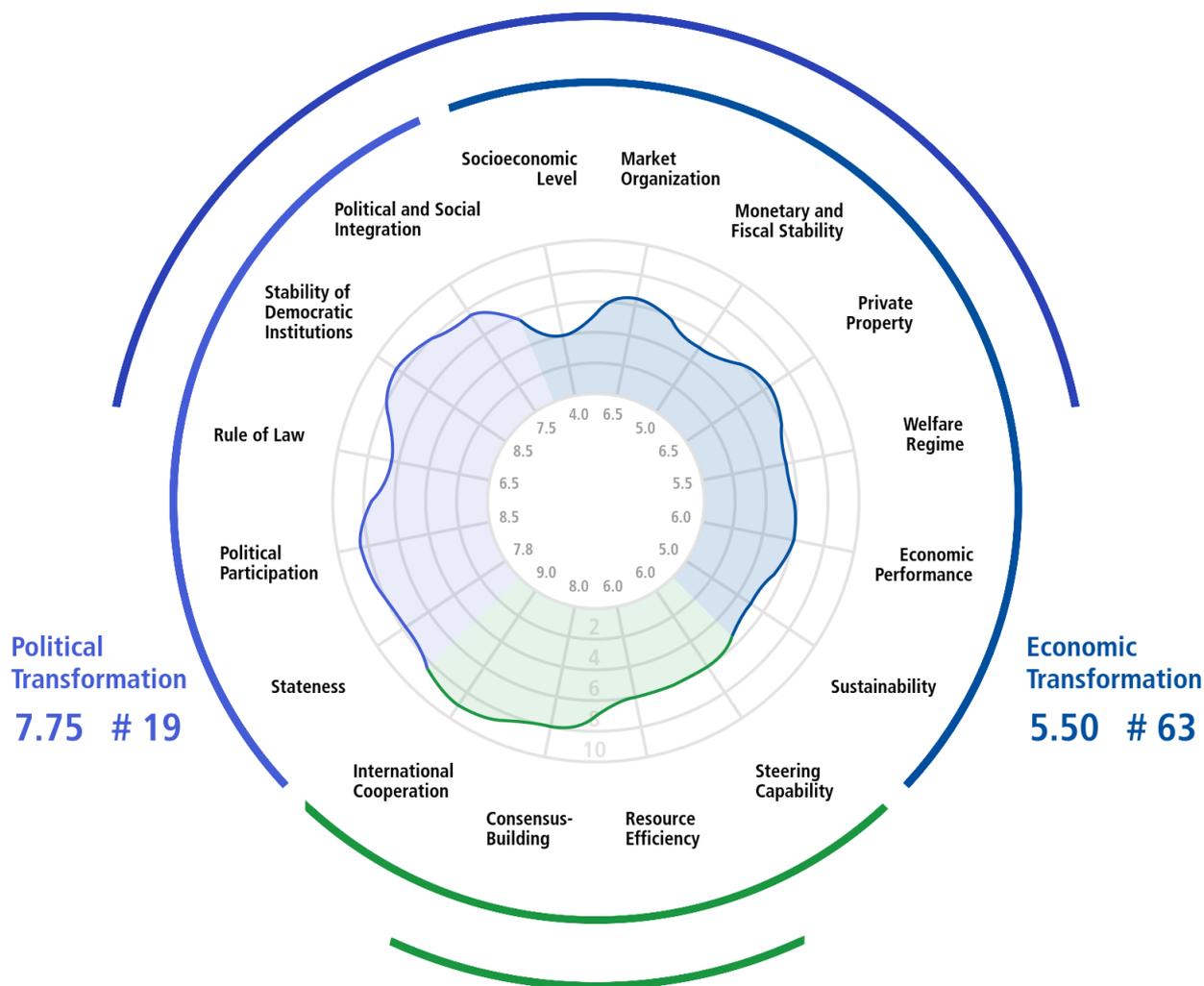


Ghana

Status Index

6.63 # 29

on 1-10 scale out of 137



Political Transformation
7.75 # 19

Economic Transformation
5.50 # 63

Governance Index

6.41 # 20

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2026**. It covers the period from February 1, 2023 to January 31, 2025. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	34.4	HDI	0.628	GDP p.c., PPP \$	8027
Pop. growth ¹	% p.a.	1.9	HDI rank of 193	143	Gini Index	43.5
Life expectancy	years	65.5	UN Education Index	0.554	Poverty ³	48.8
Urban population	%	59.9	Gender inequality ²	0.514	Aid per capita \$	46.5

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

Executive Summary

During the period under review, Ghana experienced a gradual economic recovery and smooth electoral transfer of power. This came after a severe crisis that had disrupted the country's positive developmental trajectory. From 2021 to 2023, mounting debt, record inflation and a rapidly depreciating currency caused significant hardship for citizens and businesses. Under an IMF emergency program, the government eased fiscal distress and, by late 2024, key indicators signaled renewed growth. Nonetheless, the ruling NPP suffered a landslide defeat in the 2024 elections.

Ghana's political stability and democratic resilience remain exceptional in the region. The opposition's electoral victory reflects an assertive electorate that prioritizes developmental outcomes despite structural and ethnic divides. The smooth election and peaceful transfer of power reaffirm that democracy remains the only game in town. Additionally, Ghana has remained largely insulated from insurgencies and instability in neighboring countries, demonstrating its ability to uphold security.

However, public frustration with democracy is growing. Repeated economic crises have eroded trust in institutions and many feel political competition has not translated into better living standards. While Ghana's economy has expanded over the years, growth has not always been inclusive, and many citizens struggle to access basic needs and essential services, particularly in times of crisis.

Ghana's economy is regaining momentum, with a GDP growth rate of 6.3% in the first three quarters of 2024, but the recovery remains fragile. IMF-backed reforms have helped stabilize public finances through spending cuts, debt restructuring and improved revenue collection. However, inflation remained above 20% in 2024 and currency fluctuations persist. A sustainable economic recovery will require stronger revenue collection, reduced borrowing and improved governance to curb inefficiencies and corruption.

Overspending is a widespread problem fueled by the competitive electoral environment. Governments must balance competing priorities such as tackling underdevelopment in the north, strengthening business infrastructure in the south, and improving both access to and quality of education. Corruption and weak enforcement continue to undermine progress, eroding trust and discouraging investment. These challenges became apparent in the 2024 galamsey crisis. The economic downturn drove illegal gold mining (galamsey) to new heights, causing severe environmental destruction and significant revenue losses, as gold production bypassed formal taxation and disrupted cocoa production.

Despite setbacks, Ghana continues to make gains in development. Education is a clear example, with rising secondary and tertiary enrollment, and near gender parity at all levels. The country maintains a broad consensus on liberal democracy, open markets and institutional reforms. With a fresh mandate, President Mahama has outlined ambitious plans to stabilize public finances, invest in infrastructure and tackle corruption. However, Ghana's tight fiscal environment and numerous development needs will make it difficult to fully meet expectations. Nonetheless, stable institutions and recent reforms provide a solid foundation for continued recovery and long-term progress.

History and Characteristics of Transformation

Ghana is often praised as a model of democracy in Africa. Since 1992, it has received acclaim from various sources for its democratic credentials. Although it initially faced challenges, Ghana's democracy appears to have solidified after eight elections, several of which involved the transfer of power from incumbent governments to opposition parties.

Ghana has experienced a troubled history both before and after independence, and has experimented with various governance mechanisms. Instead of allowing past upheavals to impede the country's growth, these experiences have become a reference point for what is generally viewed as undesirable in Ghanaian society. The excesses of some of the regime types described below, along with the relative successes of the country's democratic experiment, have fostered a political consciousness among Ghanaians, resulting in a collective desire to consolidate sound democratic principles.

Between 1966 and 1992, except for five years (1969 – 1972 and 1979 – 1981), Ghana was governed by various military juntas with poor human rights records. In the early 1980s, the Provisional National Defense Council (PNDC) regime faced mounting economic challenges as initial efforts to address the country's economic crisis failed. As a result, the PNDC abandoned its revolutionary and populist political and economic policies in favor of the neoliberal orthodoxy of the structural adjustment programs and economic recovery program promoted by international financial institutions – the World Bank and IMF – beginning in April 1983. At the time, cocoa exports were Ghana's primary source of foreign earnings. However, inadequate agricultural policies, a lack of incentives for agricultural production, excessive exploitation of cocoa farmers

and a flawed agricultural pricing policy all contributed to a significant decline in cocoa production, with totals dropping from 403,000 tons in 1970 to 179,000 tons in 1983. Additionally, poorly performing state-owned enterprises posed a major drain on government finances. After the shift in economic policy, Ghana implemented six reform packages recommended by the IMF between 1983 and 1992, including severe austerity measures.

However, since 1992, Ghana has experienced relative stability under various democratically elected governments. These 30 years of uninterrupted democratic rule are unprecedented in West Africa, so Ghana's accolades as a model of democracy in Africa are justified.

Progress was made in many areas, particularly in the import/export regime, the regulation of economic activities and the establishment of a thriving stock exchange. The discovery of oil and gas in commercially exploitable quantities also bolstered the economy. However, problems persisted. The banking sector has been a persistent issue for years and subsequent governments have never successfully controlled inflation. Both issues have been addressed with some vigor, but the banking sector continues to exhibit signs of weakness and inflation remains a challenge.

Government actions intended to reduce public debt, support economic recovery and join an IMF program have resulted in substantial setbacks, as the measures implemented are widely perceived as having been excessively severe. The banking sector is currently in turmoil and Ghana's middle class, which invested in government bonds, is facing the consequences of government debt restructuring.

Weaknesses in the banking sector and high dependency on foreign goods have adversely affected exchange rates. The country's reliance on cocoa exports and, to a lesser extent, gold has left its foreign exchange reserves weak. Dependence on raw material exports has diminished due to the growth of a thriving tourism industry but has increased with the start of oil exports. Foreign debt management has raised questions as liabilities have risen continuously. Corruption and bureaucratic ineptitude remain challenges. Politically motivated overspending, especially during election periods, sometimes undermines gains achieved earlier.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

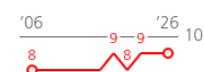
Ghana's government maintains a strong monopoly on the use of force, extending across its territory, though enforcement is weaker in some northern and rural areas. The country has experienced no active conflicts in recent decades and organized groups do not systematically challenge state authority. Incidents of political or armed violence are rare and the military is well-respected, enjoying a high degree of trust among citizens. Ghana has largely remained insulated from the jihadist insurgencies destabilizing the Sahel, including neighboring Burkina Faso. While reports of suspected jihadist activities in northern border districts have surfaced, no confirmed large-scale attack has occurred inside Ghana. However, concerns persist over open borders and the flow of arms from neighboring countries. Despite the country's overall stability, political violence remains an occasional challenge. Around elections, political tensions rise, with Armed Conflict and Event Database (ACLED) data recording 24 violent incidents on the day of the 2024 presidential election. Sporadic clashes over traditional leadership positions are also an issue, most notably in the ongoing Bawku conflict between the Mamprusi and Kusasi groups, which resulted in several deaths in 2024. Additional challenges to the state's monopoly on the use of force include land-guard activities and illegal mining – popularly known as “galamsey” – violence. Land guards and illegal miners often carry guns and intimidate anyone who challenges their operations, including ordinary citizens.

Ghana's police force remains the main institution responsible for maintaining public safety nationwide. In rural areas, however, police presence is often limited, and traditional leaders and community structures play a greater role in maintaining order. Public perceptions of safety have declined. According to Afrobarometer, the share of people who always feel secure in their neighborhoods dropped from 80% in 2008 to 60% in 2024. Data from law enforcement and civil society groups suggest an increase in certain crimes, especially armed highway robberies. Trust in the police has also deteriorated, with 72% of respondents in 2024 expressing little or no trust. Ghanaian governments have launched initiatives to modernize policing and improve its

Question
Score

Monopoly on the
use of force

9



1

presence, announcing investments in digital infrastructure along with strengthened oversight mechanisms. While these efforts indicate a commitment to reform, a reversal of these negative trends is not yet visible.

Ghanaian citizenship is defined under chapter 3 of the 1992 constitution. No groups are systematically excluded, but individuals, particularly those in border areas, sometimes face difficulties documenting their citizenship status.

The National Identification Authority issues identity credentials to Ghanaians and foreign residents. The Ghana Card serves as a central identification document, with ongoing efforts to simplify access and expand its functions, such as using it as a voter ID. Dual citizenship is permitted. In 2025, the parliament is expected to debate a dual citizenship amendment aimed at removing restrictions on dual citizens holding public office. The government continues to encourage members of the diaspora to acquire Ghanaian citizenship.

