiencing in these difficult times will be duly acknowledged, and responsibility taken for the arrogant missteps, wrong policy choices and mismanagement that are mainly responsible for our current situation.

Instead, and rather unfortunately, we were fed the same litany of buck-passing, denial, and nonchalance that the people of Ghana have been served by this President and his government over the last five years. Nothing is ever their fault.

The President's spirited effort to paint a rosy picture amid national anguish and despair was most disconcerting and gave the clearest indication yet, that the President and his government have fallen prey to the phenomenon of gaslighting!

It is apparent, that those to whom we have entrusted the leadership of this country are yet to grasp the stark reality of our national situation.

As was manifest in his State of the Nation Address, President Akufo-Addo and his Head of the Economic Management Team (EMT), have sought to shirk and deflect responsibility for the economic mismanagement that has led to these hardships and national economic meltdown.

In the specific case of the Head of the Economic Management Team, who loquaciously postured as the gold standard for economic management while in opposition, we have continued to note his present flight from economic discourse even as the economy tipped into a tailspin.

The issues of debt, taxation and depreciation of the currency which rolled off his tongue in his overzealous and misplaced narratives against the erstwhile NDC administration has become taboo words for him, until an avalanche of public criticism and demands forced him a few weeks ago, to make a pitiful torrent of unconvincing excuses for the disastrous mismanagement of the economy.

A LITANY OF EXCUSES

The list of excuses offered by this government for the economic mess keeps growing by the day. When it has been convenient, COVID-19 has been made the scapegoat and has been blamed for our woes. The Russian-Ukraine war has also featured prominently on the excuses list as have the so-called financial sector clean-up and supposed excess capacity payments in the energy sector.

My brothers and sisters, none of these claims are acceptable.

THE COVID-19 EXCUSE

The facts reveal that while no one can run away from its impact on the global economy, the COVID-19 pandemic paved way for the Government of Ghana to receive an unprecedented windfall that previous governments could only dream off.

Over GHS 30 billion, sufficient to plug the revenue shortfall of GHS 12 billion anticipated for 2020, was made available to this Government from various sources. The funding sources ranged from our development partners to internal buffers like the Stabilization Fund which was set up by an NDC administration, and other generous donors. Namely:

- 1 billion USD facility from the IMF,
- 200 million USD from the Stabilization Fund,
- 430 million USD from the World Bank,
- 400 million USD out of the 1 billion USD SDR provided to BOG,
- Over 100 million from AfDB and bilateral partners,
- 20 billion Ghana Cedis from the BOG

Being a pandemic, COVID-19 affected almost every country on earth including our West African neighbours with who we share similar economic characteristics.

Yet, these neighboring countries such as Cote d'Ivoire, Togo, Benin, Guinea, Nigeria, Liberia, Senegal, and Sierra Leone, have emerged from this pandemic comparatively unscathed and with relatively stronger fundamentals as compared to ours.

Ghana has incurred and recorded astronomical double-digit budget deficits and huge public debts than our West African peers.

Long before COVID-19, it was evident that the economy was being mismanaged. I cautioned against the mismanagement. By 2019, our deficit and debt figures had already reached distress levels. This is a fact which was recently corroborated by the World Bank through its country representative in Ghana.

Unprofessionally, the real figures were always grossly understated under the guise of “appendices, memorandum and below the line items” in our budgets. It is this creative accounting and cooking the books deliberately done in a bid to conceal the true extent of our economic problems that has eventually caught up with this government.

Instead of making judicious use of the resources obtained because of COVID to cushion Ghanaians against the disease and spending strategically to stimulate people-centred economic recovery, the Akufo-Addo administration saw this windfall as an avenue for wasteful expenditure and a conduit for unmerited electoral success.

The people of Ghana demand an independent forensic audit into how the COVID-19 monies were spent.

THE RUSSIAN UKRAINIAN CONFLICT EXCUSE

The Russian-Ukrainian conflict cannot possibly be responsible for the suffering Ghanaians are going through. The suffering predates the war. Before this conflict, our currency had been depreciating and was impacting negatively on fuel and commodity prices in our markets. Fuel prices had gone up on more than forty different occasions since 2017 before the Russian-Ukrainian conflict started.

THE FINANCIAL SECTOR BAILOUT EXCUSE

The about GHS 25 billion which the government claims to have spent on the financial sector clean-up was a conscious policy decision made without due regard to superior alternatives like bailing out those banks with far less money, recovering assets and holding the people responsible for the mismanagement of the banks to rigorous account, through due process.

