FISCAL ACCOUNTABILITY FOR INEQUALITY REDUCTION: EVEN IT UP!

Oxfam in Ghana: Improved fiscal governance through active citizenship
INTRODUCTION

Since Ghana’s financial crisis of 2013–2014, following the 2012 general elections, Oxfam in Ghana has been at the forefront of efforts to engage citizens, civil society, and global institutions to get the country’s public finance management back on track. Oxfam, together with other civil society organizations in Ghana, has continuously advocated for a public finance management (PFM) system that is both transparent and accountable to Ghana’s citizens and that works to reduce inequality in the country. The levels of transparency and accountability in the government were low, due to the absence of a Right to Information Bill, and to several cases of alleged corruption involving public funds. There are institutions in place that should have budget oversight – however, these lack independence and power. Since 2015, Oxfam’s intervention has focused on influencing international financial institutions and the Ghanaian government, with a strong emphasis on citizen engagement. This case study shares Oxfam’s strategy for influencing Ghana’s PFM system from the top down and the bottom up, combining local-level citizens’ engagement with influencing through international financial institutions.

INFLUENCING ON DIFFERENT LEVELS TO HELP CHANGE THE GOVERNMENT’S PUBLIC FINANCE MANAGEMENT

Based on an assessment of the state of public finance management in Ghana, Oxfam created a strategy to effectively push for the economic reforms that are needed to reverse the tide of the economic crisis, to reduce inequality and poverty and make Ghana’s public finances work for its citizens again. Identifying that the government’s fiscal system and agenda were endorsed and supported by influential donors and international financial institutions, a first step was to persuade these actors to put external pressure on the Ghana government to alter its course. A national-level coalition of civil society actors was facilitated to advocate for change on Ghana’s public finance system. This ensured that pressure was building from the ground up as well as from the top down.

The International Monetary Fund (IMF) and the World Bank were identified as key targets for advocacy around Ghana’s public finance management system. In order to have a strong stance and a broad support base, Oxfam worked in partnership with a range of civil society organizations and institutions such as think tanks, women’s movements and youth organizations, academia, religious and traditional leaders. Together these organizations and groups represented a wealth of experience on issues of taxation, public policies, public spending, gender inequality and citizen engagement. At the same time, it broadened the coalition’s constituency, supporting strong network ties at both the national and local levels. The coalition worked together to produce up-to-date influential economic arguments and to be able to speak the technical language of these global financial institutions.

This platform of collaboration became the Civil Society Platform on the IMF Bailout. It grew into the means by which civil society in Ghana could voice its concerns and recommendations for the country’s public finance management system to the IMF. In particular, during the negotiations between the Ghanaian government and the IMF, the platform put specific recommendations forward: enhancing fiscal discipline, deepening accountability and transparency of both public institutions and corporations, linking stabilization to economic transformation, and pro-poor and pro-development spending on essential services. Putting these measures in place would be an effective way of reducing inequality in Ghana.

The platform not only informed the IMF of their recommendations and demands, but at the same time worked to inform the public of the ‘waste of public money’ due to lack of fiscal discipline, issues of corruption and lack of transparency and accountability, through the Fiscal Recklessness Index. By showing citizens that the total public budget of Ghana is actually sufficient to fund quality essential services such as education, health and support programmes for smallholder farmers, the coalition managed to create awareness among Ghanaians of the need for change.

The process of influencing the IMF and other international financial institutions took place against the backdrop of the Ghanaian presidential elections in 2016. Building on the analysis and recommendations for the public finance management system, Oxfam proposed that the issues of inequality and the lack of transparency and accountability should also be put on the table for
discussion for the elections. Under the title Citizens Decide, Oxfam, together with Muse Africa, Rave Media Group and Friends of the Nation focused on the positive engagement of young Ghanaians particularly, to encourage them to be active for the 2016 elections.

Young people between the ages of 18 and 35 make up almost 50% of all registered voters in Ghana. Knowing this, Oxfam realized that Ghanaian youth could become a formidable force to influence who would become the next president of the country, and who would become the new members of parliament, deciding about the public finance management system. The objective of the Citizens Decide campaign was thus to make young people aware of the fact that they had the power to shape the elections and the future of Ghana.

The entry point for engaging with young Ghanaians was found in music and popular music culture. Looking at how youth defines their generation and their cultural bonds with one another, urban music, lifestyle and entertainment provided the strongest tie between youth across the country. Together with Muse Africa, Friends of the Nation, and the Rave Media Group, Oxfam engaged young people through online and offline platforms, social media and TV shows. The first layer of the campaign was for young people to not only register but actually come and vote for the 2016 elections. The second layer focused on an issue-based agenda that would educate, inform and encourage citizens to vote in a government that would make efficient use of public funds to reduce inequalities and provide for quality public services in health and education.