Ghana's state identity has broad domestic and international legitimacy. While ethnicity remains a salient marker of identity, there are no major separatist movements. A brief exception was the Western Togoland Restoration Front, an Ewe nationalist group that sought secession between 2019 and 2022, but it attracted little public support and was quickly contained. Tensions occasionally surface around nomadic Fulani herders, who are sometimes regarded as “non-indigenous.”

Most citizens express both national and ethnic identities, with Afrobarometer surveys showing low levels of exclusive ethnic self-identification. However, perceptions of unfair treatment have slightly increased, with 17% reporting frequent discrimination by government authorities – likely reflecting broader economic grievances. While resource distribution generally follows programmatic criteria, public suspicion of ethnic favoritism persists. Ethnic rhetoric occasionally surfaces in political discourse and media reports at times suggest unequal resource allocation along ethnic lines.

Ghana's constitution makes a clear distinction between state and religion, although religious beliefs and practices have become part of the state's identity. Chapter 5 of the 1992 constitution grants citizens fundamental human rights, including religious liberty. Ghanaians are free to believe in and practice any religious faith. Ghana's religious landscape is predominantly Christian (71.2%) with a notable Muslim minority of 17.6%.

Ghanaian society is deeply religious and faith plays an important role in politics, at least rhetorically. No politician can survive politically without portraying themselves as devoutly religious, posing a certain risk of divisive rhetoric. Despite this, there is no record of religiously motivated political divisions or violence. Religious harmony is widely valued among both citizens and elites, and prayers from Christian, Muslim and traditional leaders side by side are a common feature of official public events. However, developmental disparities persist, with the Muslim-dominated north

State identity

9



1

No interference of religious dogmas

7



1

lagging behind the better-developed Christian-majority south. In addition, strong religious beliefs sometimes contribute to discrimination in daily life and within state institutions, with anti-discrimination rules not always functioning reliably.

Religious influence in politics has increased, with religious leaders actively expressing their views and invoking constitutional arguments. Muslim groups advocated for the right to wear hijabs in Christian schools, prompting the National Peace Council to consult religious leaders and propose new guidelines on religious freedom in schools in early 2025. Religious groups continue to press for stricter laws against LGBTQ+ rights, with leaders from all faiths advocating criminalization, sometimes using inflammatory rhetoric. In early 2024, the parliament passed the Proper Human Sexual Rights and Ghanaian Family Values Bill, one of Africa’s most restrictive laws, banning homosexuality and related advocacy. The Supreme Court upheld the law in December 2024, but it must be reintroduced after the election. President Mahama has pledged to pass it.

At the same time, the expansion of Pentecostal and Charismatic churches has created regulatory challenges, particularly regarding financial transparency. Some operate with little oversight, collecting large donations from vulnerable followers through faith-based promises and offering “miracle services.”

Basic administrative structures exist, but service delivery varies by region and administrative level. Following decentralization efforts in recent decades, responsibilities are divided among district, metropolitan and regional authorities, but the national government retains significant influence over local administration. Ghana’s tax administration, overseen by the Ghana Revenue Authority, continues to expand revenue collection. However, the tax-to-GDP ratio remains at 14%, below the African average of 16%.

Providing public services remains a major challenge because of limited resources and management inefficiencies. The state struggles to keep up with population growth, urbanization and development demands. Public-private partnerships have been explored for services such as water and electricity, but public skepticism about private sector profit motives has limited their adoption. As a result, the government remains the primary provider and many citizens face service shortages, poor quality or limited access.

According to the World Bank (2022), 85.1% of Ghanaians have electricity. Yet, in the 2024 Afrobarometer survey, only 70% of respondents reported that it is available more than half the time. Quality remains a challenge due to power cuts, fluctuations and high costs. Water access is relatively high, with 88.4% having a basic water source according to World Bank data for 2022. However, only 44.5% use safely managed supplies and 30% say they experienced water shortages in the most recent Afrobarometer. Illegal connections and small-scale mining pollution remain a problem. Likewise, sanitation remains a concern in Ghana, with only 28.6% having

Basic
administration

6

'06 '26 10



1

access to basic sanitation, according to the World Bank (2022), while Afrobarometer data indicates that nearly one-fifth of households lack toilets. Indiscriminate water supply and waste disposal occasionally lead to outbreaks of waterborne diseases, such as a cholera outbreak in October 2024 that infected 675 people.

To enhance service delivery and reduce corruption, the Ghanaian government has promoted digitalization and e-governance initiatives. However, these efforts face challenges such as inadequate infrastructure, limited internet connectivity and gaps in technical capacity. The economic crisis and substantial debt burden have further strained resources, leading to budget cuts. Consequently, more citizens have reported problems with public services in the Afrobarometer, including shortages of medicines and absentee staff at public clinics.

2 | Political Participation

Ghana is one of West Africa’s most stable democracies, with universal adult suffrage, the right to campaign and democratic elections guaranteed under chapter 7 of the 1992 constitution. Since 1992, the country has held 11 largely free and fair elections, with four peaceful transfers of power between the two major parties, the National Democratic Congress (NDC) and the New Patriotic Party (NPP).

The 2024 election marked the fourth peaceful transfer of power, with John Mahama (NDC) winning 56.42% of the vote, defeating NPP candidate and Vice President Bawumia, who received 41.75% – nearly 10 percentage points fewer than the NPP’s 2020 result. In the parliament, the NPP lost 49 seats, dropping to 88, while the NDC secured an almost two-thirds majority in the 276-seat legislature. The results highlight that, despite ethnoregional party ties, performance remains the key factor in Ghanaian presidential elections, with the incumbent party suffering a landslide defeat amid economic crisis and record-low approval ratings. Mahama, who already served a term from 2012 to 2016, pledged to prioritize economic recovery.

Observers deemed the 2024 elections free, fair and well-managed, calling them a “landmark for democracy on the continent” in a joint statement. The domestic CODEO mission verified the results through parallel vote tabulations, released publicly two days after the election. Unlike in 2020, the losing candidate accepted the results immediately, with Bawumia conceding before the official announcement.

However, challenges in election administration persist, including delays in result collation and logistical issues. As of March 2025, the Ablekuma North constituency is yet to declare. Electoral bodies and party advisory boards are working to resolve the issue regarding incomplete result sheets. The situation has led to occasional tensions between party supporters in the area. Partisan polarization is an increasing concern, with several clashes between passionate party supporters around election day.

Free and fair elections

9



1

Ghana's political structure, as a unitary presidential system, concentrates significant power in the presidency. The parliament and the courts have limited veto power. Presidential appointees remain subordinate to the president while other officeholders have limited autonomy. Constitutional experts, scholars and civil society organizations have called for reforms to reduce presidential power, including shifting the authority to appoint cabinet members to the parliament, but no official initiative has been launched. While the elected government enjoys legitimacy and sufficient authority to govern, it operates within the constraints of an often-inefficient civil service.

The parliament and the president exert their power with few external vetoes, aside from the typical constraints of a developing country such as reliance on Western donors and international organizations. Following economic crises, Ghana has repeatedly had to implement IMF-mandated policies tied to financial assistance, affecting fiscal management, public sector spending and social services, most recently in 2023. The military, once a major political force, has lost influence and no longer interferes in civilian governance. However, according to Afrobarometer surveys, it remains one of the country's most trusted institutions. Recent surveys indicate growing support for military rule, with 32% viewing it as a viable alternative in the 2024 Afrobarometer. Despite rising support for military rule, coups remain unlikely due to Ghana's strong democratic institutions and norms. Economic actors also play an increasing role in politics, as party finances and campaign resources rely heavily on private economic interests.

The opposition generally adheres to democratic norms. However, derogatory language – including accusations of lies, corruption and electoral fraud – is common. Although largely within the bounds of democratic contestation and scrutiny, civil society increasingly flags the spread of false claims and misinformation as a concern.

While the president has powers to do almost everything, especially when the president's party holds a parliamentary majority, Ghana's two-party system – dominated by the NPP and NDC – means governance can be obstructed by partisan politics and deadlocks. In 2021, Ghana's hung parliament – a 137:137 split – led to delays in passing the e-levy tax, as the opposition, the NDC, resisted the government's fiscal policies.

Freedom of association and assembly is constitutionally guaranteed in Ghana. Generally, political parties, civil society organizations and activists can operate freely. Demonstrations do not require permits; however, organizers must notify the police in advance, who may demand modifications citing public safety concerns. Bans and police crackdowns on demonstrations against illegal mining and cost-of-living increases in 2024 have fueled debates over the state's increasingly restrictive approach to assembly rights.

Effective power to govern

9



1

Association / assembly rights

8



1

The Political Parties Act of 2000 (Act 574) governs party formation, imposing no restrictions beyond standard legal requirements. However, Ghana's majoritarian electoral system creates high barriers to entry for smaller parties. Over time, this has consolidated a two-party system dominated by the New Patriotic Party (NPP) and the National Democratic Congress (NDC), while third parties have experienced a gradual decline in vote share and political influence.

Civil society plays a vital role. Ghana has a well-resourced network of activist groups and think tanks that scrutinize governance and elections, track resource allocation, and inform public debates. Political elites respect civil society organizations, although their findings are occasionally challenged. An area of concern is the pending Proper Human Sexual Rights and Family Values Bill (2021), which seeks to ban any LGBTQ+ advocacy and related organizations.

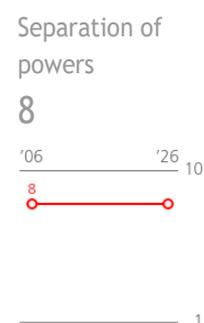
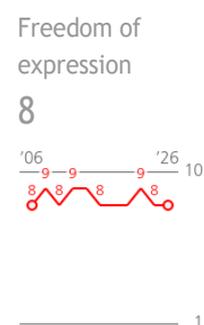
Ghana's 1992 constitution guarantees freedom of expression and these rights are largely upheld. Ghana has a diverse and dynamic media landscape, with major TV networks, print outlets, online platforms and numerous small-scale radio stations offering a range of critical perspectives. However, journalists sometimes face pressure, including boycotts by state and opposition actors over perceived bias, and occasionally are even shut down. Laws prohibiting false or misleading information have increasingly been applied against journalists, often after they report on government misconduct. Media watchdogs warn that these measures are used to suppress critical reporting. Ghana's ranking in the Reporters Without Borders Index fell from 30th in 2021 to 62nd in 2023, before recovering slightly to 50th in 2024, though it remains below historical levels.

Internet access is widely available in urban areas and expanding in rural regions. According to the World Bank, 70% of Ghanaians had internet access in 2022. Social media activism has grown, with movements such as #FixTheCountry shaping political discourse, particularly among young people. A concern is the increasing use of social messaging platforms by the two major parties to establish partisan groups, where political narratives, sometimes including misinformation, are disseminated by recruited supporters.

3 | Rule of Law

Ghana's constitution generally ensures the separation of powers. The executive, legislative and judicial branches are de jure and de facto independent. However, the executive branch – particularly the president – wields significant authority, serving as head of state and commander in chief of the armed forces, with the power to appoint ministers and other high-ranking officials.

The legislature is a unicameral parliament responsible for legislation and executive oversight. While it is generally a well-established, independent institution, partisan loyalty sometimes limits parliamentary scrutiny. Especially when the ruling party



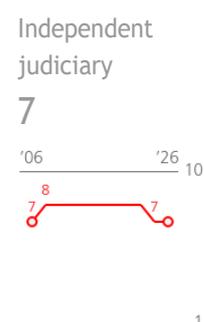
holds a substantial parliamentary majority, members of parliament tend to readily endorse government policies and initiatives. Additionally, the constitution requires that the majority of ministers be appointed from the parliament – a provision that may further limit executive oversight by creating dual responsibilities for members of parliament serving as ministers.

While the eighth parliament (2021–25) was evenly split, with both major parties holding an equal number of seats, this was an exception in Ghana’s two-party system. Parliamentary seats are allocated through a first-past-the-post system in single-member constituencies, which, in conjunction with the two-party system, often leads to clear majorities. The 2024 elections resulted in a 66% parliamentary majority for the National Democratic Congress, falling just below the two-thirds threshold. NDC members of parliament have pledged to use their majority responsibly and uphold parliamentary scrutiny. It remains unlikely that the ruling party will seriously challenge a co-partisan president, but this rhetoric signals increasing recognition of parliament’s monitoring function.

While the separation of powers is constitutionally guaranteed, executive dominance remains a concern. Weak parliamentary independence, judicial appointments by the president and political interference in oversight institutions sometimes limit executive accountability. In 2022, for example, the parliament struggled to investigate government spending on COVID-19 funds as ruling-party members of parliament blocked probes into alleged misuse of funds. In 2020, President Akufo-Addo removed the auditor-general, Daniel Domelevo, following his decision to investigate corruption involving an influential member of the then NPP administration.

