

**AN OPEN LETTER TO
HIS EXCELLENCY, THE PRESIDENT OF THE REPUBLIC OF GHANA, JOHN AGYEKUM
KUFFOUR**

**The Outcome of Public Forums Held Throughout the Country on the 2002 Annual
Budget (July 2002)**

The Centre for Budget Advocacy of ISODEC in collaboration with the Save the Children Fund organized a national public forum at the International Conference Centre and nine regional public forums throughout the country on the 2002 annual budget. The essence of the fora were to:

- Whip up public interest on economic and other policy issues raised in budgets both at the national and at the district level;
- Afford those at the regional level the opportunity to discuss pertinent issues raised in the 2002 annual budget and draw government's attention to these issues and to encourage the public to make meaningful contributions in the future;
- Enable those at the regional level understand certain policies outlined in the budget and examine their impact on them as citizens;
- To emphasize the need for civil society to engage the authorities in policy-making at both the national and local levels.

The approach adopted was non-partisan and all-inclusive, bringing all shades of political opinion to the discussions and encouraging an objective analysis of issues raised in the budget. Thus, politicians from the ruling NPP and the opposition NDC, academicians, civil servants and civil society organizations were used as resource persons. While commending the politicians who accepted to make presentations at these forums, we wish to indicate our disappointment at the failure of other political leaders and some civil servants to honour our invitations without any convincing explanations.

Your Excellency, in introductory messages, the CBA called on participants to avoid partisan and inflammatory statements and as much as possible to avoid swaying the discussions on political lines. Although the forums were non-partisan, we particularly made efforts to bring in speakers from both the government and the main Opposition NDC party to ensure a balance in the presentations. However, we wish to make it clear that we had no obligation to do this and parties should not insist on representation as a matter of right as constraints in resources would not permit us to cover all parties in all cases. As much as possible, we tried to ensure that enough time was made available at each forum for people to ask questions and make contributions, although in a few cases this was not possible due to the late start of the forum.

Introduction

Speakers at the public forums made presentations on a wide variety of issues including social sector spending, Globalisation, Education, Poverty Reduction, the HIPC initiative, Public Expenditure Management, the macroeconomic targets and other policy issues contained in the 2002 Budget. There were several complimentary comments about the budget in general, although, admittedly, this was expected from the government and NPP officials. However, in introductory remarks, many chairpersons at these forums were unanimous in their belief that every budget aims at enhancing the welfare of the country's citizens although this was subject to several constraints and that there were alternative ways of achieving the goals of the budget. Thus, participants were entreated to view the budget from this perspective, rather than viewing it in a narrow-minded way.

Sir, a number of participants wondered whether we were going to bring the results of these forums to your attention and whether your government would do anything about their concerns. We assured them that we would bring to your attention the key issues that they raise. What we could not assure them of was whether you would listen and do something about the concerns they raise. We recognise the constraints and frustrations you face even from your own party, in trying to instil discipline and sanity into the economy and the country at large but we believe that you do listen and that you are committed to BRINGING ABOUT THE POSITIVE CHANGE THAT YOU PROMISED GHANAIS. It is in this light that we write to you.

General Performance of the Economy

As a nation, we need to have a long-term vision (a comprehensive set of goals and strategies to achieve such goals), a long-term development plan, or whatever one calls it, which we strive to achieve no matter what party is in power. Such a document must be approved by Parliament and it should not be possible to abandon or vary it significantly without Parliament's approval. Most participants, therefore, questioned the rationale for abandoning the Ghana Vision 2020 without any ready replacement and questioned whether the nation's goals had changed with the change in government.

Thus, as part of our long term strategy and recognising that Ghana is a poor country and internally generated resources are not adequate to meet all our commitments, it was generally agreed that we need to generate more exports to meet our import requirements and take trade seriously. The following goals should, therefore, reflect in both our national and district level budgets as well as our long-term development plans:

- The diversification of the export sector.
- The intensification of our industrialization process.
- The development and support of agro industries.
- The provision of reliable and affordable utilities.
- Increased production and consumption of local goods.
- Increased efforts to assist the small/medium scale industries to improve their productivity.
- The development of other energy sources, especially solar energy.