Oxfam and Muse set up a series of special TV town hall sessions and panel discussions in cities across the country to help young people to connect with key politicians from different political parties and young MP candidates. Famous Ghanaian musicians and other celebrities shared their personal experiences of particular public services and declared their stance on issues such as education, healthcare and job creation in Ghana – and how that has compelled them to take action and vote. Together these musicians, bloggers, young business leaders, the young audience and key politicians pushed for an informed debate on the future of Ghana and the efficient use of public funds to reduce inequality and provide for quality services in education, health and the creation of job opportunities for youth. All these demands were combined together in a Citizens’ Manifesto, building up pressure for change to the Ghana government from the bottom up.
The Manifesto calls on politicians who are seeking young people’s votes to take up the issues that matter most to young Ghanaians. To ensure the longer term engagement of youth, commitments of politicians are tracked from the Manifesto and government officials are asked to give an update on the progress made. This is broadcast on TV to reach more citizens. In July 2018, members of the campaign published the ‘Assessment of Key Commitments and Policy Propositions of the New Patriotic Party (NPP) Government on Fiscal Transparency and Accountability Measures. Tracking commitment is also done online with the hashtag #KeepThePromise sending reminders to the twitter handles of the current President, Vice President and other relevant ministers of state.

What explains the success of this influencing approach?
Two things play a key role in the success of this approach to influencing Ghana’s public finance management system. First, attempting to channel recommendations to the government through multiple levels has really strengthened the message and made it difficult for the government to ignore citizens’ demands. By applying pressure at the international level with the platform, at the national level with a broad-based civil society coalition, and from the ground up by supporting the strengthening of youths’ voice, the agenda for change in public finance management to reduce inequality could not be ignored by those in power. Taking issues that are of concern to ordinary Ghanaians to the global stage, and helping citizens to realize that inequality is not inevitable, has pushed the Ghanaian government to increase the transparency and accountability of the public finance system. The approach has also strengthened connections between Ghanaians, their government, and global financial institutions.

Second, this influencing approach meant joining forces with a different type of organization – other than the traditional civil society partners. In teaming up with big names from the music and entertainment industry, Oxfam and Friends of the Nation managed to broaden and increase their constituency reach to a different type of citizen. Using young people’s interests and their bond with each other as a starting point, and by supporting musicians and key people from showbiz to talk and engage with youth about their vision for the future of Ghana, the approach has helped young people to realize how their voice, demands and wishes can be heard during the presidential elections and after.

PROMOTING ACTIVE CITIZENSHIP THROUGH LOCAL SOCIAL ACCOUNTABILITY
When done right, social accountability – which is about the relationship between a government and its’ citizens – can facilitate holding the government to account while at the same time increasing citizens’ awareness of and engagement in local governance. Key to the social accountability work of Oxfam and partners in Ghana are equity and inclusiveness – mobilizing citizens to be actively involved in the development of their own community.

Together with the Shama district Assembly in Ghana, Friends of the Nation and Oxfam have shown how far the potential of social accountability can reach. By supporting local government to transform from a closed bureaucracy to an open, inclusive and transparent district representation, the Shama district has improved its governance, working with its citizens. This approach has now been branded the Shama model. The model is built around the four dimensions of social accountability, including participation, transparency, social monitoring/audit and feedback mechanisms. Using these dimensions of social accountability, the model developed a medium-term plan, used accountability notice boards and organized yearly People’s Forums.

The Shama government’s medium-term plan for their district had citizen participation as a key component throughout. The different steps in the development of the plan stimulated active citizenship over time. First, a needs assessment was carried out through community visits across 34 communities with a total of 1,500 people actively participating. During these visits, development priorities were gathered from youth, women and men separately to ensure they could speak freely and that their voices were heard. From previous experience, the team knew that when women were asked for their priorities separately from the men in their communities, they would speak more freely and
list a different set of priorities from that of the men. When all priorities were listed and presented to the Assembly together, citizens could vote on the respective importance of the priorities. This resulted in a list of key development priorities for each community which reflected the needs of the overall Assembly. For many citizens, it was the first time they had taken part in such a process, and the first realization that they were key stakeholders in the government’s public spending plans.

When all priorities had been collected, development plans were created on the basis of the key community needs. To ensure transparency was adhered to, these development plans were disseminated to citizens through public hearings. Public hearings helped to create awareness of the plans and provided people with the opportunity to give further input, reflect and give feedback. Seeing that the input from the needs assessment has been taken on board by local government is a step forward in building trust between citizens and their government. Moreover, the development plans of the government show citizens how the tax revenue of the district is spent. After the public hearings, the medium-term plan was validated and adopted into action in December 2014. The overall process for creating the plan took one year.

‘This forum has really informed us on how our taxes are being used to address our needs and aspirations. It is important that public officers periodically account for their stewardship.’
Aba Quansah, local fisherman in Shama.

The People’s Forum has become the key feedback mechanism between the local government and the citizenry. When the medium-term plan was implemented, interaction between the local government and citizens continued through People’s
Forums. Each year, the district assembly would organize a People Forum in which citizens and the assembly discuss current development needs and the progress made within the medium-term plan. Before a Forum, citizens would be informed about ongoing projects funded by the Assembly through posters which were spread across the community for transparency and accountability. These posters provide an overview of the projects, their purpose and the amount of funding per project. The Forums were joined by around 300 people each time, and for those who could not join in person, the Forum was broadcast live on local radio. It is a key example of promoting dialogue between citizens and the government. The Metropolitan Assembly provided the communities with an update on their progress and shared the challenges they had encountered in the projects. The People’s Forums were an essential mechanism to increase social accountability in the district.