It was the NDC government that conducted the Asset Quality Review which determined that the banks in question were in distress. We then proceeded to pass appropriate enabling legislation to give the force of law to the actions that were deemed necessary to address the situation.

The laws included the Banks and Specialized Deposit Taking Institutions Act (Act 930) and the Ghana Deposit Protection Act (Act 931). Our objectives had always been to: avoid the collapse of these banks; to preserve and strengthen Ghanaian presence and participation in the Financial Sector which we viewed as a strategic economic objective; protect depositors' investments; and protect the jobs of tens of thousands of employees of the banks.

The total cost of our bail-out plan was estimated at a maximum of GHS 9 billion. This was going to be recovered in due course when the Banks had been returned to sound management and profitability. But the outcome of the 2016 elections hampered our ability to fully implement this plan.

The logical expectation was that this government would continue from where we left off. But they chose to go for the nuclear option. They collapsed indigenous Ghanaian banks, some of which had been built from the hard work of our citizens and from scratch and had existed for decades and opted to pay depositors to the tune of GH¢25 billion.

Doubts however remain about the accuracy of this figure given that the Bank of Ghana reports only GH¢ 16 billion in its Summary of Economic and Financial Data.

A government that decides to spend a colossal GH¢25 billion on a GH¢ 9 billion problem and actively seeks political plaudits for same, cannot turn around and pass it off as reason for the current economic crisis.

THE EXCESS CAPACITY PAYMENTS EXCUSE

The claim that GH¢17 billion has been spent on excess capacity payments in the energy sector and that it has contributed to the economic crisis is clearly untrue.

To mislead Ghanaians into accepting this dubious narrative, this government has deliberately peddled untruths about our power generation capacity and its evolution.

They have claimed that the NDC government added power generation capacity that we did not need and that due to 'Take or Pay' clauses in the power contracts, they have been forced to pay US\$1 billion to Independent Power Producers (IPP) every year, since 2017.

The truth is that, in the NDC's 2012 Manifesto which formed the basis for our election and mandate to govern between 2013 and 2017, we made a clear promise to ramp up our power generation capacity which at the time hovered around 2500MW, to 5000MW by 2016.

We were determined to meet demand which was growing exponentially and to resolve the recurring power deficit that led to crippling power rationing under all governments since the fourth republic began in 1993.

We followed through with this promise and expanded generation capacity with the completion of the Karpower and Ameri Plants. We also commenced work on the Cenpower, AKSA, Amandi and Early Power plants. By 2020, these plants had taken our generation capacity above 5000 MW in line with our objectives.

As we speak, available data shows that total installed power generation capacity is 5,367MW. Out of this, only a little above 3,861MW is actually available and can be relied on.

Countrymen and women, as an illustration, on March 18, 2022, our peak demand climbed to 3,469 MW which means that only about 392 MW excess capacity existed to be relied upon if any of the plants had broken down that day.

This 392MW falls far short of the 18% excess margin (about 695 MW) which the energy commission recommends Ghana should have to keep the system running safely.

In plain terms, this means that now, we do not have sufficient power to meet peak demand and have adequate reserve margin to meet any emergency. This, in turn, means that we stand the real risk of suffering crippling power rationing if any of the available plants should develop major faults.

What, therefore, is the basis for the often-repeated claims of excess capacity for which we are told US\$1 billion is paid to IPPs annually? Exactly where is that excess capacity considering the facts, I have shared with you?

Put to strict proof under Parliamentary scrutiny, the Finance Minister disclosed only last year, that US\$937 million had been paid in total for excess capacity from 2017 to 2020.

It is inconceivable that any leader in these times of crisis and hardships would seek to shirk responsibility, absolve himself of blame and fail woefully to show leadership.

It is the duty of leaders to acknowledge problems, take responsibility and move swiftly to address them as I did when confronted with the power challenges in my time.

I could have conveniently blamed the age-old underinvestment in the energy sector, but I was acutely aware that Ghanaians did not elect me to complain and blame others for problems, so I moved to fix it. And I fixed it.

President Akufo-Addo and his Head of the Economic Management Team must imbibe this key leadership attribute of taking responsibility especially in circumstances where the overwhelming evidence shows that our present dire economic straits is the direct outcome of their poor economic policy choices and wasteful expenditure.