Some speakers felt that Ghanaians needed to confront the flawed structures that promote poverty and undermine macro-economic stability, adding that no amount of foreign aid can change our situation if we do not get involved in policy development meaningfully. **To them, development is about inclusion and empowerment of the majority of the population and not just a few, the rich and the powerful.**

A number of chairpersons and speakers also agreed that the budget was pragmatic, and that the targets were reasonable as research findings have shown that Ghana has never exceeded 5% GDP growth rate. However, others were concerned that it was not based on clearly designed long-term policies by the government, more especially as the fall in crude oil prices, the rise in the prices of cocoa and gold at the world market and the fall in interest rates should reflect in the growth rate projections of the country. Although this is a debateable issue, there is no gainsaying that we need realistic targets and a realistic budget while bearing in mind our dependence on foreign sources of funding and possible external shocks.

Some speakers felt that what we do as a nation was at divergence with what we profess, a clear example being the Textiles industry where we seem to be implementing conflicting

policies. Another area of concern was the divestiture policy, which had been bedeviled by problems of poor implementation, unemployment, and high cost of services. The policy of divestiture of state-owned enterprises has not been seriously reviewed in connection with the GPRS, and in spite of public outcry, the policy is continuing and has been extended to cover basic utilities like water and electricity. The issue of divestiture was of concern to some speakers and participants because, if the main rationale is profitability, some enterprises could be profitable if something is done to them, otherwise investors would not offer to buy them. Besides, what happens when all state-owned enterprises have been sold out? Moreover, the private sector is not in the position to absorb the workers that lose their jobs as a result of the divestiture of these enterprises.

Some of the participants at the public forums expressed the need for performance agreements to be signed in all sectors of the economy to ensure efficiency. Thus, there was a general consensus that for Ghana to see increased productivity and economic growth and development there was the need for transparency and accountability on the part of politicians and public officials, efficient tax collection and proper time management. However, most participants also agreed that the development of the economy does not rest on the government alone but rather requires the individual effort of the whole citizenry, although there must be a conscious effort by the government to put in place measures to ensure that the private sector adds value to our exports. Export diversification must be carefully considered in order not to hamper or endanger the natural resource endowment and the occupational specialisation of some communities. In this direction, participants recommended that the government monitors and assists the divested firms especially those not doing well as this will keep the workers of the firms in employment. On broader level, some participants called on the government to put in place an adequate support system for the private sector to grow.

For real growth and development to take place, there is also the need for a changed work attitude, the provision of reliable and affordable utilities and a stable political and economic environment and consistent implementation of policies. Efforts should also made to reduce the amount of insecurity, particularly armed robbery and chieftaincy disputes, currently existing in the country.

Much as the CBA supports the growth of the private sector, we call on the government to ensure that such growth is not achieved at the expense of the majority of Ghanaians with the fruits of such growth going to a few people who are already well-off. We also call for a common strategy by both the ruling party and those in the minority to work together with government, civil society and private sector to develop the country and fight poverty. The government, however, has the responsibility to create the atmosphere for such cooperation.

The Budget Statement and the Budget Process

There was a general dissatisfaction with the nature of the budget and a call on the government to, as much as possible, reduce the technical jargon of the Budget Statement to enable people read and understand it. The availability of the statement on a timely basis for civil society input during the debate in Parliament was also a matter of concern. Some speakers wondered why government should always aim at a budget surplus and whether we carry out an assessment of the impact of the budget on the welfare of the people at all, be it ex ante or ex post assessment. Also, some speakers accused the government of not setting this year's budget and the GPRS in the context of the MTEF, which appeared to have been abandoned by the NPP government. We are told that this oversight, which the government was reluctant to admit, has now been rectified although the amended document is still not in the public domain.

Participants at the public forums also expressed concern about the failure of the budget to provide detailed allocations to geographic sectors and gender expenditures, especially in the light of the GPRS, which admits distinct geographical disparities. They, therefore, called for an equitable distribution of the growth boasted about in the 2002 budget statement and a clear allocation of resources to poverty reducing expenditures and to the poor and vulnerable in the society as well as deprived areas.