Judicial independence is constitutionally and legally enshrined in chapter 11 of the 1992 constitution. These traditions are long established and well respected. In its 2024 rankings, the Rule of Law Index by the World Justice Project ranked Ghana 62nd out of 128 countries, reflecting instances of corruption and judicial mismanagement but still placing Ghana among the highest-ranked countries in Africa. The Supreme Court has repeatedly intervened in cases concerning fundamental rights and procedural issues, such as blocking press restrictions in 2016 and overturning the annulment of four parliamentary seats by the speaker after the respective members of parliament had switched political affiliation. However, frequent unanimous decisions by the Supreme Court in highly charged political and constitutional matters have cast doubts on the independence of judges. Moreover, human rights advocates criticized the court’s 2024 decision upholding the constitutionality of the controversial law restricting LGBTQ+ rights, arguing that it weakens constitutional civil rights guarantees.

There is no apparent evidence of government interference in judicial procedures; however, public trust has declined in recent years. In the 2024 Afrobarometer, 50% of Ghanaians expressed little or no confidence in citizens’ ability to obtain justice,



while 90% believed that at least some judges were involved in corruption. Corruption and limited administrative capacity remain significant challenges, as indicated by unduly lengthy legal procedures and sometimes incomprehensible verdicts. The average citizen finds the cost of going to court prohibitively expensive, so only those with financial means can afford legal proceedings. To address some of these shortcomings, automation and fast-track courts have been introduced. Informal arbitration procedures, such as those conducted by traditional rulers or elders, are more accessible and continue to play an important role, particularly in rural areas.

Abuses of power by public officeholders can result in prosecution or penalties for corruption, but the consequences may depend on the individual's political affiliation. It is typical for serving governments to target officials from previous administrations, but they often refrain from prosecuting their own officials while in power.

Various institutions and laws are in place to combat abuse of power. An important step was the establishment of the Office of the Special Prosecutor (OSP) in 2017 to investigate and prosecute cases of corruption involving public officers, politicians and private individuals. Certain high-profile cases indicate that the OSP has taken action against corruption, investigating cases of tax fraud by a business with political linkages, government contract manipulation and public sector payroll fraud. While these efforts demonstrate increased scrutiny by the OSP, its ability to prosecute offenders successfully remains limited due to resource constraints and institutional challenges.

The new president, John Dramani Mahama, has placed a strong focus on fighting corruption, introducing Operation Recover All Loot as a central campaign theme. In December 2024, he established an anti-corruption task force to investigate financial mismanagement and recover lost state funds. While these steps suggest a commitment to accountability, their practical impact remains uncertain, as past anti-corruption efforts in Ghana have often struggled with enforcement.

Public perceptions of corruption among high-level officials worsened under the previous NPP administration. In the 2022 and 2024 Afrobarometer surveys, nearly three-quarters of respondents said corruption had increased in the past year – the highest level since 2014 and a sharp rise from previous years when the figure remained below 50%.

Ghana has a strong tradition of civil liberties, which are protected by the 1992 constitution. Fundamental human rights are respected and no systematic policy denies individuals their constitutional rights. The Commission for Human Rights and Administrative Justice aims to protect and preserve human rights. However, ordinary citizens remain largely unaware of its existence. Moreover, civil rights protection is sometimes limited by resource and organizational constraints in the judiciary and police.

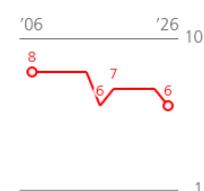
Prosecution of office abuse

5



Civil rights

6



Occasional instances of excessive force by security forces persist, such as the crackdown on a September 2024 protest against illegal gold mining that resulted in 51 arrests, including one child. A more severe case was the military's raid on the Ashaiman community in 2023 following a soldier's killing, which left nearly 250 civilians injured.

Civil rights violations are closely monitored by media, human rights groups, lawyers and, at times, traditional leaders. Both the Ashaiman military raid and the protest crackdown intensified discussions about the conduct of security forces – the former led to a public investigation, while the latter sparked a petition by human rights lawyers.

Ghana receives high scores on indicators measuring civil rights equality between women and men. However, structural inequalities in access to education and justice can hinder women's de facto civil liberties. There is no evidence of systematic discrimination based on race, ethnicity or political affiliation, but studies suggest such discrimination occurs in everyday interactions, which likely affects interactions between citizens and public officials.

The situation for LGBTQ+ individuals in Ghana has deteriorated significantly. The Proper Human Sexual Rights and Family Values Bill, already ruled constitutional by the Supreme Court and likely to pass the parliament in 2025, will criminalize LGBTQ+ identities and advocacy. Politicians and religious leaders frequently employed hate speech during debates on the law, framing LGBTQ+ identities as a Western imposition that threatens national values and must be eliminated. This hostile environment increases the risk of violence, making Ghana increasingly unsafe for individuals with non-binary sexual orientations.

In areas without a significant or permanent presence of public security officers, civil rights are often determined by traditional law, which does not necessarily follow the letter of public law. This specifically concerns individuals and groups who display socially unacceptable behavior or are accused of spiritual crimes that are hard to prove, such as "witches." Many elderly women in northern Ghana have fled their homes to live in so-called witch camps to avoid physical harm or even death.

4 | Stability of Democratic Institutions

Ghana has stable and generally functional democratic institutions. Legitimate processes are typically followed and constitutional regulations are observed, although disputes over their implementation and accusations of legal breaches are common. The courts can intervene to prevent undue behavior if necessary.

While the president holds broad constitutional powers, Ghana's parliament operates independently and serves as a space for debate. Beyond legislation and oversight, most members of parliament maintain a close connection with their constituencies. While this may include the informal distribution of private goods, most members of parliament prioritize local development, advocating for schools, roads and clinics.

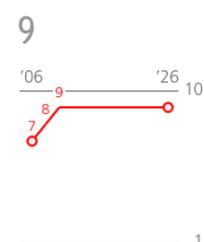
Over the past decades, Ghana has moved toward decentralization, expanding regional and local governance structures to 16 regions, and 261 metropolitan, municipal and district assemblies (MMDAs). However, district executives are appointed by the president and only approved by district assemblies, limiting local democratic control. A 2019 proposal to introduce direct elections for district executives was withdrawn due to opposition resistance and concerns over partisan divisions in local governance.

Democratic commitment in Ghana is strong, with broad societal support for democratic institutions and processes. Four peaceful transfers of power since 1992 underscore that the two major parties accept the rules of the game.

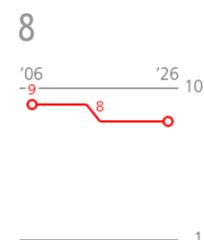
All three branches of government uphold democratic principles and overall institutional legitimacy remains strong. Despite some challenges with executive overreach, presidents respect democratic procedures and are broadly accepted as the legitimate head of state. The parliament functions as an independent legislative body and members of parliament connect constituents to the state, often also serving as intermediaries between traditional authorities and state institutions. The judiciary is respected and has ruled on key constitutional matters, although public doubts about political influence and corruption persist. The military is well integrated into the democratic system, focusing on civil support, protection against external threats and regional peacekeeping.

A well-developed network of respected think tanks and watchdog organizations promotes democratic governance. Most societal actors actively engage with democratic institutions and parties to articulate their interests, including community groups, traditional authorities, religious leaders and student associations. Major religious leaders maintain neutrality, support the state and advocate for peaceful elections. Concerns exist about smaller religious organizations, which have grown and gained influence, sometimes promoting supernatural narratives that challenge rational democratic deliberation.

Performance of democratic institutions



Commitment to democratic institutions



5 | Political and Social Integration

For a young democracy, Ghana demonstrates an exceptionally high level of party-system institutionalization with a stable two-party system. The National Democratic Congress (NDC) traces its ideological roots to the socialist tradition of independence leader Kwame Nkrumah. The New Patriotic Party (NPP) connects itself to the liberal-conservative tradition of the pre-independence United Gold Coast Convention (UGCC) and the political legacy of its key figures, Joseph Boakye Danquah (J.B. Danquah) and Kofi Abrefa Busia. Both parties are primarily programmatic, with rhetoric focusing on developmental improvements. The NDC is more socialist leaning, is more open to interventionist economic policies and places stronger emphasis on rural interests, while the NPP favors economic liberalism, and enjoys strong support among academics, the middle class and economic elites.

Both major parties are fragmented and splinter groups form regularly. Intraparty competition is strong, with candidates nominated in open primaries. A recent reform expanded voting rights in primaries, increasing the representation of women and candidates from non-core ethnic groups. Despite the dominance of programmatic claims, clientelism remains prevalent at rallies and conventions.

Elections in Ghana are highly competitive and performance voting often determines outcomes. Economic crises have triggered landslide defeats for incumbents, as in 2024, while periods of stability produce closer contests. The two major parties retain ethnic-regional strongholds – NPP in the Ashanti region (66.22% in 2024) and NDC in the Volta region (91.15%) – but even these saw notable shifts, with the NPP losing more than half a million votes in its Ashanti base in 2024. Ghana’s dynamic electoral landscape has prompted both parties to appeal to a national audience rather than rely on regional loyalties.

While Ghana’s party system is stable, deeply rooted in society and able to aggregate broad societal interests through the NPP and NDC, factors such as polarization, missed opportunities for smaller parties and elite control reduce the system’s ability to reflect all interests. Rising partisan polarization is evident in elite rhetoric and among citizens, who increasingly rely on partisan social media channels, and express growing distrust and hostility toward the opposing camp. Both major parties have been accused of supporting party-affiliated vigilante groups, spreading misinformation online and engaging in election-related violence.

Party system

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Ghana's political landscape is shaped by a wide array of interest groups, including professional associations, religious organizations, civil society and advocacy networks that actively participate in policy debates. Religious organizations such as the Christian Council of Ghana and the Federation of Muslim Councils play key roles in national discourse.

The Trades Union Congress (TUC) is Ghana's primary trade union organization, representing various unions that operate independently but within the TUC's jurisdiction. However, trade unionism has become relatively weak in recent years and now only sporadically organizes popular discontent due to the dominance of the informal sector in the economy.

Traditional forms of organization persist in rural areas, with the regional and national House of Chiefs representing more than 32,000 recognized traditional rulers who wield significant influence.

No single interest group holds sway over the government, but the government is responsive to interest groups with significant followings. Generally, these groups cooperate rather than compete – except when they align with political parties or compete for external funding.

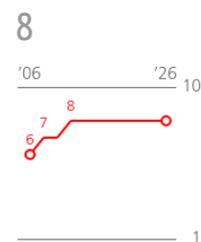
There is broad acceptance of democratic norms and procedures, even when challenged. Only a small share of citizens considers non-democratic governance a viable alternative. According to the 2024 Afrobarometer survey, 72% agree that democracy is preferable to any other form of government, while more than 80% reject one-party and one-man rule.

However, recent trends in satisfaction with democracy are concerning. Economic setbacks from COVID-19, inflation related to the Russian invasion of Ukraine and rising debt have stalled poverty reduction and eroded trust in the system. Reflecting these frustrations, Afrobarometer data for 2022 and 2024 shows record-high dissatisfaction with how democracy works in Ghana, with nearly 50% of respondents stating that they are “not very” or “not at all” satisfied – exceeding all previous peaks. Additionally, commitment to democracy has shown some erosion, with more than 30% now considering military intervention legitimate under certain circumstances.

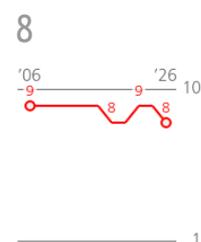
Trust in institutions remains low due to widespread perceptions of corruption and mismanagement. The police, parliament, judiciary and executive all face public skepticism. The Ghana Police Service continues to be cited as the most corrupt state institution, followed by the Office of the President, members of parliament, judges and magistrates. Many citizens believe corruption is pervasive across vital public institutions but fear retaliation if they report wrongdoing to authorities.

For now, overall approval of democracy remains high, but growing dissatisfaction with government performance presents a rising risk to Ghana's broad democratic consensus. If this downward trend continues, non-democratic governance could again become a viable alternative for Ghanaian society.

Interest groups



Approval of democracy



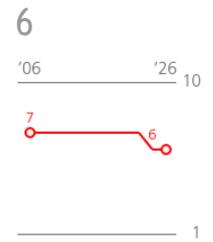
Social capital exists in diverse forms in Ghana. Dense social networks remain a key characteristic in Ghana and are valued for their multiple roles. The extended family, comprising relatives and close friends, serves as a crucial social support system, providing help with care work and assistance in crisis situations in the absence of a welfare state.