E-LEVY AND WASTE OF PUBLIC FUNDS

Governments since the 4th Republic have all invested in digital infrastructure in order to modernize our economy. In my time as President, we laid the most extensive number of kilometers of fibre optic cable and further provided 4G LTE wireless broadband in order to bring all parts of our country into the new digital revolution.

Through these investments we have created the opportunity for Ghanaians to enjoy the ease of electronics transactions. Indeed, Ghanaians have taken to the ease of electronic transactions very well.

Mobile money payments are used for remittances to parents in the villages, they are used in the markets and supermarkets to pay for groceries purchased, they are used by market women and other traders to pay for replenishing their stocks, and they are used at filling stations to pay for fuel and services.

Internet and electronic banking have made it easier to move money from account to account without the use of cheques or cash transfers. This is a positive development for our economy and represents the fastest means of shrinking the informal economy and bringing us all into the formal one.

Unfortunately, in the face of this self-inflicted economic catastrophe, this government against all sound advice has decided to introduce the E-Levy, a regressive tax that heaps more suffering on Ghanaians.

Recently our President was asked in a BBC interview, why he was choosing to tax the incomes of Ghanaians in their electronic wallets that had already been taxed. The President's answer was that it is the newest and fastest growing sector of our economy that is not being taxed.

Clearly the President did not understand the question, or he is clueless about the regressive nature of the E-Levy. A worker gets paid in his electronic wallet. His PAYE tax has been deducted already. For every transfer or purchase above GHS100 he makes on his e-wallet, he has to pay an additional 1.5% tax.

It will now be tempting for such a person to draw cash from his e-wallet and make the payment for his groceries, fuel, entertainment, utility bills etc. all with cash.

The collection of the E-Levy began yesterday and as though a slap in the face, it began on May Day. Already there is a litany of complaints about the implementation. There are complaints of transfers of under GHS100 being subject to tax contrary to the law.

Government's desperation to tax Ghanaians to get the nation out of the hell hole it has dumped us will not succeed because Government's own budget proposals show that the e-levy will not make any significant contribution in resolving our problems but would exert an adverse toll on the people of Ghana.

We in the NDC do not oppose taxation as a principle. We will not be pretentious and couch fanciful slogans to condemn the principle of taxation like the NPP did in the past. We are, however, implacably opposed to distortionary and burdensome taxes like the e-levy that only force Ghanaians to endure more suffering.

A new National Democratic Congress Government, God willing and with the votes of the sovereign people of Ghana – in 2025 – will repeal the E-Levy Act.

Even as this government remains fixated with taxing their way out of economic mismanagement, the Akufo-Addo government has been wasteful. They have failed to demonstrate prudence in public financial management.

The people of Ghana cannot be called upon to pay more taxes only for the accruing money belonging to the people of Ghana, to be dubiously and wastefully shared among family and friends through various fraudulent procurement practices.

The creature comforts of the President and his officials cannot be more paramount than the need to protect the public purse and make savings that can be invested in more useful ventures. Ventures such as: education, health, and social housing for Ghanaians.

The 2020 Auditor-General's report makes for grim reading within the context of waste and corruption in the use of public funds. The report revealed that a colossal GH¢12 billion was lost to corruption and other forms of financial malpractices in 2020 alone.

This is twice the amount that the unpopular e-levy is supposed to accrue this year. It has also recently come to light that our State-Owned Enterprises made total losses of about GH¢5.3 billion in 2020.

Another report has revealed that up to GHS 9 billion of losses was incurred by Energy Sector SOEs between 2018 and 2021.

How can the taxpayer ever be called upon to pay more when his money is going down the drain in this manner?

MISRULE AND POOR GOVERNANCE

Beyond the economic mismanagement, hardships, unemployment, and other forms of misrule exhibited by this government, are the deeply worrying issues of high-handedness, intolerance for criticism and outright abuse of the rights of citizens deemed to be critical of this administration.

In the last few years, several notable critics of this government and social activists have been subjected to unjustified arrests and prosecutions with some having already served custodial sentences.

It is obvious that this government has become edgy and jittery due to the myriad of problems it has created which have so frustrated Ghanaians and incurred their righteous indignation.

They have therefore developed hyper-sensitivity to the mildest form of criticisms and have evolved a strategy to suppress dissent by making dubious examples of some of the most prominent opposing voices in the media and political space to dissuade others from intensifying the criticism.