Unfortunately, a number of speakers and participants felt that the 2002 budget offers no change from the past but rather simply continued with NDC policies. Some speakers complained about the government's over-emphasis on the privatization of state-owned enterprises, making it look like efficiency necessarily goes with private capital. Another question posed by some speakers was "How are we going to reverse the situation whereby only a small percentage of taxpayers pay a large portion of our tax revenues?" "Why the continued dependence on indirect consumption-based taxes without fully tapping the potential of direct taxes and reviewing the concessions for the corporate taxpayers?" This is a worrisome area because the emphasis on domestic revenue generation is meaningless if we cannot improve our tax system to cover all sectors of the economy. Even though direct taxes are progressive, the low compliance and lack of enforcement by the IRS favours the wealthy and powerful and hampers revenue mobilisation, leading to our continued dependence on the indirect taxes that harm the poor most.

Moreover, it was emphatically stated by some speakers that it is not possible to be neutral on budget issues when there is a lot of disadvantage and poverty. Budgets bring rewards and penalties for different categories of citizens and there is, therefore, the need for every citizen to be involved in the formulation of the budget especially in the determination of taxes and prices and expenditure on basic social services so that their interests can be catered for. Issues of social equity and access should be addressed by targeting deprived areas and groups of citizens as our limited resources make it impossible to cover all citizens in most areas. The database constraint here, however, was also recognized but participants felt that this could be improved with the necessary support to the Ghana Statistical Service and other data generating agencies.

The HIPC Initiative

On the decision to take advantage of the HIPC initiative, some speakers reiterated the age-old argument that the decision to adopt the initiative was a mistake, arguing that it was full of uncertainty, crooked, derogatory and eroded the sovereign dignity of the countries involved. However, most speakers and contributing participants expressed the view that the country will benefit in terms of debt relief with regard to joining the HIPC although there were certain fundamental questions that have not been properly addressed such as:

- Where will HIPC take us?
- Will the debt situation of the country become sustainable through HIPC? (The case of Burkina Faso immediately comes to mind).
- Would there be fairness in the international trading system and can developing countries get easy access to the world market? and
- Can the developing countries break the dominance of the multinational corporations/institutions in world trade?

Moreover, the general concern was that the HIPC completion point was tortuous and could never be reached and that, if reached at all, there was no guarantee that the debt situation would become sustainable. This is because the perfect optimistic and magnanimous scenario that has been used to represent the world economy can easily be dismantled by

the real fall of commodity prices, the real increase in oil prices, the high level of subsidies in the rich countries, particularly the USA, and the decline in economic growth due to the spread of AIDS/HIV. This would leave us once again in the doldrums.

Most participants expressed dissatisfaction with the HIPC debt relief, arguing that it was not substantial and wondered what the country would do if the interim relief runs out. They expressed worry about Ghana's poor debt management situation and the domination of the whole lending process by the multilateral and bilateral creditors, unilaterally determining the rate of interest, the conditions of repayment and even structural adjustment programmes. Worse still, these development partners control the prices of poor countries' exports and deny them access to their own markets. Yet, a substantial number of participants expressed the fear that the government might not actually use the HIPC savings for poverty reduction and for the benefit of the poor and vulnerable. Here, the case of PAMSCAD and other poverty related programmes, whereby government yielded to administrative and political pressures, and diverted resources to satisfy political aims, readily comes to mind.

Participants at the forums, therefore, proposed that the country and the civil society organizations fighting for the total cancellation of the debt owed to the multilaterals and bilaterals should continue in their fight until this is achieved. Some speakers and participants even dared to advocate a limitation of further assistance to poor countries and even total debt cancellation only where a country agrees not to seek or accept future loans from the creditor community. Furthermore, there was the need for the Kuffour administration to initiate steps to get the Swiss and other foreign banks to repatriate parts of Ghana's foreign loans allegedly stashed away by corrupt public officials.

Finally, most participants at the public forums felt that the HIPC initiative also posed some serious challenges for Ghana, including the operation of a free market economy (trade liberalization and privatization), fast track privatization without regard to strategic investments and the inability of the private sector to absorb the displaced workers as well as the non-intervention in foreign exchange transactions.