Small-scale community meetings and ad hoc engagement in local initiatives to discuss certain issues are common in Ghana's associational life. Moreover, groups organize around ethnic, regional or religious identities, or through sports, cultural and other activities, forming both formal and informal associations. The growing number of Pentecostal and African Independent churches, and their accompanying institutions, play an increasingly vital role in connecting people and providing social services. Social capital is also cultivated within college and university networks. Student groups build close ties, actively support their alma maters, and facilitate interaction and self-help among their members. Accusations have been made that these groups promote nepotism and elitism, thereby becoming a divisive force. To a significant degree, many such groups operate independently and coexist with formal state structures.

Even though social groups and organizations are widespread, generalized interpersonal trust remains relatively low in Ghana, with consistently less than 10% of survey respondents agreeing that most people can be trusted. The recent economic crisis appears to have further eroded societal trust due to diminished resources and rising crime, as reflected in the 2024 Afrobarometer, where more than 60% of respondents expressed little or no trust in their neighbors – a figure that had remained below 50% in all previous surveys.

Urbanization and rising economic inequality have also weakened community solidarity. The effectiveness of social capital in the development process depends to some extent on macro-level development, which requires an enabling socioeconomic environment to sustain functioning social networks. Economic downturns in recent years, therefore, pose a threat to the stability of Ghana's social capital.

Social capital



II. Economic Transformation

6 | Level of Socioeconomic Development

Ghana ranked 145th out of 191 countries in the 2022 Human Development Index (HDI), with a score of 0.602, placing the country in the “medium human development” group. After a sharp rise between 1990 and 2010, during which Ghana attained lower-middle-income status under the World Bank classification, progress in reducing poverty and improving living standards has slowed.

Poverty remains widespread. World Bank data from 2016 indicate that 48.8% of Ghanaians live below the poverty threshold of \$3.65 per day (PPP). Similarly, the government-launched Multidimensional Poverty Index (2020) finds that nearly half of Ghanaians experience multidimensional poverty, which encompasses health, education and living standards, with children under 15 particularly affected. While the Fourth Republic has a strong record in reducing existential poverty, progress has stalled in recent years, with the latest Afrobarometer Lived Poverty Index showing no further improvement.

There are, furthermore, significant regional disparities. The northern part of the country has a much lower level of development than the south, reflected in lower income, the prevalence of food and water shortages, and reduced access to education.

Moreover, inequality is high and Ghana struggles to achieve inclusive growth. Ghana’s most recent (2016) Gini coefficient, at 43.5, indicates that the wealthiest households control a substantial share of the country’s total income. Gender inequality remains a concern, primarily driven by economic and social factors rather than legal barriers. In 2022, Ghana’s Gender Inequality Index score of 0.512 showed no significant improvement from previous years.

Urbanization remains a significant trend, reaching 57% in 2022. Migration from rural areas to major cities – such as Accra, Kumasi, Tema and Takoradi – continues with economic progress concentrated in urban centers, while the development of rural infrastructure remains slow. Rural-urban disparities persist, with only 27% of urban residents experiencing multidimensional poverty compared to 64.6% in rural areas.

Question
Score

Socioeconomic
barriers

4

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Economic indicators		2021	2022	2023	2024
GDP	\$ M	79514.2	73919.0	80547.1	82825.3
GDP growth	%	5.1	3.8	3.1	5.7
Inflation (CPI)	%	10.0	31.3	38.1	22.8
Unemployment	%	3.4	3.1	3.1	3.0
Foreign direct investment	% of GDP	3.2	1.9	1.6	2.1
Export growth	%	-1.2	0.2	5.1	9.1
Import growth	%	5.8	1.4	-1.2	9.5
Current account balance	\$ M	-2242.7	-1701.3	-656.2	1680.6
Public debt	% of GDP	86.9	92.7	79.1	70.3
External debt	\$ M	43805.0	42671.9	43742.0	-
Total debt service	\$ M	4166.7	4712.6	1293.1	-
Net lending/borrowing	% of GDP	-9.2	-10.0	-	-
Tax revenue	% of GDP	12.2	12.3	-	-
Government consumption	% of GDP	8.0	6.7	5.5	4.8
Public education spending	% of GDP	3.4	2.9	-	-
Public health spending	% of GDP	2.1	2.1	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	0.4	0.3	0.4	-

Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

Ghana's market structure is generally robust, enabling competition and promoting private sector engagement. However, regulatory and implementation challenges, limited access to credit, and state intervention in key sectors limit the effectiveness of Ghana's market-oriented framework.

The 2019 Companies Act (Act 992) established the Office of the Registrar of Companies as an independent regulator for business registration and oversight. However, progress on the broader 2017 Business Regulatory Reform has been slow. Planned initiatives such as the digitalization of business registration reflect ongoing efforts to modernize business processes, but limited access to affordable credit and persistent corruption continue to constrain market competition.

Subsidies, especially for fuel, have substantially decreased but still distort the market. Reducing subsidies poses a political challenge because of concerns about losing elections. Ghana's pricing regime is market-oriented and liberal; however, the state remains the primary contractor for private businesses. State-run enterprises, except for a few profitable ones, consume an unequal share of government resources and attention. Private entrepreneurs participate in primary commodity production and trade, though oil and cocoa remain under significant state control.

The formal sector accounts for less than 10% of total employment, and continues to be hindered by restrictive labor laws and corruption. Most urban poor and rural residents rely on the informal economy, which employs 77% of the workforce, according to the 2021 census. The formal sector is gradually expanding. Notably, private sector employment now surpasses that of the public sector with 13% of the workforce, compared to 10% in government jobs.

Ghana prioritizes foreign direct investment (FDI) and has attracted substantial inflows over the years. Foreign firms dominate key sectors such as trade and banking, which hinders local entrepreneurship. Local investors sometimes face discrimination, particularly in terms of land use and property ownership, compared to international investors.

Ghana does not have a comprehensive antitrust or competition law to regulate monopolies, nor is there a single authority overseeing market competition or addressing anti-competitive practices. Although the need for such legislation has been acknowledged since the early 2000s, successive governments have prioritized sector-specific regulations in areas such as telecommunications, banking and petroleum instead. Existing legislation, such as the Public Utilities Regulatory Commission Act (1997) and the Protection Against Unfair Competition Act (2000), provides some oversight but does not comprehensively address competition.

Market
organization

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Competition policy

5

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The draft Competition and Fair Trade Practices Bill has been under discussion since 2004 but is yet to be enacted. Legal and economic experts continue to argue that comprehensive competition legislation is necessary to ensure the proper functioning of markets and prevent unfair business practices. However, concerns persist that such legislation could provoke resistance from influential business interests, and doubts remain about the ability of regulatory institutions and the judiciary to enforce it effectively.

The Ghanaian judiciary relies on a combination of statutory provisions and common law principles, including torts such as passing off, to address unfair competition cases. However, the lack of a dedicated legal framework has resulted in inconsistencies in interpretation and enforcement.

While government monopolies have declined, state influence remains strong in key sectors. In the cocoa industry, subsidies continue to shape market dynamics, with the government controlling pricing and overseeing exports, while licensed private companies handle internal distribution. Anti-competitive practices such as cartel agreements persist. State-run enterprises still play a crucial role, particularly in utilities, where the government retains a monopoly.

Consumer protection in Ghana is fragmented. Although the Consumer Protection Agency exists, there is no single regulator with overarching authority over consumer rights. Some provisions protecting consumers – such as against unjustified utility price increases – are embedded in sector-specific laws, including the Public Utilities Regulatory Commission Act (Act 538) and the National Communications Authority Act (Act 524). The Public Utilities Regulatory Commission, the Energy Commission and the National Communication Authority regulate public and private utility providers, and act as intermediaries between them and consumers.

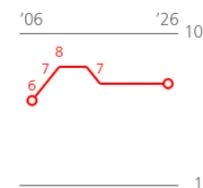
The government of Ghana continues to promote private sector activity, with foreign direct investment (FDI) playing a key role. However, FDI inflows declined from \$3 billion in 2018 to \$1.32 billion in 2023, according to World Bank data.

Ghana maintains a moderate level of trade protection, with a most-favored-nation applied tariff rate of 12% in 2023, according to the WTO. Agriculture and manufacturing remain the most protected sectors, with tariffs averaging 15.9% and 11.4% respectively. At the same time, tax and duty concessions support the import of essential commodities and capital goods. Tariff barriers have gradually declined, reflecting broader trade liberalization efforts and growing revenue from other sources such as oil exports.

The country actively participates in regional and global trade agreements. It is a member of the World Trade Organization (WTO) and a signatory to the African Continental Free Trade Area (AfCFTA), where it has played a prominent role in operationalizing the agreement. Ghana also benefits from the African Growth and Opportunity Act (AGOA), which grants duty-free access to the U.S. market, although shifts in U.S. trade policy have raised concerns about its long-term continuity. Trade

Liberalization of
foreign trade

7



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relations with China continue to deepen through bilateral agreements, and in 2024 Ghana joined seven other African countries in signing the Trade and Investment Promotion Framework with South Korea. Additionally, Ghana maintains trade ties with the European Union under the Economic Partnership Agreement framework, part of the broader ACP–EU cooperation. Regional trade policy coordination takes place within Economic Community of West African States (ECOWAS), including discussions on tariff harmonization, and the free movement of goods and people.

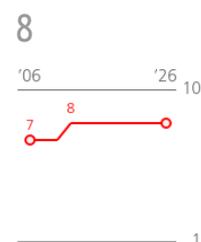
However, trade barriers persist. Import licenses and fees apply to certain goods, and inspection costs remain high. In 2024, a grain export ban was introduced to ensure food security. Temporary import bans are sometimes used to protect local industries, but enforcement is weak and smuggling remains a problem. Cocoa smuggling is especially acute; estimates suggest up to a third of Ghana’s cocoa output is lost to illicit trade. In response, the government raised the fixed cocoa price by 58.26% and deployed security forces to border areas.

Recent trade policy reforms aim to enhance the competitiveness of export companies and expand into new export markets without resorting to export subsidies. The Ghana Export Promotion Authority supports exporters through services and advisory programs. Despite Ghana’s liberal trade regime – average applied tariffs remain well below the bound ceiling of 92% – local businesses often complain about inadequate protection. Tariff application is uneven across sectors, with agriculture receiving more protection than others. Trade liberalization policies have increased imports relative to exports, impacting economic growth. Ghana’s exports remain heavily reliant on unprocessed commodities and are sensitive to global price fluctuations.

Ghana’s banking sector has faced serious challenges in recent years, although recent reforms and macroeconomic improvements suggest a path toward recovery. Weak supervision by the Bank of Ghana, culminating in the 2017 – 2020 banking crisis, contributed to unethical banking practices and eroded public trust. The crisis exposed structural weaknesses, including undercapitalization, poor corporate governance and high-risk lending. In response, the Bank of Ghana revoked the licenses of insolvent banks, merged weaker institutions and raised capital requirements. The Domestic Debt Exchange Programme (DDEP) in 2022 introduced a new shock to the sector, inflicting losses on banks holding government securities amid rising public debt. Nevertheless, sovereign debt restructuring and improved macroeconomic conditions have eased financial pressures.

Banking sector indicators show both persistent risks and gradual recovery. The non-performing loan ratio rose to 21.8% in December 2024, up from 20.6% in 2023, indicating continued credit risk. The capital-to-assets ratio hit a low of 7.7% in 2022, raising concerns about financial resilience. However, strong profitability in 2023 and 2024 helped banks strengthen their capital buffers, evident in a significantly improved capital adequacy ratio of 14% in 2024.

Banking system



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Despite past instability, the sector has grown and diversified over the past decade. It remains dominated by foreign-owned banks, with fewer domestic and state-owned banks. The latter have faced persistent performance challenges, often due to lending practices motivated by political aims rather than prudential risk assessment.

The sector is governed by a comprehensive legal framework, including the Bank of Ghana Act 2002 (Act 612), the Bank of Ghana (Amendment) Act 2016 (Act 918), the Banks and Specialized Deposit-Taking Institutions Act 2016 (Act 930), the Non-Bank Financial Institutions Act 2008 (Act 774), and the Companies Act 2019 (Act 992).

Regulatory oversight has gradually improved. The Bank of Ghana has tightened supervisory practices, and now enforces stricter capital and governance requirements to prevent mismanagement. Ongoing reforms aim to enhance risk management, promote transparency and increase the sector's overall resilience.