I have already cautioned that the penchant for unjustified arrests, detentions and prosecutions poses a grave threat to the freedoms of citizens as enshrined in the 1992 Constitution and will mar our good standing as a serious democracy.

Consequently, it comes as little surprise that Ghana's human rights record has come under such robust scrutiny and scathing indictment in the 2021 Country Reports on Human Rights Practices released by the US State Department.

The analysis of human rights violations contained in the report constitute a major setback to the efforts to entrench freedoms and rights as enshrined in the 1992 Constitution whose 30th Anniversary we just marked last week.

For the first time under the fourth republic, eight Ghanaians were brutally gunned down during elections in 2020 by agents of the state and government and yet no action has been taken against the perpetrators.

It has been over a year since these killings took place, but the President has not taken the trouble to publicly indicate his revulsion at them or even sympathize with the bereaved families. He has refused to acknowledge these extra-judicial killings that made him President. He has also taken no clear action to hold the perpetrators to account.

These killings were preceded by similar unprovoked violent attacks on members of the opposition by militant groups operating under the aegis of this government during the Ayawaso West Wuogon bye-elections and at other times.

No Government in our recent history has demonstrated a lack of democratic temperament in dealing with issues of dissent and public criticism than the one headed by Nana Akufo-Addo.

Ghanaians have witnessed a government, which though was popularly elected, in 2016, has behaved more like a Military regime than a civilian one.

The lack of accountability, arrogance of power, human rights violations, pursuit of selective justice, muzzling of the media and critical voices, targeted collapse of opponents businesses, closure of opposition radio stations, state capture, nepotism, politicization, and deliberate undermining of the independence of state institutions among others, are all unfortunate characteristics of Nana Akufo Addo's administration.

I believe I speak for the NDC and our MPs and Ghanaians when I say, these acts will not break our collective and patriotic resolve to hold this government to account no matter how many times they come after us. Suppression of the opposition and critical voices have never kept any government in power beyond what the people can tolerate.

It can no longer be hidden that this situation has significantly undermined public confidence and the belief of international actors in the neutrality of many state institutions including our Judiciary.

There is a prevailing perception of bias and partisanship which has not been helped by the litany of bizarre court rulings in recent times; some of which clearly defy comprehension and perceived to be designed to further the interest of the executive.

This also threatens investor confidence and our efforts to project Ghana as a viable investment destination because investors expect to have unbiased justice delivery should they require litigation.

Rather than sweeping this under the carpet, we should encourage frank debate over it with the view to building stronger institutions whose fidelity would be to the state and Ghanaians, not political parties, or appointing authorities.

SOME ALTERNATIVES

Ghana is at a crossroads and the need to institute important corrective measures cannot be overstated.

There is no shortage of solutions to our problems. It is the indolence and avid affinity of this government for a cosmetic approach to governance that has brought us here. Thus, we need far-reaching actions from the President and his Economic Management Team to resolve our challenges.

Despite the challenges I remain confident that despite the current gloom, we can turn things around and create a brighter future for ourselves. Ghana's best days are still ahead.

1. Those directly responsible for the economic crisis must bear responsibility and it is inconceivable that the Minister of Finance remains at post, having presided over the worst economic meltdown in Ghana's recent history. The President must, without further delay, relieve the finance minister of his position and appoint someone who is focused on national rather than self-interest and who has the requisite skill, experience, and knowledge of public financial management in his stead. The personal benefit that the current minister and his cronies derives from borrowing on our behalf through the commissions taken by his companies who serve as transaction advisers raises an unacceptable conflict of interest situation which must end immediately.
2. It goes without saying that the Economic Management Team, has failed and must be reconstituted immediately, with fresh ideas and perspectives. Having supervised the worst public debt buildup, the worst budget deficit, the worst debt to GDP ratio, the worst credit ratings and downgrades, the worst performing currency in the world, the worst crisis of confidence in our economy, the highest fuel prices ever, ever-rising inflation and unprecedented hardships, the current Head of the Economic Management Team (EMT) has clearly fallen from his ivory tower as a self-styled economic messiah to a poster boy for economic mismanagement and his leadership of the EMT is no longer tenable.

He has lost sight of cause and effects relationships in the economic value chain and complains that our dire economic state is due to bad ratings from international agencies, rather than the fact that our dissipating economy resulted in those bad ratings. How does that assure Ghanaians he is focused on the critical things that need addressing?