Support for Farmers

Participants and speakers at the public forums felt that, as agriculture is the mainstay of Ghana's economy, farmers needed to be given special attention and support to increase productivity and family incomes. They, therefore, applauded the importance and special treatment provided by your government to the cocoa sector but were worried that this was done to the express neglect of other sectors, which were equally important or could become equally important when given similar support and attention. Also, some speakers were critical of the timing of the increase in the producer price of cocoa, coming after the main season, when most farmers had sold out their produce. They, therefore, called on the government to release this year's bonus to farmers early to enable them do their clearing early.

In order to improve the entire agricultural sector the participants at the public forums proposed that the nation focused on the following:

- The need for field and extension workers of the MOFA to work closely with farmers;
- The need to initiate an insurance scheme for farmers.
- The reduction of post harvest losses to improve the income of the rural farmer;
- The easing of bottlenecks surrounding land acquisition;
- The extension of the President's Special Initiative to cover other areas, particularly, guinea fowl and goat rearing in the north.
- The extension of the emphasis on cocoa to sheanut and coffee farmers for optimum effect.

- The reactivation of the Meat and Tomato factories in the Upper East Region to provide income to farmers and employment to the Youth.

Income Levels

Participants were generally dissatisfied with the salary and wage levels in view of the increasing cost of utilities and general price levels. Civil and public servants lamented over low wages and appealed for a review of their earnings to ensure a realistic real wage that will also bring about increased productivity and reflect the rising prices in the economy. Some even called for the review of the policy of consolidating salaries, which made workers worse off and yet did not bring about the purported benefits of enhanced revenue for government. The participants at the public forums also complained about the paucity of the pensions paid by SSNIT and called for a review without any further delay.

There was also agitation among various participants that the economic indicators perceived to have been achieved by the government do not reflect in the pockets of workers and were mere statistics. Thus, there is the need for more work if the situation of the ordinary Ghanaian was to improve.

Yet, the government has gone ahead and granted \$20,000 loans to Parliamentarians to purchase vehicles of their choice. Much as most Ghanaians accept that Parliamentarians, like other public officials, require means of transport for their duties, the general worry is the cost of the vehicles provided to them and the fact that they have only four years to pay back. Have their salaries and other benefits been revised upwards such that they can hope to finish paying before the end of their term. Moreover, some Parliamentarians have continued to receive car loans for the past three terms. Do they really need these loans? Can other public officials, such as doctors and judges, get similar loans to purchase cars? What has happened to the law on the monthly deductions of public officials not exceeding 30% of their monthly earnings? It is even alleged that ministers, who are also Parliamentarians and have to, at least, two official vehicles, have still taken these loans. It is important that these concerns are addressed because the new minimum wage has not met the expectations of most workers, considering Your Excellency's pronouncements on the need for a realistic remuneration for workers. There are various suggestions to address the issue of providing Parliamentarians with vehicles and houses and there should be a public debate on it.

Decentralisation

The Government has assured Ghanaians, as contained in the GPRS, of a vigorous and progressive deepening of the decentralization and devolution of power to the district assemblies. Fiscal independence is, therefore, envisaged for both own-generated revenues and central government revenues. However, most participants at the regional public forums felt that the decentralisation is very slow and that Accra is unwilling to release power and resources to the districts. They, therefore, called on "the government of positive change" to hasten fiscal decentralisation so as to remove ghost names. It is felt that the government has relaxed its policy to have DCEs elected until after the 2004 elections. This is worrying, as experience has shown that these decentralised officials have been used in the past, together with the state resources under their control, for political gains. We hope that this government does not intend to exploit the same situation.

Even though some politicians, including some leading Opposition members are against the election of DCEs, we think it is necessary and call on the government to hasten the process of decentralisation. District Assemblies must allow Unit, Village, Town and Zonal Committees as well as the entire civil society to monitor projects undertaken in their electoral areas. The situation where local government institutions owe dual allegiance

to their parent organisation and their respective District Assemblies does not augur well for the development of the districts and should be streamlined to avoid any conflict of interest.

