ISSER
Shaping economic discussion and policy in Ghana

Through rigorous research and effective dissemination efforts, the Institute of Statistical, Social and Economic Research (ISSER) is influencing Ghana’s national budget and policies.

SETTING THE SCENE — In 2012, Ghana’s economic growth was 7.2%. While this figure was 2.2 percentage points lower than its target, it was considered relatively high given the worldwide recession. The main drivers of growth were high international prices for Ghana’s major export commodities, which include gold and cocoa, and a strong services sector.

Unfortunately, the government’s stated agenda to implement prudent fiscal policies aimed at macro-economic stability and all-inclusive growth was not achieved in 2012. As evidence of this, national economic growth did not translate into improved standards of living for the country’s citizens. The year ended with a number of challenges with serious economic and social implications, notably a growing budget deficit, unemployment, and underemployment.

WHAT ISSER DID — The Institute of Statistical, Social and Economic Research (ISSER) is located within the Faculty of Social Studies at the University of Ghana and carries out activities to promote the socioeconomic development of Ghana, and Africa in general. Since 1991, ISSER has published the State of the Ghanaian Economy Report, a flagship report that critically examines the performance of the Ghanaian economy. This report discusses important economic and social policies and provides useful development indicators.

The State of the Ghanaian Economy Report in 2012 (SGER 2012), launched in September 2013, was the twenty-second edition in the series. The research agenda, which was carried out over a period of several months, was informed by a combination of the following key factors: ongoing discussion on the economy, informed observations made by ISSER, and key socio-economic issues flowing from ISSER workshops and seminars organized throughout the year. SGER 2012 carefully examined various drivers of the national economy as well as financial and monetary policies pursued by the Central Bank and the resulting effect on fiscal development. Furthermore, the report examined global trends and potential outcomes related to the global economic slowdown, fiscal austerity, and decreased donor funding.

Against the backdrop of evidence-based findings, SGER 2012 made calls for reforms which, if implemented, would bring significant improvement to Ghana’s socio-economic status in the coming years. These included: (i) an end to over-dependence on primary export commodities (such as gold and cocoa), (ii) prudent management of government resources and an effort to increase domestic revenue through an increased tax base, (iii) policies on inclusive growth, with a focus
on the equitable participation of women, youth, and persons with disabilities, (iv) an employment-centered economic growth strategy, (v) sustainable exploitation of Ghana’s national endowments in agriculture, minerals, oil, and gas and (vi) strategic investments in human capital, infrastructure, science, technology, and innovation to enhance the creation of employment and income earning opportunities.

Following the successful launch of the SGER 2012 in Accra, a roadshow was organized in October 2013 in the Ashanti region of Ghana. The road show, in line with ISSER’s policy of visiting a different region each year, provided a platform to further disseminate findings of the report and to interact with the citizenry. A team of speakers explained the report in general terms and responded to questions, thus making it possible for a wider group of people to appreciate the report and the prevailing socio-economic environment. The roadshow events were attended by diverse stakeholders including policy players, research officers, journalists, and students.

THE OUTCOME —The success and impact of SGER 2012 lies in the precision with which relevant socio-economic issues were researched and discussed. As a result, it generated a considerable number of policy discussions at various levels and fora, and became a reference point for many policy makers. Research fellows in the institute were invited to contribute to discussions on various media platforms including the Multimedia Group, which is reputed to be an outstanding platform for discussing important national issues.

Notably, the national budget for 2014 reflected issues discussed in SGER 2012. Key elements of this budget, delivered in November 2013, two months after ISSER’S launch, resonated with SGER 2012 to a considerable extent. The Institute was happy to discover that government, in the aftermath of the 2014 budget statement, had effectively taken steps that would lead to a better economic performance, notably increased efforts towards agriculture modernization, an increase in the value-added tax from 15% to 17.5%, enhanced support to local industries, and the establishment of an Infrastructure fund. Overall, the complex nature of Ghana’s development challenges coupled with limited resources makes the annual SGER by ISSER a crucial and timely intellectual resource that will guide government and policy players going forward.

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