8 | Monetary and fiscal stability

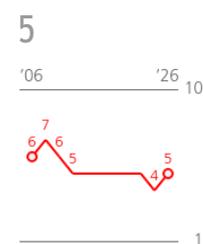
In recent years, Ghana has experienced a sharp depreciation in the Ghanaian cedi against major trading currencies, alongside record inflation. Since 2021, the cedi has lost nearly two-thirds of its value, with the exchange rate rising from GHS 6.00 per \$1 in December 2021 to GHS 14.70 by December 2024. While the cedi has historically depreciated at a rate of 10–20% per year, the recent decline represents an unprecedented level of currency instability in the Fourth Republic.

The depreciation of the cedi caused a sharp rise in inflation. According to the IMF, Ghana's consumer price inflation increased from 10.0% in 2021 to 31.3% in 2022, reaching 38.1% in 2023. The rise in consumer prices worsened living standards, particularly for those already experiencing poverty.

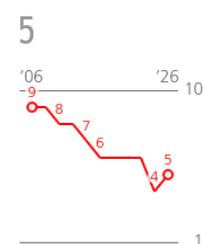
In 2024, Ghana implemented comprehensive stabilization measures under an IMF-supported program, including tighter monetary policy, reduced public spending and debt restructuring. While the cedi continued to lose value throughout 2024, the downward trend stopped in the first quarter of 2025, with major currency exchange rates staying above their November 2024 low. Inflation also dropped to 23.8% in 2024 and the currency stabilization offers hope of bringing it closer to the Bank of Ghana's 6–10% target in the near term.

Ghana's monetary difficulties are primarily the result of spiraling public debt. In 2023, the World Bank and IMF classified the country as being in "debt distress" for the first time in decades, indicating a high risk of default on external obligations. Public debt stood at 82.9% of GDP in 2023, down from 92.7% in 2022, while external debt reached 43.3% of GDP in 2022. By 2024, the economy was nearing collapse and Ghana had lost access to international financial markets. As a result, the government sought IMF budgetary support, underscoring the severity of the crisis and the urgent need for external assistance to restore financial stability.

Monetary stability



Fiscal stability



Ghana has monetary and fiscal management structures and policies in place; however, they have been ineffective. Excessive borrowing has remained a challenge across administrations. The recent NPP government accumulated high levels of debt based on optimistic growth and revenue forecasts. As economic growth remained weak – partly due to external shocks – the country slipped into a current debt crisis.

To restore stability, Ghana implemented debt restructuring and fiscal reforms. With support from the IMF and World Bank, the country launched extensive debt restructuring programs, including the Domestic Debt Exchange Programme (DDEP), which provided some relief from repayment burdens. Alongside these measures, spending cuts and revenue mobilization efforts contributed to some stabilization in public finances. Key steps included raising VAT from 12.5% to 15%, introducing the e-levy on electronic transactions, reducing fuel subsidies, and conducting payroll audits and restricting recruitment in the public sector. Government consumption fell from 8.0% of GDP in 2021 to 5.9% in 2023, reflecting efforts to restore fiscal discipline.

However, the IMF and other independent institutions still warn that financial sector risks and exchange rate pressures persist, and that long-term recovery will require sustained fiscal discipline. Debt remains a significant burden. In 2024, Ghana allocated nearly 10% of its revenue to debt servicing – exceeding its expenditure on health care.

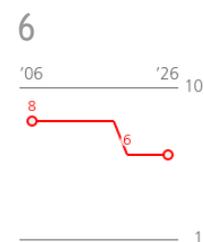
9 | Private Property

Private property rights in Ghana are generally protected under a well-established legal framework. However, traditional and communal usage practices sometimes conflict with private ownership. Weaknesses in the rule of law – particularly lengthy legal procedures, corruption and high litigation costs – limit access to justice, especially in rural areas where formal judicial structures are weaker.

Ghana’s land tenure system is pluri-legal, combining statutory and customary law. About 20% of land is state-administered, while traditional authorities control the remaining 80%. Foreigners, including investors, cannot purchase land but may lease it. Land registration is often slow and complicated due to inconsistent records, making it difficult to verify ownership or secure clear titles – posing significant risks for investors and buyers.

The government has launched several reform initiatives to improve land administration, most notably the Land Act 2020 (Act 1036). This legislation aims to harmonize statutory and customary land laws, decentralize land services, and accelerate registration through digitalization.

Property rights



Despite these efforts, progress remains limited. According to the International Property Rights Index (IPRI), Ghana experienced a slight overall decline in 2024 with a notable drop in the subindex for physical property registration since 2022. This suggests that registration challenges remain, even under the new legal framework. Intellectual property protections receive the weakest score; copyright and trademark rights are rarely enforced, especially in the informal sector. Nonetheless, Ghana remains the fourth-highest ranked country in Africa on the IPRI.

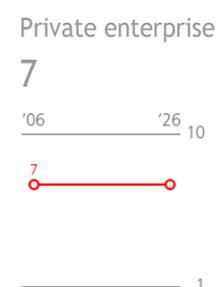
Strengthening property rights and improving land tenure security remain essential for Ghana's sustainable development. Weaknesses in legal enforcement and bureaucratic hurdles continue to hinder property rights protection and economic development. The pluri-legal system presents unique challenges, and attempts to reform registration and administration have not yet achieved the intended results.

Private companies play a significant role in Ghana's economic policy and the state generally encourages the private sector to contribute to the economy. However, Ghanaian governments have traditionally sought to retain control over economic planning. Privatization efforts often stall due to strong public opposition and concerns that private actors may fail to meet their obligations in essential services. Corruption cases in public-private partnerships have fueled skepticism about whether privatization serves the public interest. The newly elected Mahama administration has signaled a commitment to greater private sector involvement to increase efficiency, including the potential partial privatization of state-owned enterprises such as the Electricity Company of Ghana or the restructuring of COCOBOD.

Large state-owned enterprises continue to dominate sectors such as utilities. Limited government efforts to create opportunities for private investment hinder the private sector from making a more substantial contribution to the economy and restrict opportunities for economic growth.

Access to capital remains a significant challenge for small- and medium-sized enterprises in Ghana, as banks are often reluctant to provide loans and interest rates are high. Limited public support for helping small- and medium-sized enterprises obtain affordable loans further exacerbates the issue. FDI is concentrated in a few capital-intensive sectors, particularly mining and petroleum, and primarily goes to medium- and large-scale companies. This concentration of FDI has limited the diversification of Ghana's economy, leaving it vulnerable to fluctuations in specific sectors.

Weaknesses in material infrastructure and unreliable energy supply are additional structural challenges for entrepreneurs in Ghana. Inadequate infrastructure makes it difficult for businesses to transport goods and services, increasing costs and decreasing efficiency. President Mahama's newly announced \$10 billion Big Push infrastructure program aims to address these gaps, but fiscal constraints linked to Ghana's high debt burden may limit its reach and long-term impact.



10 | Welfare Regime

Establishing social welfare regimes is one of the biggest challenges for lower-income countries. In Ghana, 30 years of electoral competition have driven the expansion of public welfare programs, resulting in a comparatively well-developed system. However, compared with high-income country standards, social welfare provisions remain weak.

Most programs operate through indirect contributions, primarily via the Social Security and National Insurance Trust (SSNIT), Ghana's main public pension scheme. Because participation is tied to formal employment, large segments of the population remain uncovered. Although voluntary enrollment is available, uptake among informal workers is low.

Ghana's National Health Insurance Scheme is quite exceptional by regional standards, providing partial coverage for essential services such as consultations, maternity care and treatment of common diseases. However, the scheme is underfunded, voluntary and marked by significant coverage gaps. While targeted programs address malaria and HIV/AIDS, overall access to health care remains limited. Life expectancy stood at 63.9 years in 2021 and public health care spending was 2.2% of GDP.

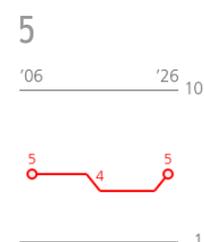
Ghana's education sector benefits from several social programs, including the Capitation Grant, which subsidizes school fees, and the Ghana School Feeding Programme, which provides daily hot meals to primary school students. The removal of secondary school fees, a flagship initiative of the NPP government (2016–24), significantly expanded access and remains popular, but high costs raise concerns about adverse effects on educational quality.

Another important program is Livelihood Empowerment Against Poverty (LEAP). Established in 2008, it provides financial aid and health care support to 250,000 vulnerable households, including orphans, people with disabilities and elderly people. In addition, basic goods such as food are exempt from VAT, although fiscal adjustments have sparked discussions about cutting back these subsidies.

Despite Ghana's recent economic crisis, the government, with IMF support, expanded key social welfare programs to protect the most vulnerable from the impact of austerity. Soaring inflation required emergency measures, including a doubling of LEAP cash transfer benefits in 2023 and 2024. Contributions to school feeding and health insurance have also risen, ensuring continued access to essential services.

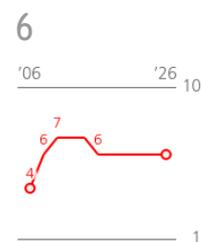
Beyond state support, informal safety nets play an important role. Extended family networks provide critical support during crises, and religious organizations, civil society groups and private donors complement state welfare through formal and informal channels. Remittances also play a major role, with \$4.8 billion sent to Ghana in 2023 – equal to 6% of GDP, according to the World Bank.

Social safety nets



Ghana has made notable progress toward gender equality, particularly in education. The Gender Parity Index (GPI), which measures female-to-male enrollment (1.0 = parity), reflects this trend. In primary education, Ghana's GPI score rose from 0.84 in 1990 to 1.02 in 2020, indicating that girls are now enrolled at the same rate as boys. Secondary education followed a similar trajectory, increasing from 0.66 to 1.0. The most significant gains have occurred in tertiary education, where Ghana's GPI score rose from 0.28 in 1990 to 0.96 in 2023. Although overall tertiary enrollment remains low at 22%, it is growing steadily – especially among women, who may soon outnumber men in Ghana's universities.

Equal opportunity



Gender disparities persist in adult literacy and economic life. While Ghana's overall literacy rate reached 87% in 2023, a gap remains between men (91%) and women (84%), according to World Bank data. In the labor market, many women remain concentrated in low-wage informal employment. Although Ghana has a legal framework regulating labor rights, enforcement is weak. In urban areas, traditional gender norms continue to place a double burden on women, who are expected to balance careers with full responsibility for household and caregiving duties. Women's political representation remains low but has improved: after the 2024 election, women held 41 out of 275 parliamentary seats – a record high.

There is no systematic religious or ethnic discrimination in Ghana. The state and society are committed to inclusion, and the peaceful coexistence of diverse cultural traditions, languages and religions. However, co-ethnicity and shared religious affiliations can influence social and economic interactions, which may lead to preferential treatment based on shared language or religious connections. Foreign nationals also face little overt discrimination, though tensions occasionally arise – particularly between Ghanaian and Nigerian traders – when ECOWAS mobility rights appear to conflict with local interests.

The situation for LGBTQ+ individuals has sharply deteriorated. In early 2024, the parliament passed the Proper Human Sexual Rights and Ghanaian Family Values Bill – one of Africa's most restrictive anti-LGBTQ+ laws. It criminalizes queer identities and bans advocacy or support, imposing harsh penalties, including prison sentences for acts such as renting housing to LGBTQ+ individuals. The Supreme Court upheld the law's constitutionality in December 2024, sparking widespread criticism from human rights lawyers, but the law must be reintroduced in the parliament following the election. President Mahama has pledged to support its passage. Debates surrounding the bill were marked by hostile rhetoric, and revealed deeply conservative attitudes across the country's political, civil and religious leadership. This climate has fostered fear among LGBTQ+ individuals, who face growing risks of violence. Open expression of queer identities in Ghana has become nearly impossible and extremely dangerous.

11 | Economic Performance

Following a deep economic crisis, Ghana's economy is showing signs of stabilization, with renewed growth and easing inflation. The Akufo-Addo administration (2017 – 2025) pursued ambitious economic plans but based them on overly optimistic growth and revenue forecasts. The combined shocks of COVID-19 and the Russian invasion of Ukraine led to slowing growth, and the government resorted to excessive lending to compensate for revenue shortfalls.

The consequence was a severe debt crisis and a sovereign debt default. Inflation peaked at a 21-year high of 54.1% in December 2022 and remained above 20% in 2024. GDP growth, which had reached 6 – 8% between 2017 and 2019, fell sharply to 0.5% in 2020, rebounded to 5.3% in 2021, then slowed again to 3.8% in 2022 and 2.9% in 2023, leaving GDP below pre-pandemic levels. The crisis led to a dramatic rise in the cost of living and declining living standards, hitting poorer people – whose supply of essential goods depends on a flourishing informal sector and stable prices – hard.