Moreover, the delay in the disbursement of the Common Fund often disrupts the budget implementation of most District Assemblies as some of them cannot really generate much revenue from their own sources. In situations where the government cannot disburse monies from the Common Fund this should be made public so that the Assemblies are not faced with pressures from contractors and others suppliers to pay for services rendered. **The situation where government is unwilling or unable to provide accurate information on the release of funds from the DACF, as happened recently with regards to the payment of the second quarter instalment of 2001, does not augur well for a government that has assured its citizens of transparency in all its transactions.**

Education

On education, effort must be put in place not only to ensure efficient delivery but also equity. Speaker upon speaker lamented on the poor educational facilities, obsolete equipment in schools, lack of refresher courses for teachers, poor supervision of teachers, control of admissions, inadequate infrastructure, and lack of control over private educational facilities. In fact, the general feeling was that of a helpless situation with no focus on education delivery. Participants were unanimous in their stand that education must not be acquiring of certificates alone but must include acquisition of skills to make one functional. **The incentive package (motorcycles and bicycles) provided in the budget for teachers in the rural areas was not adequate enough to attract them to those areas and should necessarily include regular promotions, health insurance, scholarships, inducement allowances as well as personal and housing loans. Besides,** they wondered whether the poor teacher situation would change as there is no acceleration of teacher training to meet the anticipated increase in enrolment of pupils in basic education in the next few years. The Training Colleges that were turned into secondary schools need to be reactivated without any further delay to address the poor teacher situation.

There was a general consensus that Ghana's human capital formation was suffering a setback due to the high cost of education, especially in the light of the high rate of unemployment and spate of lay-offs resulting from the unbridled sale of state-owned enterprises without adequate safety nets. It also came out clearly in the public forums that the write-up in the budget on tertiary education was scanty. The participants felt that tertiary education was not given the prominence it deserves and that greater attention has been devoted to first and second cycle level of education. The government was also called upon, as a matter of urgency, to come out with a policy on pre-school education. Thus, it was proposed that technical and pre-school education should be adequately highlighted in all future budgets as these are equally important. Some speakers and participants expressed the view that Ghana's educational system was faced with the major problem of student maintenance, as the SSNIT loan was grossly inadequate even for feeding, not to talk about equipment, internal transportation and other financial commitments.

While the private sector was supplementing the efforts of government in providing educational facilities to the numerous children, especially in the cities, there is a general concern about the lack of control of these private facilities. Private school authorities connive with some so-called PTA executive and revise their school fees at will without reference to the Ministry of Education. Some schools deliberately increase their fees in the course of the academic year when it is not possible for parents to transfer their children. Yet, when it is to their advantage they call on government to extend public sector facilities to their institutions. For example, if government institutes incentives for its employees, such as annual awards for teachers in public schools, why should it be extended to private schools? Why can't the

private schools institute similar incentives for their teachers? **We call on the government and the Ministry of Education to instil some discipline in the running of private schools, especially with regards to school fees so as to make them accessible to more parents and reduce the pressures on the public system.**

We also call on the government to create equal access to education, provide proper incentives to teachers in rural areas, improve educational infrastructure and strive to equip students with basic skills through the education system.

Health Care and Health Facilities

For an effective and efficient health delivery system there is the need for a review of the conditions of services of health workers, especially doctors and nurses in the face of the high rate of migration of health workers. Moreover, the so-called replacement of the cash and carry system is rather taking too long and a health insurance scheme is not suitable for the poor people of this country, as they cannot pay the premiums. For example, the population involved in the informal sector is so high that it will make the running of an insurance scheme very costly. Besides, participants wondered what the basis for selecting some districts for the replacement of the cash and carry system on pilot basis would be, considering the fact that the poor and vulnerable are often the last people to be thought of in this country. Is it based on the GPRS?

They, therefore, called on the government to expand the provision of free medical care for children under five, the aged and pregnant women to other vulnerable groups, increase financing of reproductive health education and introduce a package for supervised delivery. **There was also a call on the government to make the procedures for accessing these exemptions easier for the poor, as some of the procedures are cumbersome and impossible for the potential beneficiaries to access them.** They also called for prompt returns on exemptions on medical care, prompt reimbursement and a requirement for district and regional directorates of the Ministry of Health to show what they have done in the year by providing adequate data on health status in their jurisdictions.