The EMT has been bedeviled by their own ineptness, over exuberance and excessive focus on linear thinking of a theoretical cause and effect relationship, devoid of the practical influences of complex real-life nuances.

In short, the EMT assumed a laboratory experimental approach, typically found in textbooks, to the extremely complex Ghanaian economy, and analysed the impact of one variable at a time.

I have often said to people, in most cases, when you are analysing the Ghanaian economy and an obvious simple solution comes to mind, THINK, THINK AND THINK again. The consequence of this lack of depth and experience complicated the problems of economic management with excessive, yet costly experimentations that did not yield viable results.

Alternatively, the President may want to consider appointing one of the many highly qualified Ghanaian public finance management experts to lead the EMT.

3. The President must as a matter of urgency reshuffle his cabinet. More than 5 years of an administration without a major cabinet reshuffle has calcified the management of the Ministries, departments and agencies. These MDAs and SOEs have become fiefdoms in which untouchable Ministers and heads of agencies are now monarchs of all they survey. Yet they lack the energy, passion, and ideas to turn moribund situations within the MDAs around. Fresh ideas are needed. Morale is at a low in these MDAs.
4. The seriousness of the economic meltdown must compel government to unveil a clear and workable cause of action, emanating from broad based thinking and consultation, rather than its current state of denial and wrong causal attributions. Such broad consultation must lead to a Post-COVID Economic Recovery Plan. A programme that will focus our energies on building an economy whose fruits of growth will benefit all Ghanaians and give everyone a fair chance at success. The participants of this broad-based consultation must reflect the demographic, social and economic status mix of the country.
5. There must be a clear and measurable reduction in government expenditure. Even though this is not an easy cause of action, it is a necessary one, nonetheless. I will be the first to admit after running the economy on zero percent, 0%, Central bank financing in 2016. However, a crisis such as this requires drastic measures. I am of the view that, an open and transparent discussion of the true situation with the citizenry will help achieve this objective. The President must lead the way in the demonstration of prudence and modesty in the use of public resources.

He must put an end to the ostentation and opulence and show sensitivity and respect for Ghanaians by using the Presidential jet acquired with taxpayers' money and stop the rental of expensive jets. Only then would he have led by the power of his example, to quote Bill Clinton, to enable Ghanaians make meaning of the sacrifices he is making to get us out of the doldrums. The extravagance must give way to frugal application of public resources. We cannot live beyond our means and expect not to fall into debt and financial ruin.

6. Related to this, government must drastically cut and trim down its size, rationalise and bring to reasonable levels, the pay packages of CEOs of SOEs, other senior public servants and heads of state organisations. The time has come to look at the practice of providing free utilities and the allowances such as inconvenience allowance, entertainment allowance and other such innovative allowances that are crafted just as income enhancers.

The practice of setting up amorphous and poorly structured public agencies to run one-off, ad hoc policies must also stop and those already created must be merged with more established and time-tested agencies already carrying out similar functions to curtail the needless duplication and waste. There must be a real effort to plug the loopholes that facilitate the unconscionable losses of public funds incurred through financial malpractices as revealed by the Auditor-General and the losses incurred by SOEs. Strict compliance with public financial management rules and laws must be enforced.

7. Government must limit borrowing significantly. If we all agree we are in an economic abyss, submerged under the suffocating weight of unsustainably high levels of debt and are at risk of default, then the wise thing to do is to limit borrowing. Government must as a matter of urgency issue a moratorium on all non-concessional borrowing to avoid an increase in our public debt. After the issuance of this moratorium, the dithering must stop, and very urgent steps must be taken to confront the debt problem. The stark reality is that in our current situation, it is just not possible to be servicing our debt at the present levels and have any significant resources left to meet critical expenditure obligations.

It is obvious that this government has no plan on how to handle the debt crisis. I note that Government refused to take advantage of the Debt Service Suspension Initiative (DSSI) and the Common Platform for Debt Treatments beyond the DSSI, because of the peculiar nature of Ghana's debt profile where only about 20% is from multilateral and bilateral partners. The bulk of our debt is from the international credit market and other commercial borrowers with default triggers related to bilateral and multilateral reprieves. Government must open a discussion with the multilateral finance partners and our creditors on a debt restructuring programme which will ease our debt burden and create some fiscal space to allow expenditure in critical sectors of the economy that are currently starved of funds.