In response to the crisis, Ghana entered an IMF emergency program. A major credit facility helped restore investor confidence, while debt restructuring, revenue-enhancing measures, budget cuts and tighter monetary policy helped stabilize the economy. By 2024, real GDP grew by 6.3% in the first three quarters and provisional real GDP was estimated to have increased by 3.6% in the fourth quarter, according to the Ghana Statistical Service. While the oil and mining sector remained a key driver, the recovery is not solely based on extractive industries. Construction expanded by 9.0%, and the information and communication sector grew by 15.9%.

The economy continues to benefit from donor support and high levels of remittances, which accounted for 6.4% of GDP in 2023. However, official development assistance has declined as a share of GDP and is expected to fall further, reflecting global trends, including the growing influence of right-wing populism in Western countries – trends that challenge multilateralism and development aid.

Persistent challenges include high inflation, limited fiscal constraints due to high debt and currency volatility, which may hinder the country's ability to implement reforms and invest in infrastructure. Nonetheless, Ghana remains one of sub-Saharan Africa's most dynamic markets due to its democratic stability, decent protection of property rights and ongoing efforts to improve the business environment.

Output strength

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12 | Sustainability

Ghana has been an active participant in global climate governance, having ratified the U.N. Framework Convention on Climate Change (UNFCCC) in 1995, the Kyoto Protocol in 2003 and the Paris Agreement in 2016. Its national climate strategy (2020 – 2030) aims to reduce emissions by 64 MtCO₂e through 19 policy actions focused on renewable energy, disaster resilience, ecosystem restoration and social inclusion. Public support for climate action is relatively strong. According to Afrobarometer (2024), around half of Ghanaians are aware of climate change and two-thirds of them recognize it as human-made. Notably, nearly 70% agree that the government should take immediate steps to address climate change, even if it comes at an economic cost.

Despite broad commitment, environmental issues play a subordinate role in political and economic decision-making, and are often overshadowed by more immediately pressing concerns, such as addressing poverty and strengthening state institutions. Ghana lacks adequate environmental monitoring, and policies are often not properly implemented due to funding deficits and inefficient use by the ministry overseeing the respective policy area. While plans are ambitious, weak oversight and enforcement undermine environmental regulations. The environmental consequences of investments are typically scrutinized only when donor assistance or international agreements are involved.

Prevalent corruption often causes severe environmental damage. The 2024 galamsey crisis exposed the lack of control over illegal gold mining. Rising gold prices and the economic crisis led to a boom in unlicensed mining activities, resulting in severe river pollution and the destruction of farmland. The issue gained national prominence in 2024 with major protests demanding immediate action, forcing the government to introduce emergency measures to contain the practice. There are also latent concerns that potential environmental hazards in the emerging oil sector are insufficiently addressed.

Ghana's tax system has only recently begun to address environmental issues. The 2023 Emissions Levy Act introduced a carbon tax on vehicles and businesses based on emission levels – placing Ghana among the few African countries to implement such a measure. In early 2024, the parliament also approved an eight-year import tax exemption for electric public transport vehicles.

Air quality has deteriorated in major cities due to the growing number of vehicles, particularly among the emerging middle class. However, investments in sustainable energy – especially hydroelectric power – have increased, driven by both environmental goals and the availability of water resources. Growing tourism and localized public awareness campaigns have reinforced environmental consciousness in some regions. Nevertheless, sustained advocacy from donors and civil society will remain essential to keep environmental sustainability on the national agenda.

Environmental
policy

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Despite budgetary constraints and institutional shortcomings, Ghana has steadily improved its education system. School attendance has grown substantially over the past two decades. By 2022, 94% of children were enrolled in primary school, while secondary school enrollment reached 77%, according to the World Bank. Following the removal of secondary school fees in 2017, secondary school enrollment increased substantially. While tertiary enrollment remains relatively low at 22%, it has expanded rapidly.

Ghana has a well-established university landscape. The most recognized public institutions include the University of Ghana in Accra, and Kwame Nkrumah University of Science and Technology. Both universities appear in global rankings such as the Times Higher Education and QS, with placements ranging from 800 to 1500. While this reflects international recognition, it also highlights a significant gap compared to the world's top institutions. In addition to public universities, some ambitious private institutions are gaining prominence. Ashesi University, for example, ranks ninth in the 2024 Times Higher Education Sub-Saharan Africa University Rankings.

Vocational training remains the weakest aspect of the education system, marked by a significant level of informal and uncertified instruction. Recently, the government and donors have prioritized practical training, and implemented reforms in the Technical and Vocational Education and Training (TVET) system, which offers various certificate programs ranging from one to four years. With the removal of tuition fees under the Free TVET for All initiative, participation in TVET programs grew substantially to about 150,000 students in 2023.

While abolishing fees for secondary schools and TVET increased enrollment, it has also strained quality, leading to a higher teacher-to-pupil ratio and deteriorating learning conditions. Data confirm that funding has not kept pace with rising student numbers. The share of education spending in GDP fell from 3.72% in 2019 to 3.12% in 2024, while its share of total government spending dropped from 15.8% to 12.7%, remaining below the internationally recommended 15–20% range, according to Ghana's Education Budget Brief 2024. Although nominal education spending has grown, inflation has reduced its real value since 2019.

Overall, Ghana is on a positive trajectory, expanding access to education, implementing key reforms, and maintaining a broad network of primary, secondary and tertiary institutions. However, without increased funding, challenges such as overcrowded classrooms, teacher shortages and resource deficits may continue to adversely affect the quality of education and limit the positive impact of reforms.

Education policy /
R&D

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Governance

I. Level of Difficulty

Ghana shares some of the typical structural constraints of other African countries, including persistent poverty, infrastructure deficits, developmental disparities, corruption and administrative inefficiencies. However, Ghana has made some progress in overcoming these challenges. Since its democratization in 1990, successive governments have increasingly focused on programmatic governance, implementing technocratic reforms to improve the economy, facilitate growth, reform public administration and reduce poverty. With its location on the Gulf of Guinea and abundant natural resources, including gold and oil, Ghana has significant potential for economic and social transformation. However, realizing this potential requires overcoming structural challenges through sustained high growth, greater economic diversification with more value addition and more effective governance.

Despite some progress, poverty and underdevelopment continue to affect a large share of the population. According to Ghana's Multidimensional Poverty Index, nearly half the population lacks access to basic necessities, including health care, education and essential services. While access to education has improved significantly, underfunding, and concerns over quality and sustainability persist.

Infrastructure development has expanded but remains inadequate and unreliable in many areas. Major roads connecting cities have improved but are still two-lane highways, while rural areas often rely on unpaved or deteriorating roads. The power supply remains inconsistent and railway development is still far from providing nationwide connectivity. Regional disparities persist, with northern regions significantly less developed than the south. Efforts have been made to stabilize the energy supply and improve transportation infrastructure, especially railways. However, these capital-intensive projects have faced financial and logistical challenges, with most improvements concentrated in urban areas. Notable progress includes the 2024 commencement of the Tema-Mpakadan railway, linking the country's east to the port of Tema.

Ghana's economy remains highly volatile, experiencing cycles of strong growth followed by severe downturns. The COVID-19 pandemic and the Russian invasion of Ukraine triggered the country's worst economic crisis since democratization in 2023/24, leading to record inflation and a sharp depreciation in the Ghanaian cedi. Rising national debt has also become a major concern, with interest payments accounting for about 17% of total government expenditures in 2024.

Structural
constraints

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A key structural challenge is Ghana's limited revenue base. The projected government expenditure for 2025 is GHS 290.97 billion, translating to approximately GHS 8,558 (about \$650) per citizen, based on an estimated population of 34 million. Several initiatives to increase revenue, such as an electronic levy (e-levy), have shown some success. However, the government's expenditure-to-GDP ratio remains relatively low at about 20.7% of GDP.

Administrative inertia and corruption constitute another cluster of structural constraints, often leading to weak implementation and enforcement of reforms. This is evident, for instance, in the cocoa sector, where a significant share of production is lost to illegal smuggling and in the 2024 galamsey crisis, which exposed the severe environmental damage caused by illegal gold mining and the challenges in controlling such activities.

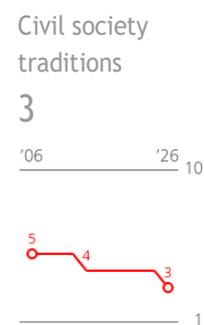
Ghana has a well-established tradition of civil society supported by donor assistance, a regulatory framework and a political culture that allows for freedom of organization and expression. Current estimates indicate there are about 33,000 CSOs in the country. While CSOs often find fertile ground for their activities due to strong self-help and communal support traditions, more modern groups that address complex political issues are primarily concentrated in urban areas.

Civil society groups are outspoken and skilled in using media to express their opinions and engage with the government. However, the politicization of civil society has increased, driven by a two-party system and rising polarization along party lines. As some organizations are manipulated to serve the interests of political parties, distinguishing independent non-governmental organizations from those closely affiliated with political parties or prominent politicians is often challenging.

In some sectors, such as health care, ministries actively involve NGOs to pursue shared objectives, even entrusting them with direct service provision. This suggests a positive relationship between public and nonpublic actors. NGOs have played and continue to play a vital role in the electoral process, particularly in monitoring elections.

The funding of many Ghanaian CSOs relies heavily on donor support, with 70–90% of funds coming from international sources. With global tendencies toward aid reduction and isolationism, the financial viability of CSO work in Ghana is becoming more precarious. The 2025 dismantling of USAID is likely to force many CSOs to lay off staff, with some having to shut down operations entirely. It remains to be seen to what extent the strong foundations and deep entrenchment of civil society can mitigate the consequences.

As public trust in state institutions remains low, CSOs are key intermediaries in Ghana, connecting citizens and democratic institutions. Given their crucial role, CSOs actually require increased funding to strengthen their capacities, particularly to



expand skilled staff and integrate digital technologies. However, current funding cuts, most notably in USAID support, move in the opposite direction and may pose a significant shock to Ghana's civil society foundation. A gradual decline in the sector could threaten the country's broader democratic project.

Generally, Ghana is not a country of intense ethnic, religious or political conflict. A strong social fabric, backed by well-established democratic institutions, ensures stability and prevents large-scale violence. The idea of Ghana as a peaceful country is deeply ingrained in the national identity, and actively promoted by citizens, civil society, and traditional and religious leaders. The National Peace Council, established under the National Peace Council Act of 2011, unites religious and traditional leaders to promote peace and dialogue, mediating sensitive political disputes.

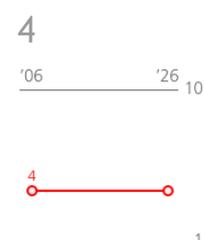
Religious coexistence is a principal norm, and Muslims and Christians frequently pray together at public and private celebrations. Ethnicity plays a role in political competition. Major parties have identifiable ethnoregional strongholds, and suspicions of ethnic favoritism or clientelism occasionally surface. However, there is little evidence that ethnic ties shape resource distribution, and vote shifts within these strongholds show that both parties appeal to voters across ethnic lines.

A growing source of conflict is the competition between Ghana's two major parties. Their strong nationwide organizational networks foster engagement but also partisan division. Afrobarometer surveys indicate increasing polarization, evident in pronounced partisan biases. Parties are expanding their social media presence, using platforms such as WhatsApp to promote one-sided narratives and at times misinformation. Clashes between party supporters occasionally occur, especially during elections. Nevertheless, the peaceful transition of power after the 2024 election suggests that partisan polarization has not yet destabilized political competition.

Another challenge to social cohesion is the developmental gap between Ghana's north and south, which also aligns with a religious divide: the north is mainly Muslim and the south predominantly Christian. However, politicians have largely avoided turning this regional imbalance into a divisive political strategy. Ghana's competitive electoral landscape forces parties to make nationwide programmatic appeals. Still, leaders must balance the sensitive trade-off between investing in the south's strong economic base, which may generate immediate gains, and addressing the north's disadvantages.

The government also needs to monitor influences from neighboring countries, where jihadist insurgencies have fueled political instability. So far, Ghana has remained unaffected, but the risk remains high that armed groups could cross the border to hide, recruit fighters or raid communities.

Conflict intensity



II. Governance Performance

14 | Steering Capability

Ghana does not lack plans and strategies but faces challenges in implementation. Working closely with donors, the country has adopted a pragmatic approach to policymaking within the bounds of constitutional law.

The government is pursuing its goals within the limits of constitutional law. While the recent economic crisis exposed weaknesses in strategic planning, particularly excessive borrowing based on overly optimistic growth projections – the government’s comprehensive response, supported by an IMF program, has demonstrated its capacity to implement corrective measures.