Women and Children

The budget system in Ghana is such that it is not clear what expenditures directly benefit women, children and the disabled and it is high time this situation is redressed. Children and women's issues must be included in the budgets as we now have a Children and Women's Ministry. It is not enough to assume that general expenditures on parents will adequately address the needs of children. For example, a call was made at the public forums for increased training of women to acquire proper skills so as to increase family income levels and this must be of concern to government. Also, there has been too much emphasis on sports, particularly football and the salaries of foreign coaches, at the expense of Youth training, and this situation needs to be reversed.

Some speakers and participants made a passionate appeal to men to make presentations on and fight on gender issues rather than always leaving it to women to do so. There is also the need for a clear definition of gender, gender issues and gender equality if they are to get the attention they need. Poverty among women, according to some speakers and participants, is caused by the lack of capacity to influence public policy, unfavourable legislation and lack of adequate legal provision for ex-wives, widows, etc. and much needs to be done to reverse the situation. There were also concerns that the functional literacy programme seems to have been abandoned and some participants called on the government to reactivate, especially for women, in addition to increased education on adolescent sexual and reproductive health.

Poverty Reduction and the Vulnerable in Society

There was a consensus among both speakers and participants, which is supported by available statistics, that there is an uneven level of poverty in Ghana and the budget must reflect this phenomenon if we are to make any headway in poverty alleviation. Yet, the budget is not spatially responsive, but depends on whoever is arguing the case. Participants were dissatisfied with the type of economic growth that we boast about because it is not distributive enough and does not spread enough for the benefit of the majority. Any poverty reduction programmes and projects must, therefore, not only reflect this disparity but also reflect in the annual budgetary allocations.

In order to enhance the GPRS, participants noted that it is important to consider the timing of the poverty alleviation fund. They felt that the fund should be disbursed at the most appropriate time for the type of activity that it is meant for, otherwise it could lead to diversions and misuse resulting in failure to pay in the end. There is also the need to educate the loan beneficiaries not only on the need to pay back the loans but also on how to operate their businesses profitably. Participants expressed the need to examine critically the sources and the use to which the borrowed funds will be put so as to improve upon efficiency. It was suggested that the government must place emphasis on developing the agro-industry rather than the retail business. The consensus was that efforts at alleviating poverty must not only involve increasing access to social services by the poor and vulnerable but also involve focusing on increasing productivity.

Participants at the public forums felt that although the budget was supposed to be linked to the GPRS it was rather global and lacked the committed resources to carry out specific programmes and projects. They emphasised the need to have a direct link between growth and poverty. There were even concerns raised about the implementation of the Ghana Poverty Reduction Strategy (GPRS) as there were doubts about the political will of the government and commitment to governance issues which have frustrated past developmental efforts.

Provision and Maintenance of Infrastructure

On infrastructure, there was a general dissatisfaction with our maintenance culture, which leaves expensive infrastructure projects to deteriorate only to require huge sums of money to replace them. Participants felt that emphasis should not only be placed on new construction but also on maintenance of existing structures. All uncompleted and abandoned projects must be completed as soon as practicable as there will be uses for them.

In connection with the road sector in particular, it was observed that the selection of roads in each region for rehabilitation was not the best as the length and cost of the selected roads would not be the same. Similarly, the decision to create a model Senior Secondary School in each district was not fair as some districts were already well endowed with several model secondary schools while others had virtually none. This is particularly the situation in most districts in the north and the other districts that were created in 1988. These deprived districts need more attention and should not be treated like the rest of the districts in the country. Another source of worry is with the implementation of the policy itself. In some districts, the already well-endowed schools were selected for upgrading to model schools because they required less resources. If there is the commitment to upgrade some schools to model schools, the selection process must be reviewed in consultation with the various District Assemblies and not just with the political leaders alone in the districts.