Rationalizing and enforcing strict compliance of our tax laws in areas such as the extractive sector, including a pragmatic legislation of the tax exemptions regime can help improve resources inflow. For example, a simple insistence that mining companies relay their export revenues into Ghana, as per the relevant laws, rather than keeping such funds offshore, as is the current case, can help exchange rate stability. We must achieve a national consensus on these alternatives and take proactive steps as soon as possible. The longer we tarry, the worse the situation will get.

8. While implementing these measures, government must adequately signal to the international finance providers a clear effort at meeting future obligations. Government must commit to using some of the windfalls that we earned from the rising crude oil prices to revitalise the sinking fund in anticipation of future debt servicing. We estimate that the hikes in crude oil prices will translate into a GH¢3 billion or about US\$550 million windfall for government this year. Part of this money must go into the sinking fund to build buffers for repayment of the 2025 maturing Eurobond.
9. Government must also take immediate steps to restore credibility to the management of the economy. A contributing factor to the plummeting of investor confidence in our economy is the practice of underreporting and concealment of key economic indices like the budget deficit, public debt, and Net International Reserves. For instance, the Bank of Ghana must stop adding proceeds of the Heritage Fund and other encumbered funds like Eurobond proceeds to our Net International Reserves to create a false sense that we have more buffers than we actually do.

National data and economic indices should be a matter of fact and not subjected to needless debate and contest. We cannot be debating the factual levels of debt, reserves, inflation, kilometres of roads constructed, number of schools and hospitals built, and whether CAPEX investments should include KVIPs, metric tonnages produced of food items. Ministers must not be contesting reports and data furnished to the public from their own outfits and should not be comparing indices generated from rebased figures to figures prior to the rebasing. In effect government data must be transparent and give a true picture at all times of our national situation.

10. In addition, government must clarify reports which are rife in the investment community that it intends to use the Heritage Fund as collateral to raise a \$ 2 billion loan from a consortium of banks. We wish to serve notice that if this turns out to be true, we in then NDC will oppose it vigorously in the same was that we oppose the Agyapa deal. We cannot support the collateralization of every single source of future revenue just to finance today's consumption. This practice will deny future governments and future generations the opportunity to benefit from revenue streams accruing from the funds which were originally intended to finance critical sectors of the economy. The Heritage Fund was set up purposely for the benefit of future generations who we cannot saddle with debt and no heritage.

To make certain that this practice doesn't become the order of day, I would propose the enactment of legislation to stop the collateralization of statutory funds because those funds are now being abused and their original purpose are being seriously hindered.

11. It is obvious that the assumptions underlying the projections in the 2022 budget especially regarding revenue are overambitious and are unlikely to be achieved considering all that has transpired since the presentation of the budget. Government must revert to more realistic targets and avoid creating further doubts in the minds of investors.
12. Let me add that it is time to change the structure of our economy by allowing Ghanaians to achieve the popular General Acheampong mantra of "capturing the commanding heights of our economy." We must increase the GNP of our country as a share of our GDP. Otherwise impressive GDP numbers are mostly the share of foreign investors and subject to repatriation at will.
13. We must leverage our comparative advantage in agriculture by investing in agribusiness to complete the agriculture value chain in respect of marketing and processing of our agricultural products.

These are some of the interventions government must adopt in earnest. This is not the time for political posturing and display of empty pride. We are staring down the cliff of economic collapse and everyday wasted winds down the clock further.

Action needs to be taken now!

A STRONGER SOCIAL FABRIC FOR SUSTAINABLE DEMOCRACY

My brothers and sisters, aside reversing the economic decay, I wish to emphasize the need to re-weave our social fabric which is bursting at the seams now. It threatens national cohesion and our democracy as well.

The despair and disenchantment that the economic and social problems have created within our people cannot and should not be underestimated. There are many in our country today, who question the relevance and usefulness of the democratic path we chartered thirty years ago. They see too little progress or hope to convince them that democracy of the sort we are practicing is worth the effort.

I am an unrepentant believer in democracy, and I hold that it is the only viable path to nation building. Disruptions of the constitutional order cannot be an option and would rather worsen a dire situation, but I am also pragmatic enough to realize that mere rhetoric and exhortations about democracy no longer give our people hope, particularly our young people who are desperately searching for jobs or the young families out there whose mortgage plans have been disrupted because the dollar has arrested the cedi. What threatens them must threaten us and jolt us into solution mode.