President Mahama’s new administration, in office since 2025, has prioritized economic recovery through a set of strategic initiatives. These include anti-corruption efforts, a \$10 billion infrastructure program – the “Big Push” – and investments aimed at improving education quality. While fiscal constraints may limit implementation, the government’s direction reflects a focused approach.

Nonetheless, mobilizing and organizing expertise remains a major challenge. Ghana struggles to produce the skilled workforce it needs to accelerate development. Brain drain, uneven access to tertiary education and quality concerns undermine human capital development. As a result, the government often relies on external advice – either from donors or costly consultants. Strategic planning units and advisory bodies in ministries are often understaffed, underqualified or disconnected from decision-making. Influential individuals often determine agenda-setting and strategic planning, and some initiatives fail to attract ministerial support, undermining implementation.

Efficiency in implementation is hindered by a relatively inefficient and, in some areas, bloated administrative system with serious challenges in expertise and dedication. Generally, implementation systems face five major challenges: 1) lack of a clear legislative and regulatory framework for administrative tasks; 2) limited autonomy and authority among executing agencies to respond to unforeseen challenges; 3) inadequate risk management measures; 4) weak managerial capacity; and 5) high overhead costs.

Compared to other African states, Ghana performs relatively well in policy implementation. The CPIA Quality of Public Administration rating gave Ghana a score of 3.5 in 2023 (out of a maximum of 6), notably higher than the sub-Saharan African average of 2.8. In areas where successive governments have strongly exerted

Question
Score

Prioritization

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Implementation

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their political will, such as education, long-term goals have been implemented with considerable success. However, this has not always been based on careful strategic planning and has often involved efforts to score political points. The government's Free Senior High School program exemplifies this. While it has expanded access, there are widespread concerns about its negative impact on education quality.

The success of political programs often depends on the strength, ability and willpower of high-ranking officials and decision-makers. Their behavior and priorities greatly influence policy implementation. Sustainable capacity development has been most evident in areas where long-term donor engagement has been reliable or where economic priorities have led to sustained expansion. Corruption, fueled by access to “easy money” from resource revenues, remains a severe problem among both high-ranking and low-ranking public individuals. While the administrative system is still slowed by inertia, change agents can be identified, and reform is taking place, although not always at the necessary speed. Additionally, reform is sometimes stalled once those change agents are removed.

Policy learning occurs in Ghana, but progress is often followed by setbacks, indicating limited institutional memory. Ongoing reforms suggest the government is generally willing to recognize shortcomings and improve policies. However, it is often difficult to determine whether changes stem from internal learning or external pressure – overall, the latter appears to dominate. Nevertheless, when challenges are identified, public institutions tend to respond, particularly under public or media scrutiny.

Yet, recent fiscal mismanagement indicates that key lessons from past crises are only partially adopted. After the 2015 debt crisis, Ghana implemented IMF-supported reforms aimed at restoring debt sustainability, strengthening monetary policy and improving banking supervision. Despite these efforts, the country fell into an even deeper debt crisis by 2022–23, prompting another round of IMF-backed measures. While comprehensive policy responses and signs of recovery suggest learning is taking place, it remains uncertain whether future debt distress can be avoided.

Mechanisms for institutional learning and innovation remain weak. While monitoring and evaluation systems exist, it is often unclear how findings inform policymaking. Academic input plays a role in planning, but its influence is limited compared to international expertise. Openness to external knowledge reflects a willingness to learn, but it risks diminishing national ownership of reforms and reducing the sustainability of innovations.

Genuine policy innovation is rare. Most reforms align with standard liberal development models focused on a growing market economy. Nonetheless, some initiatives show innovative adaptation to local conditions. New tax instruments – such as the e-levy and the excise tax stamp – reflect efforts to address the challenges of a large informal sector. Likewise, digitalization strategies that rely on mobile phones as key access points show promise in tailoring reforms to citizen realities.

Policy learning

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15 | Resource Efficiency

Ghana often does not use its resources efficiently. When efficiency improves, it can often be attributed to outside intervention, as demonstrated by the most recent cooperation with the IMF in 2023.

Public administration faces inefficiencies, including bureaucratic delays and limited professionalism. The system remains bloated, as layoffs are unpopular and politically risky. Consequently, administrative reforms have achieved only partial success. Corruption, a lack of service orientation and misallocation of funds – particularly during election periods – undermine effective governance. High-level political interference is also present. A change of government typically brings a reshuffle in the higher levels of the administration as well.

Ghana's decentralization process has improved administrative efficiency at the local level in some areas. However, central government control remains influential at regional and municipal levels, limiting local autonomy.

An independent auditor-general reviews all government accounts. This office produces annual reports, which are submitted to parliament. However, political interests impede effective implementation of these findings.

Tax collection remains below its potential. Although recent reforms – including the excise tax stamp in 2017, e-levy in 2022 and a VAT increase in 2023 – have boosted revenues, Ghana's tax-to-GDP ratio (14.0% in 2022) still lags behind the African average. Illicit activities such as illegal gold mining and cocoa smuggling further erode the tax base, with key commodities bypassing formal taxation channels.

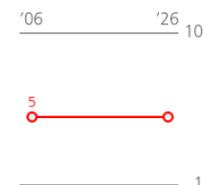
Poor debt management presents another major obstacle to efficient resource use. A fiscal rule introduced in 2018 to cap deficits was abandoned during the COVID-19 and banking crises, leading to excessive borrowing. Public debt soared to 92.7% of GDP by 2022, with interest payments consuming roughly 20% of the budget. While debt restructuring under an IMF emergency program has offered some relief, the fiscal consequences of overborrowing remain severe, with Ghana spending about 20% of its budget on servicing debts in 2024.

Policy coordination in Ghana is often coherent within the same government and, to a lesser extent, across different governments. While competition among parties, party factions, ministers and state agencies exists, these actors usually do not obstruct policymaking when there is strong political will from the center.

Ghana primarily follows a coherent liberal developmental agenda focused on economic growth and improving living standards. However, competing priorities can be difficult to reconcile due to fiscal constraints. For example, efforts to reduce underdevelopment in the north must be balanced against the need to further

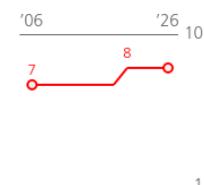
Efficient use of assets

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Policy coordination

8



strengthen infrastructure in the south to unlock industrial growth. Similarly, expanding access to education competes with the imperative to improve quality. Coordination is not always consistent. For instance, the recent removal of school fees was not matched by an increase in the education budget, leaving schools struggling to accommodate rising enrollment.

Donor coordination remains a challenge. Competing donor priorities and the influence of external interests can complicate planning, though this has been mitigated somewhat by Ghana's multi-donor coordination framework. Following major debt crises, Ghana entered IMF programs in 2017 and 2023. While these came with strict conditions, governments have sought to align them with national priorities. Both programs have been implemented coherently and have not faced serious challenges from other internal actors, including the opposition.

Coordination is primarily hierarchical and bureaucratic, with informal and personalized elements. The president exercises considerable power and typically enjoys loyalty from ministers and key allies. Inefficiencies occur due to overlapping responsibilities – both between ministries and their affiliated agencies, and among ministers themselves. The presence of ministers without a clear portfolio can lead to institutional conflicts and counterproductive policies. Cabinet sizes have traditionally been large – for example, Akufo-Addo's administration appointed more than 100 ministers, deputies and regional ministers. In contrast, President Mahama has so far appointed a relatively lean cabinet of 42.

Another obstacle to effective policy coordination in Ghana is that successive governments sometimes abandon public projects, policies and programs. Key examples include the Saglemi Housing Project and Komenda Sugar Factory – both initiated under the NDC and stalled under the NPP. Reasons include partisan rivalry, funding shifts, procurement issues and corruption cases, and the absence of binding legal frameworks that ensure continuity. With each administration favoring new, visible projects over inherited ones, investments and development opportunities are sometimes lost.

Ghana continues to struggle with widespread corruption in the public sector. Successive governments have pledged to prioritize anti-corruption efforts, but high-profile scandals and rising corruption perceptions in Afrobarometer surveys indicate persistent challenges across all levels of administration.

Several legal regulations and institutions shape the country's anti-corruption policy. The auditor-general audits and reports on government expenditures, investigating misuse of public funds. The Public Accounts Committee ensures parliamentary oversight of state finances, reviewing audit reports and questioning officials. The 2006 Whistleblower Act offers protection to informants, while the 2017 Special Prosecutor's Act established an office to investigate corruption. The Economic and Organized Crime Office (EOCO), created in 2010, is tasked with investigating financial crimes, including high-level corruption. Ghana also enacted a right to information law in 2020 to improve access to government information.

Anti-corruption
policy

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Compared to other African countries, auditing of state spending is relatively sophisticated. The auditor-general produces annual reports that are sent to parliament. The reports are often thorough and highlight violations by various state institutions and agencies. However, prosecution of those responsible is rare. The Office of the Special Prosecutor exists for this purpose, but it suffers from limited resources and has not achieved many notable prosecutions since its establishment.

The public procurement system also remains vulnerable, and the monitoring of codes of conduct and similar provisions is weak. With the influx of oil revenue, the Public Procurement Act of 2003 has become more critical, as it is still one of the most comprehensive regulations for administering public tenders in Africa. Scrutiny from the free media has at times helped keep officials in check to some extent and auditing processes have occasionally resulted in damning conclusions.

Challenges also exist in political party financing, which remains an underregulated area. Parties rely heavily on private donors, including wealthy bigwigs, and there are no clear guidelines on donation limits or restrictions on the use of public resources for campaigns. The 2023 Ghana Integrity Initiative report highlighted the absence of robust enforcement mechanisms and legal loopholes.

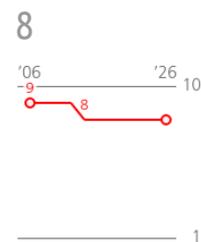
Anti-corruption was a key theme in President Mahama's campaign. New initiatives include the Operation Recover All Loot program to reclaim misused public funds, the Presidential Anti-Corruption Unit and the Special Task Force on Economic Crimes. The administration also pledged to increase funding for oversight bodies, strengthen judicial independence and introduce new rules on state asset disposal. Whether these reforms will be fully implemented and effective remains to be seen.

16 | Consensus-Building

There is broad agreement in Ghana on both democracy and the market economy. Political leaders from both major parties have repeatedly expressed their determination to maintain and improve the democratic system of government. All current indicators point to widespread acceptance of democracy. For most Ghanaians, both elites and citizens, democracy is generally considered the only game in town. However, recently, there have been signs of declining trust in democracy among Ghanaians. Survey data from the 2024 Afrobarometer indicate that satisfaction with democracy is falling, while perceptions of inefficiency and corruption are rising. Repeated economic crises have fueled frustration. While the middle class is expanding, improvements in living conditions for most citizens remain slow. If this trend continues, Ghana's strong democratic consensus may face increasing challenges in the future.

Similarly, a free-market economy enjoys broad support. Most elites and citizens share the view that economic growth and favorable conditions for private business are the best ways to achieve development, increase revenue and create opportunities for

Consensus on goals



ordinary people. Only a few politicians – particularly those from the left wing of the NDC who follow the Nkrumahist tradition – express fundamental criticism of the principles of a liberal market economy. However, the dynamics of the two-party system marginalize smaller parties that may propose alternative models. As liberal reforms and a market-driven approach to generating wealth have generally proven beneficial, the general population is less concerned with whether the market works than with the fact that state intervention has only minimally alleviated discrepancies in the distribution of wealth. Dissent does exist in some specific areas, especially regarding the privatization of public utilities, the role of foreign investment, the growth of state influence and the expansion of social programs.

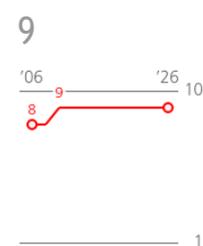
Ghana’s democratic experience spans three decades. For the most part, non-governmental anti-democratic actors are not a pervasive part of the country’s democratic culture. However, public disillusionment with successive governments’ failure to improve citizens’ lives and address ongoing economic challenges has created favorable conditions for potential anti-democratic actors. These actors have not yet emerged in an organized manner. Despite a significant majority of the population endorsing democracy, political actors must remain vigilant to protect the country’s democracy. So far, the government has successfully engaged with all major economic actors, despite multiple ongoing issues.

The political elite shows strong consensus on the political system and its basic principles, but this is less true within the general population. However, this negative trend has not yet resulted in any severe crisis. The opposition operates within the constitutional framework. Dissatisfaction is channeled either through the courts or by forming new parties – or, in some instances, through limited-scale political violence. Election results indicate that most voters prefer to vote for one of the two main parties – these parties accounted for 98.7% of votes in the 2024 elections – rendering opposition candidates outside the two-party system insignificant.

