

**ISODEC REACTS TO THE PRESIDENT'S STATE OF THE NATION ADDRESS 2003**

1. The integrated Social Development Centre (ISODEC) wishes to pledge its support to the President and the people of this country for His Excellency's efforts to turn the economy around and to improve the living standards of Ghanaians. ISODEC encourages all Ghanaians, including the Opposition Parties to rise up to the President's call for support in moving the nation forward.
2. ISODEC unreservedly commends the President's plans to assist the Accra Metropolitan Assembly to regenerate Accra, our national capital. We also share the President's concern about the needless loss of life and economic values due to the high rate of road accidents and urge that we go further to take steps to improve the infrastructure and promote safe driving conditions and habits. We applaud his call for good neighbourliness with our sister countries in the sub-region and congratulate his Excellency on his accession to the Chairmanship of ECOWAS. His call for Ghana not to lose her soul is timely, as that is as difficult to restore as going back in time.
3. Above all, we agree wholeheartedly that Ghanaians need an attitude change if the country is to move forward, a change that must start from the leadership including the President and his Cabinet, Parliamentarians, Senior Public Officers as well as heads of Non-Governmental Organizations, the Clergy and Chiefs. We believe the main attitudinal change that will take our nation forward is the discipline of self-reliance and the self-confidence in our ability to solve our socio-economic as well as technical problems by gathering our own cumulative capacities. This means confidence in each other, transparency in all public undertakings, openness to criticism as well as to alternative or divergent ideas.
4. True, we may not agree with some of the government's orthodox approaches and so we may criticise. Our criticisms are not intended to vilify or undermine but to improve governance and the efficient and effective use of public resources.
5. **We note that either inadvertently or by design some very important issues of national concern were overlooked in the President. In some cases, His Excellency merely mentioned the issues without stating what the government was going to do about them. These areas included the following:**
6. Water and sanitation: The government has indefinitely postponed the decision to lease out urban water. Will it consider keeping it in public hands? Does the Government still believe that improvements cannot be done by Ghanaians experienced in the sector? Can we afford endless reliance on foreign consultants to tell us what to do with our water? Does the government now agree at least with some of our objections to its water policies?
7. Ghana's debt situation: What is the state of the country's foreign and domestic debt and what steps are being taken to address the situation?
8. Brain drain: The serious brain drain affecting the health sector needed special mention. The problem is pervasive in other sectors as well. What will the government do to reverse the trend?
9. Health sector: What is the exemption situation? Is it expanded? What is the government doing to improve healthcare delivery?
10. The Value of the cedi: What is government doing about the depreciating value of the cedi?

11. Zero tolerance for corruption: We find it strange that no mention was made of this laudable crusade. The issue remains of importance to the citizenry. We deserve to know its status.
12. The District Assemblies Common Fund: What is the situation of the DACF? Is government still committed to increasing the DACF to 7.5%?
13. Private Universities: The President gave credit to private institutions and religious bodies in helping out with the modernisation and expansion of the universities but did not say what the state would do to support them.
14. Forestry programme: We are worried that government is encouraging mining in the forest areas without assurances of measures to protect the environment.  
  
There is the need for shelter belts of trees at the borders especially in the northern part of the country otherwise we risk extending the Savannah to the southern forest areas.
15. Ghana Airways and Ghana Telecom: Ghanaians needed to hear something about these two important state-owned companies, whose attempted privatization has generated a great deal of controversy. What is government doing about them? Considering repeated negative experience with foreign private operators in telecom, what preventive measures are being considered in future transactions?
16. The Presidential jet: Ghanaians need to know what the government is doing about the jet, considering that the President is now the ECOWAS Chairman and may double his travels.
17. Status of GPRS: The President was silent on the status of the GPRS. We think government needs to review the Poverty reduction schemes with regards to the following:
  - a. Measures to tackle unemployment in the rural areas;
  - b. IMF prescriptions of Liberalisation, privatization and deregulation;
  - c. Effects of policies on local industry and employment;
  - d. Problems with accessing financial assistance.
18. **Having listed the areas that we felt the President did not address or only mentioned in passing, it is important to look at the issues that he did address:**
19. Too much focus on macroeconomic stability: The difficult decisions must be taken but they must be taken at the appropriate time and at the appropriate pace. Safety measures are necessary to ameliorate the negative impacts of these harsh decisions. There is the need to carry out impact assessments of these policies on ordinary people if we are serious about achieving macroeconomic stability.
20. Infrastructure development in the budget has always meant road construction only. But infrastructure must encompass more than just roads. We note also that efforts to ensure the quality of the roads and to stretch their life span, including supervision of road construction and use are not adequately handled. There is the need to review the method of toll collection on our roads and bridges. There are other, more efficient methods to ensure that the revenues are adequate and that they reach the government.
21. Salaries and Wages: There is no doubt that government cannot meet the levels demanded by workers. However, a salary or wage increase to a near subsistence level, is a necessity in the light of the price hikes of petroleum products, impending utility tariff increases and their effect on other prices. We think that it is high time the government published the salaries, allowances and in-kind benefits of Ministers, Parliamentarians, Managing Directors and Chief Executives of public corporations,

as they are public officers paid from the Consolidated Fund. We also still think that Government should scrap the positions of special advisors and assistants as they are widely deemed a waste of resources that could easily be applied to bolster the incentives and conditions of service of regular civil servants. Despite denials, rumours are rife that these assistants collect the dollar component of their salaries in cash from the Ministry of Finance on weekly basis.