Of course, I know they also have a responsibility as citizens towards national development, but I also appreciate from my interactions with them that, they do not expect government to solve all their problems. They are not unreasonable!

Therefore, we as political leaders must demonstrate through our deeds that the struggle to restore democratic rule those three decades ago and the flame of hope that was lit in our people has not been in vain. We must restore confidence in the democratic path. We can, if we carry out extensive reforms in our political and governance system and deliver the goods and services they yearn for. This is the way to go so that even in times of crisis, they still see a silver lining at the edge of the clouds. And can wait out the hard times assured that effective and responsive leadership will work in their best interest.

The political elite in Ghana are taking Ghanaians for granted and are governing and using resources in a manner that suggests personal benefit rather overrides national collective benefit. Under no circumstance must personal benefit override national benefit.

The time has come to adopt bold and radical measures to carry our people along so we can win back their trust and confidence to manage the affairs of the state with dedication and sacrifice.

After thirty years of operation, the young people of Ghana expect us to carry out a comprehensive review of our constitution and governance system. They expect a strengthened fight against corruption and waste. They expect modesty and frugality on the part of our leaders. They expect humility and respect from those who lead us.

In the meantime, this current administration must show commitment to building genuine consensus on the matters that concern Ghanaians the most and rally support around a common national cause. I am ready to support this national goal with patriotic zeal. The President must show leadership and take urgent steps at this crossroads to end the dangerous levels of inequality and polarization we see in the country.

To do this, let him respect the rights of all citizens and refrain from the intimidation of the media through hostility and needless arrests of critical voices. Let him end the politically motivated witch-hunts of leading opposition voices. For emphasis, President Akufo-Addo and his Vice President must demonstrate a commitment to the fight against corruption by prosecuting his officials many of whom have engaged in corrupt acts and disarm and stand down his militants he has drafted into the security agencies.

On the security front, this government must weed out the rogue elements it has drafted into the security agencies because they constitute a major threat to society – including robbing bullion vans at gunpoint.

Let the Attorney-General prosecute the killers of those eight innocent Ghanaians who were killed during the 2020 elections as well as the perpetrators of the Ayawaso West Wuogon violence. Let the President be interested in his Attorney General securing justice for Ahmed Suale, the journalist who was killed in cold blood for simply doing his work. And let justice be done in the case of Major Maxwell Mahama, a fine soldier who was lynched at Denkyira-Obuasi in 2017 while on duty tour.

These are the measures that can begin to set the tone for a genuine dialogue on building national cohesion and consensus and bring an end to the dangerous levels of polarization and discontent we see and feel around.

There is not a single example of any country in this world where repression of the opposition and dissenting voices or bad governance kept any party or leader in power forever. Eventually change will come because there is only so much that an oppressed, and over-burdened people can tolerate.

President Akufo-Addo inherited a buoyant democracy with strong institutions that made it possible for him and his party to win the 2016 elections. And that happened without a fly being hurt. Let him take those steps that would ensure that he leaves the country in one piece at the end of his tenure in 2025.

At the moment, this government has lost its way and seems ill-suited to govern.

CONCLUSION

Ghana is at a crossroads. The state of our nation is dire and crisis-ridden but in the last few weeks happenings in the football arena have taught us what can happen if we change course and do the right things. This lesson came in the shape of our gallant Black Stars who secured qualification to the 2022 World Cup by defeating a much fancied and vaunted rival.

Dismissed, vilified, and disparaged after their poor showing at the 2021 AFCON in Cameroon, the management of the team effected badly needed changes, which provided a new sense of purpose and direction, the culmination of which is the qualification to the Qatar World Cup in 2022.

Today, that qualification has provided a glimmer of hope on a very gloomy national horizon. Congratulations once again Gallant Black Stars! My prayers and support will always be with you.

The Black Stars journey to the Qatar 2022 World Cup Finals provides useful lessons on which we can model responses to the socio-economic disaster of today. If a team written-off by pundits can reinvent itself, work together under the right leadership, and attain international glory; then the answers to our present woes are not far-fetched, they are within us to achieve.

If we work hard at it together – under exemplary and selfless leadership willing to make the right choices and the right calls – we will emerge out of this current crisis better and more united as a nation.

Failure is not an option. We have in our hand, an opportunity to act and do so quickly – at this crossroads – to return hope to our motherland.

God bless you.

I thank you for your kind attention.