Bribery and Corruption

The age-old canker in Ghana's economic history, bribery and corruption, came up several times for complaint and the government was called upon to act rather than the rhetoric of zero tolerance for corruption. There was particularly grave concern about bribery and corruption in contract works and procurement, which lead to increased costs and complete wastage as well as poor product and service delivery. Participants, therefore, called for measures to be put in place to check bribery and corruption as well as sanction those found to be guilty. What is most worrying is when there are allegations of corruption among the political leadership. Severe sanctions, including the retrieval of stolen monies and prosecution, must be the order of the day. The general cynicism and the comment that "politicians are the same and always protect their own" were resounding throughout the forums. Mr. President, Ghanaians are expecting a lot from you in this area as bribery and corruption are a tax on the poor who are compelled to pay for services that they would not have paid for. We know it is exceptionally difficult, especially with your own party people, but in the end you would be accountable to all Ghanaians and the ordinary party person would even turn against you if you fail to act.

As a result, and as far as public expenditure was concerned, speakers and participants alike proposed the following:

- Laws against the release of public information must be repealed immediately to assist civil society, particularly the media, investigate and report on malfeasance.
- Complaints and reports of financial improprieties must be taken seriously and investigated promptly for remedial action, no matter who is involved.
- Measures should be put in place to enhance good record keeping and regular reporting by all public institutions for effective expenditure control.
- Corruption and wastage in the utility sector must be eliminated before any increases in tariffs.
- Ghost names must not only be eradicated; those responsible must be severely sanctioned.
- The tax net must be widened to cover political appointees and elected and public officials, as they bite a larger portion of the national cake.
- Regular transfers of public officials to avoid complacency. This is particularly serious with headmasters and bursars of SSS where some of them have remained in the same positions for many years and do everything possible under the sun to remain at the same school.
- The setting up of ex tempore audit task forces that move from region to region to audit sample institutions.

We call on the government to take these suggestions seriously as they would give credence to your policy of zero tolerance for corruption.

Cost Recovery for Utilities

It was generally agreed that the provision of certain basic services by the government was crucial and all participants felt that it should be continued. **Historically, in the advanced countries, the public sector has played a central role in financing, regulating and/or delivering basic social services, as the market alone does not ensure universal access to these services. The cost of utilities is biased against the poor.** It is, therefore, the moral responsibility of government to ensure access and equity in the delivery of these social services by providing or at least subsidising these services, especially to the poor who cannot pay an economic price for water, education and health. It is interesting to

note that, though the GPRS is aimed at enhancing social services, the government is selling state shares in utility companies as dictated by the IMF and World Bank whether they admit it or not. The issue of profit motive in the supply of goods must not be extended to the supply of basic utilities like water, education and health.

Conditions prescribed by the International Financial Institutions, which are not in our interest, must not be accepted. Besides, utility companies must try to and be seen to be reducing corruption and wastage rather than or before increasing prices. **The policy of subsidising water and electricity was hailed but concerns were still raised about the silence on the percentage of subsidy, the determination of who benefits and the interim nature of the policy.** Participants also felt that the government needed to come out with concrete proposals as to how it intends to eliminate wastage in the delivery of basic utilities. Price increases of utilities must come with increases in workers' salaries.

Accommodation for Security Agencies

There was a general concern about the accommodation situation members of the security services, especially prison officers and the Police, face. Sir, we have reached a stage where the use of barracks by all security personnel is no longer feasible. Apart from the accommodation problem, the security situation in the country even needs the integration of the Police, especially, into the communities where they work. They must live among the communities, either under cover or as publicly known law enforcement officers, to help stem armed robbery and other crimes. Their mere presence in the communities could serve as a deterrent to criminals. Besides, any attempt to increase the staff in these security agencies must go with a deliberate effort to increase residential accommodation and logistics for them. Numbers alone would not improve the security situation. Thus, some participants were of the view that there was no need talking about further recruitment into the Police and Prisons Services without first having addressed the accommodation situation.

The Role of Civil Society

Throughout the public forums there was a general consensus that civil society had an important role to play in the budget process, especially in the following areas:

- Delivery of key services by organised civil society groups in collaboration with government.
- Contribution to the planning, design and budgeting for services to avoid overlap and duplication.
- Contribution to the debate and approval of budget by raising issues of priority and how they affect their target groups.
- Monitoring and evaluation of the implementation of the budget, e.g. outputs of expenditure on programmes and impact of taxation policies.
- Monitoring the use of public resources and lifestyles of public officials and drawing government attention to irregularities for remedial action.