22. Inflation: The Government's approach in increasing petroleum prices, transport fares, salaries and wages and VAT leaves much to be desired. These increases need to be done simultaneously to avoid their rippling effects on general price levels in the country. It is now clear that it is the government that generated the current inflationary cycle.
23. Modernised agriculture: Although the government claims that modernised agriculture is a priority area, the President was not clear about the type of support and protection he promises for farmers and local agro-industries. As a poor and agrarian society it is not easy for Ghana to meet the terms of the much-touted AGOA and its benefits.
24. Unhealthy dependence on donors: The President has lamented about our continued dependence on donors for our development programmes but we have not been creative in alternative sourcing of public revenues nor disciplined in strengthening conventional taxes. We have tended to rely on the easy to collect regressive taxes such as VAT instead of strengthening the revenue agencies and their efforts to maximise collection. Any further delay in finding real solutions to these problems will mean further dependency on donors and sinking deeper into debt.
25. Foreign remittances: The President may be misreading foreign remittances as a sign of confidence in the economy. Increases in foreign remittances could also mean that more Ghanaians are unable to make it in Ghana and are finding their way out of the country. These Ghanaians can often not go with their parents and other dependents, and being the Ghanaians we are, they are obliged to send regular remittances to them, knowing that they cannot make ends meet. In most cases, these remittances are not used for investments but more for day-to-day consumption. In so far as these (hard currency) remittances are favourable to Ghana's balance of payments, we need to give them more respect and attention than foreign investments. Special intermediary institutions will be required to convert them from subsidies of household consumption to productive investments.
26. Energy needs: There are allegations of mismanagement, corruption and financial malpractices at TOR. Ghanaians need to be told what government is doing about the TOR problem and the looming energy crisis caused by the falling water level at Akosombo. The increase in the price of LPG gas has forced a great deal of rural folks and even some city dwellers to go back to the use of firewood for cooking and other energy needs. The likely effect on our forests is cannot be overstated. Might this be an opportune time to consider developing solar energy and wind-power as alternative sources of energy in Ghana? We urge our President to enjoin Ghanaian engineers to embark on the creative pursuit of cost-effective sources of renewable energy.
27. Presidential Initiatives: The Presidential Initiatives are increasing and give us the following reasons to worry:
  - a. It is a sign that the responsible agencies of government are not providing the required support to the priority areas of our national plan.
  - b. What will become of the Initiatives in the event of a change in government?
  - c. The initiatives reek of double standards, as those investments are taking place at a time when government is touting privatisation as the panacea to efficiency and increased productivity.

- d. Mass transportation – We need to know who owns the buses. We know some of the vehicles are gifts to the government and so presume that it would be a government agency. Our concern is, why are we creating a new transport company at a time when we are divesting others. Why can't the existing ones absorb the vehicles even if it means a change in the management?
28. Education: The attention given to education and the issues addressed are commendable. We commend the president on the policies outlined on education, especially the provision of desks and basic textbooks for every child in school. However, we are concerned that the implementation of the FCUBE is frustrated by the introduction of some authorised as well as unauthorised school fees, even by public institutions. What is the government's commitment to FCUBE? We also expected to hear something about academic user fees charged by tertiary institutions. KNUST has recently published information, that starting in the next academic year it will charge \$1,500 per year per student. We think public universities should not be allowed to charge fees without the approval of government and Parliament, especially if they result in excluding the qualified but low-income students.
29. Health Insurance scheme (NHIS): While we are happy about the introduction of the health insurance scheme we also have concerns about its implementation. For example, the President admits that all districts are not equally endowed. Yet he promises to offer all of them the seed money. Are the endowed and less endowed going to be given the same attention? Ghanaians need to scrutinize the bill critically when it comes before Parliament, as issues of equity, sustainability and quality of service need to be adequately addressed.
30. Police numbers: We definitely need more Police in our streets but numbers alone would not do the trick. The quality of the personnel, compliance with recruitment requirement, their conditions of service and training must be addressed. Government should also take another look at keeping the Police in barracks. Joint operations are good and yield positive results but there are also problems. There must be clear-cut command structure during operations and proper monitoring of such operations by senior officers of both Army and Police.
31. National Identity card: We think that if the National identity card is to be used for elections then the appropriate agency should handle it. We cannot afford the double expenditure of providing an identity card and a voters' identification card. There is no need for conflict and duplication of effort and resources. However, since citizens' rights and economic and democratic privileges are going to be accessed through the ID card system, we need to take care not to roll out such a programme until we are certain that the system achieves full coverage of the country within a very short time. We are particularly concerned that poor and illiterate persons in rural areas, migrants, etc. might be left out by the system.
32. The Dagbon Crisis: The government should calm the fears of Ghanaians by publishing the Wuaku Report and the White Paper on this report.

We submit these comments with the hope that they will be given the necessary attention and treated as our contribution towards the governance of our dear nation.

Signed,

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For the Research Coordinator