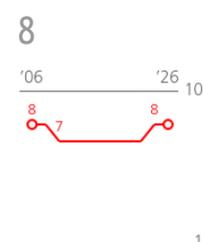
While Ghana generally enjoys broad consensus on political, identity and economic goals, certain cleavages persist and remain vulnerable to exploitation. Over recent decades, politicians have largely avoided divisive electoral strategies. A key reason is Ghana’s highly competitive elections, where performance-based voting leads to nationwide vote shifts and regular turnovers between the major parties. As a result, politicians refrain from actively instrumentalizing these cleavages, as aligning too closely with a particular region or group could cost votes elsewhere. Consequently, conflicts rooted in these divisions have generally been prevented from escalating. However, this equilibrium is not necessarily stable and could be easily disrupted, especially if economic challenges persist.

A key dividing line in Ghana is the developmental gap between the north and south, which also aligns with a religious divide – a Muslim-majority north and a predominantly Christian south. Successive governments have made efforts to improve infrastructure, and provide essential services such as education and health

Anti-democratic
actors



Cleavage /
conflict
management



care in the north, with notable success. A significant step was the division of the former Northern Region into three smaller regions to enhance administration and representation. However, the south continues to receive most investment due to its higher economic potential and existing success. Going forward, governments must balance regional expenditures to prevent the north from feeling marginalized and to ensure that the structural divide does not become politicized.

Ethnic identities also play a role in Ghanaian politics. The two largest groups – the Akan (particularly Ashanti-Akans) and the Ewe – have long-standing connections to the major parties. The NPP enjoys overwhelming support in Akan-dominated regions, while the NDC reliably secures majorities in Ewe-majority areas. These links continue to fuel suspicions and allegations of ethnic favoritism and clientelism. Recent research does not support such claims and even suggests that governments may sometimes allocate fewer resources to their strongholds to counter perceptions of bias. These findings highlight that Ghanaian politicians often adopt inclusive strategies, aiming to mobilize swing voters nationwide. However, as ethnic political linkages remain a sensitive issue, cases of corruption or questionable resource distribution still pose a risk, potentially politicizing ethnicity and deepening distrust.

Ghana's political elites generally respect CSOs, and encourage their participation in agenda-setting and policy formulation up to a certain level, particularly when the government wants to demonstrate its commitment to transparency or address specific pressing issues.

Politicians can rely on a well-resourced network of CSOs that scrutinize governance and elections, monitor resource allocation, inform public debates, and occasionally assist with policy implementation. Civil society is also engaged once it becomes evident that its support is needed to provide necessary services to the population, such as in the health care sector. Sometimes, specialized NGOs, especially if they are foreign funded, are tapped to overcome a lack of expertise within state institutions. The government has also actively encouraged civil society actors to become stakeholders in the education system to accelerate the progress of initiated reforms.

However, at times, elected politicians and public officials exhibit an aloof or even arrogant attitude. Criticism and findings from civil society actors are sometimes dismissed as unwarranted, disrespectful or politically motivated. In general, politicization of civil society has increased, with some politicians attempting to instrumentalize CSOs for their own ends. Additionally, some organizations with partisan leanings serve as channels for political agendas, making it difficult to assess the true independence of certain groups.

Generally, though, the political elite has come to accept the role of an active civil society, even if this relationship is sometimes strained. Political leaders regularly consult civil society on national issues, and these groups' interests are sometimes considered in policymaking.

Public
consultation

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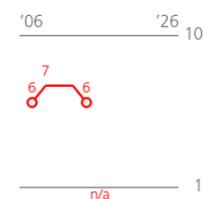


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Apart from the alleged crimes committed during Rawlings' military dictatorship, no historical events require reconciliation. Rawlings' past wrongdoing is no longer a "hot potato" in the political discussion, as his influence, even within his party, diminished before his untimely death in 2020. Ghanaian citizens and the political elite overwhelmingly agree that the past should be allowed to rest. There is consensus that uncovering evidence against Rawlings would undermine general political peace. Moreover, Rawlings' role as a democratizer – who, unlike many former military rulers, eventually ceded power under new institutional rules – has become a key founding myth of Ghana's democratic project. Similarly, the authoritarian era of Kwame Nkrumah is widely idealized, serving as an important reference point for Ghana's political and intellectual identity.

Reconciliation

n/a

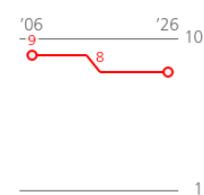


17 | International Cooperation

Support from donors remains essential in funding Ghana's development goals. While the share of official development aid in government revenue has gradually declined, external assistance remains vital for the national budget and essential services. In the long run, the goal is to achieve a "Ghana Beyond Aid," a vision introduced by former President Nana Akufo-Addo in 2017 that continues to shape policy discussions.

Effective use of support

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However, recent economic crises have demonstrated the country's continued dependence on international assistance during downturns. In 2015 and 2023, two IMF emergency programs were needed to stabilize Ghana's economy after a debt default. The recurrence of such crises within a decade underscores Ghana's difficulty in aligning short-term spending – often driven by electoral considerations – with a long-term strategy to reduce dependence on external support. That said, the most recent IMF program is widely seen as successful, not only for stabilizing the economy but also for aligning fiscal consolidation with long-term development goals.

While reliance on donor support can be criticized as dependency, the blueprint provided by international development agreements has helped Ghana achieve many developmental aims, and establish a reputation as a reliable and trustworthy partner. Donor funds are generally well utilized, with the government and civil society partners showing strong commitment to engaging with development agencies and integrating technical expertise. Although Ghanaian institutions sometimes struggle to implement strategic plans and generate data, the country remains proactive in utilizing international assistance to improve governance and facilitate development.

Since the early 2000s, Ghana has sought to diversify its donor base. Traditional donors – including the United States (via USAID), the European Union and the World Bank/IMF – remain the largest contributors, financing key sectors such as infrastructure, governance and social programs. However, China and other emerging partners have gained influence, particularly in infrastructure financing and trade-related investments. The sudden suspension of USAID funding in 2025, which may

cut up to \$156 million in aid, presents a significant financial challenge for Ghana, especially in critical sectors such as health care and education. In response, the government is exploring budget reallocations to sustain essential programs. Given Ghana's positive international reputation across geopolitical camps, it may also attract other development partners to fill funding gaps.

Ghana is an active member of many global and regional bodies. It has signed and ratified most major international agreements and participates in several U.N. agencies. Ghana's positive reputation for democracy and stability has enhanced its international image, increasingly positioning it as a key voice for the Global South in international diplomacy. It is also a leading African peacekeeping contributor, ranking fourth among African countries and 10th globally in multinational peacekeeping operations among all contributing countries as of November 2020.

The broad objectives of Ghana's foreign policy include maintaining friendly relations and cooperation with all countries that seek such collaboration, regardless of ideological differences, based on mutual respect and non-interference in internal affairs. Ghana feels primarily committed to the Global South in international relations. It tends to vote independently of great-power blocs in the United Nations, prioritizing principles of sovereignty, anti-colonialism and multilateralism. However, it also maintains a strong commitment to a rules-based international order and the defense of international law. Ghana was among a minority of African countries that consistently condemned Russia's invasion of Ukraine, while many others abstained or remained neutral in U.N. votes. This stance appears to have been motivated by ideological conviction, not by strategic considerations.

Overall, Ghana is assertive in fulfilling its international obligations, including debt repayment, and generally adheres to trade agreements and international mediation of conflicts that arise. Sometimes, the time between signing and ratifying agreements is too long due to concerns over proper implementation. Donor contributions have helped close that gap, as exemplified by the U.N. Water Convention.

Ghana maintains strong relationships with the Bretton Woods institutions and the donor community. Despite occasional implementation setbacks, it remains a credible, cooperative and constructive partner. Although the repeated need for IMF emergency programs in recent years highlights challenges in adhering to agreed policies and maintaining fiscal discipline during economic crises, the most recent IMF review in December 2024 praised Ghana's progress, emphasizing its commitment to fiscal consolidation, debt restructuring and economic stabilization.

Credibility

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Ghana is deeply integrated into African regional organizations, including ECOWAS, the African Union and multilateral institutions such as the African Development Bank, making it a key actor in regional diplomacy. Ghana's commitment to Pan-Africanism is long-standing and rooted in Kwame Nkrumah's vision. As a proactive ECOWAS member, Ghana adheres to protocols on free movement and trade, and supports plans for a single regional currency. It also plays a pivotal role as a trade hub for landlocked countries such as Burkina Faso, Mali and Niger, facilitating the import and export of goods. In 2019, Accra was chosen to host the Secretariat of the African Continental Free Trade Area (AfCFTA) – an ambitious initiative to create a single market for goods and services across Africa – further reinforcing Ghana's role in driving regional economic integration.

Beyond economic integration, Ghana actively contributes to regional security and crisis mediation. It has participated in ECOWAS peacekeeping missions and joined security collaborations such as the Accra Initiative, which aims to prevent the spillover of Sahel terrorism into coastal West Africa. President Nana Akufo-Addo's tenure as ECOWAS chairman (2020–22) reinforced Ghana's leadership in the region, as he played a key role in rallying the bloc against democratic backsliding.

Recent security turbulence in West Africa's Sahel region – marked by escalating conflicts and military coups in Mali, Guinea, Burkina Faso and Niger – has tested Ghana's regional diplomacy. As a stable democracy and key ECOWAS member, Ghana firmly opposed these unconstitutional takeovers, hosting emergency summits and advocating a strong response. When Mali, Burkina Faso and Niger withdrew from ECOWAS in early 2025, Ghana expressed disappointment, warning of the risks of isolation for these states but remained engaged. Upon taking office in 2025, President John Mahama adopted a more conciliatory approach, initiating dialogue with the juntas and even discussing security cooperation with their new Alliance of Sahel States (AES). Ghana's approach to the juntas exemplifies its regional diplomacy, balancing a firm commitment to democracy and international law with maintaining friendly dialogue even with states that violate these norms.

Regional cooperation

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Strategic Outlook

Ghana's overall outlook is positive, marked by early signs of economic recovery and another successful transfer of power following the 2024 election. However, significant challenges remain and will require sustained reform efforts.

A central priority is improving the state's financial foundation. Many key sectors remain underfunded, while high interest payments limit fiscal flexibility. Strengthening tax administration and broadening the revenue base are crucial to financing developmental investments and reducing reliance on external borrowing.

Although Ghana has revitalized growth following a near collapse, the structural transformation of the economy remains incomplete. The labor market continues to suffer from weak absorption capacity, limited industrial diversification and low levels of value addition. Most of the workforce remains in the informal sector and many university graduates are unable to secure formal, high-skilled employment.

While access to education has expanded significantly, concerns remain about quality – particularly at the tertiary level. Ghana's universities have gained international recognition but continue to lag behind. Enhancing vocational training is equally important to align graduates' skills with labor market demands. Beyond education, reforms to the business environment are needed to unlock the country's economic potential. Reducing corruption and administrative inefficiencies, improving access to affordable credit, and expanding modern transport and energy infrastructure are essential steps to foster entrepreneurship and attract investment.

Ghana's democratic institutions and political freedoms remain strong and resilient, yet warning signs are emerging. Public frustration with the functioning of democracy is rising and partisan polarization is deepening. The growing use of social media by major parties risks creating political echo chambers, undermining cross-cutting dialogue and cooperation. In addition, the expected passage of a highly restrictive LGBTQ+ law criminalizing queer identities and advocacy poses serious concerns, marking a major setback for civil liberties in Ghana.

The international community can support Ghana in several ways. The country enjoys a strong reputation as a reliable partner and has effectively leveraged international aid to advance its development agenda. It is also a vocal defender of international law within the Global South as well as a beacon of stability in West Africa. Ghana's continued success is, therefore, a strategic interest, particularly for advocates of the liberal international order.

Calls for debt relief programs should not be dismissed outright. While reckless lending contributed to Ghana's debt burden, external shocks have played a substantial role. Easing the debt burden would expand the country's fiscal space and enable greater public investment. Energy transition is another key area for development cooperation. Ghana is committed to international climate goals and is well positioned for renewable energy expansion, but it lacks the fiscal capacity to

finance such projects independently. Likewise, strengthened collaboration in education, particularly in vocational training and university research, can help boost human capital and economic diversification. Generally, inclusive development must be a central priority for donors. Only if economic growth translates into visible improvements in livelihoods can public trust in democracy be restored and sustained.