A discourse involving civil society organizations and other stakeholders should crystallize consensus among the citizenry as this will bring about national consensus around core issues. There was, therefore, a call for cooperation from all sectors of society. Participants commended ISODEC for the opportunity it afforded ordinary Ghanaians to discuss national issues and called for an extension of this opportunity to ensure participation. There was the need to consider ways of engaging civil society in the formulation of the budget and other economic policies. Civil society will also be in a good position to examine the impact of social sector expenditures on the target groups of such expenditures. Organized civil society groups were called upon to help in monitoring development projects, poverty focused expenditures as well as the transitional plan for cost recovery in the utilities, the PSI on

cassava, the allocation of the HIPC debt relief and ensuring the targeting of poverty endemic areas for poverty reducing expenditures. Finally, participants felt that civil society should be involved in the design and implementation of district poverty reduction strategies.

To ensure effective collaboration in the developmental process, participants called for transparency between NGOs and District Assemblies to avoid duplication of efforts. NGOs were called upon to disclose their sources of funding and their programmes for the year. The Regional Co-ordinating Councils and the District Assemblies should also publish a list of projects in their jurisdictions to enable civil society monitor them.

Specific Regional Issues

Central Region

A complaint was made about the poor road network in the Central Region that is adversely affecting tourism in the region. Also, the President's Special Initiative on cassava, which should have added new areas, rather sought to replace existing ones. In some parts of the region, which are known to produce the best yam in the country, the initiative has replaced yam production with cassava production because of the support and the fact that the breed of cassava introduced is a cash crop with the potential of earning foreign exchange.

Also, there was a complaint about the uncompleted Police flats in Cape Coast that have been abandoned for a long time in spite of acute accommodation problems facing the Service. We wish to call on the Police Administration and the government to save these flats from collapse.

Upper East & Upper West Regions

There was a call on the government to create a Research institute or at least task one in the area, e.g. the Savannah Research Institute, to research into sheanut, dawadawa and other food trees produced in the area as these crops were not getting adequate attention from the Cocoa Research Institute. Participants and speakers from the two regions also called for the formation of a Northern lobby group, being a deprived and marginalized area to support their Parliamentarians. A case in point was the situation where loans meant for poultry farmers went to big time poultry farmers in the South without any going to the people engaged in actual poultry farming, most of whom reside in the northern part of the country.

On the scholarships and other benefits to cocoa farmers and their wards participants at the northern forums felt unfairly treated as northerners are actually the people who work on the cocoa farms. Participants condemned the calls for and attempts by some powerful people to abolish the Northern Scholarship Scheme as this was a ploy to keep people from the three regions deprived and marginalized. They called on the government to rather strengthen the scheme and expand it to the tertiary education to show its commitment to poverty reduction in the three northern regions as education is very low and poverty very high in these areas.

Western Region

There was a general complaint about the court system in the region because some districts did not have judges at all while others had no accommodation and had to use makeshift premises with judges coming in once a week. Participants felt that the issue in the country is not to establish fast track courts but to provide the necessary logistics and accommodation, create more ordinary courts in the districts and provide regular judges if we expect justice to be served.

Conclusions

It is generally felt that the attitudes and mentality of Ghanaians to public property and work, which is negative, is the major cause of our underdevelopment. The attitude to work, indiscipline and indifference towards public property constitute a big threat to the nation's forward march. Ghanaians must change their attitudes, tastes and way of life to reflect our peculiar needs and circumstances if we hope to achieve progress.

The achievement of the targets set in the budget require hard work, transparency, good economic management and accountability from all as well as putting a good tax collection system in place. The authorities must learn from the past mistakes in the disbursement of the poverty alleviation fund, which went to party functionaries without regard to what they were going to use the money for. The problem with such assistance is loan recovery and the failure to cater for the really vulnerable in society.

Your Excellency, the Centre for Budget Advocacy humbly submits these views to you with the hope that you find them valuable. We wish your government the best of luck. We assure you of our continued constructive but critical support.

Thank you so much for your time and attention.