What explains the success of the Shama model?

Two factors explain the success of the model. First, the model has been able to show the power of a true participatory approach. Asking citizens to provide input and feedback into the development of district plans is not just a box-ticking exercise; it will actually support the district in realizing the co-created development plans. Informing citizens from start to end has now proved to increase the support and buy-in of citizens for the different projects, and has also increased their willingness to pay tax, seeing that it benefits local development. From the citizens’ perspective, the Shama model shows that if you participate actively, you can shape the development of your own community.

‘Being accountable to the people provides the incentives for the citizenry to pay their taxes, contribute to revenue mobilization and participate actively in decision-making.’ Vincent Mwauli Wordi, Shama Metropolitan Assembly Budget Analyst.

Second, the Shama model has brought increased transparency to the district, both in the revenue collection (tax) and in the spending side of the government’s budget. Providing its citizens with data and figures about revenue collected and spending on different community projects helps them to understand the system. This increased transparency can only work if at the same time it provides an opportunity for citizens to question and comment on the plans and execution, which is what the Shama model also represents. Increasing transparency has, in this way, led to greater trust of citizens in the district government, and has generated a collective sense of ownership over the community’s future.

ACHIEVEMENTS AND IMPACT

In August 2016, a new Public Finance Management Bill was passed in Ghana, which improved the system in terms of transparency and accountability. The new government voted into power has passed the Petroleum Exploration & Production Bill, which holds enhanced provisions for transparency and accountability and which had been pending for five years. It included rules and regulations to sanction corrupt public officers, introduced competitive bidding for oil exploration blocks, and obligates companies to disclose their beneficial owners. The government also has committed to passing the Freedom of Information Bill and a new Minerals Revenue Management Act which would help to track the allocation of revenue from the mineral sector towards social development and local economic growth, and which is re-scheduled for discussion in parliament in early 2019. Although the government has promised improvements in transparency and accountability, in reality the Information Bill has been amended and postponed for approval over the last 19 years. Continued civil society attention is needed to push for the passing of these Bills.

The Civil Society Platform on the IMF Bailout has been transformed into the Economic Governance Platform, through which civil society organizations now focus more broadly on economic governance issues in Ghana, which include public finance management and anti-corruption. In this way, the platform evolved from being a single-issue platform into a more permanent structure through which civil society can funnel its influencing and advocacy efforts towards government.

Following through the key recommendations of civil society on the IMF extended credit facility, and the commitments and policy propositions of the NPP on fiscal transparency and accountability measures, the government enacted a Fiscal Responsibility Law 2018...
(Act 982) and subsequently established a Fiscal Responsibility Advisory Council and a Financial Stability Advisory Council to help address fiscal recklessness in the public financial management system in Ghana. The two councils are to offer independent advice on fiscal responsibility and to ensure the stability of the entire financial system across all the sub-sectors, respectively. This fulfillment of the campaign promise is yet another advocacy win for the Citizens Decide campaign that was initiated in the 2016 elections in Ghana.

In local governance, the Shama model has proved its value by increasing citizen participation in governance processes and improving the Metropolitan Assembly’s effectiveness in local development. This is a crucial achievement, especially when taking into account that the Shama district is located in the oil-rich Western Region of Ghana, where the need is high to translate national petroleum wealth into local social and economic development. With the support of Oxfam and Friends of the Nation, transparency and accountability of the governance of public resources has increased, and development planning processes have been made more inclusive.

The Shama model shows that increased transparency in local governance combined with opportunities for citizens to co-create development plans and hold the government accountable strengthens the contract between citizens and the state and in this case increases tax payments. Local tax collection has increased by an average of 20–30% per year in the last four years. The Assembly has recognized the role of Oxfam and Friends of the Nation in improving the citizen–state dialogue and increasing tax revenue, attributed to the work in the Shama model. The model is shared across the development and governance community. Not only have other districts in the Western Region in Ghana taken on the approach, it has also attracted attention from local governments and civil society in Cambodia, Timor Leste, Tanzania, Zambia, Kenya, Mozambique and Zimbabwe.

WHAT DID WE LEARN FROM THIS WORK?

• Making the effort to analyse what youth are most interested in, which conversations they care about and which artists they are influenced by, has helped to really connect with this generation. By including pop-culture influencers in the civil society conversation about accountability and public finance management, young people were engaged and drawn into the debate. This is a crucial step and starts to enable a new generation of young active citizens to stand up in Ghana.

• Central to both the local and national level governance approaches are Ghanaian citizens themselves. They are the ones who voice their needs, who demand for increased accountability of the government and who are part of the development of their communities. Through organizing and setting up platforms for dialogue, between citizens themselves and between citizens and government, Oxfam supports their voices being heard. Active citizenship is at the heart of this approach.

• Establishing a diverse strategic partnership mix, including civil society organizations, think-tanks and grassroots movements, has been key to strengthening the call for greater accountability in Ghana. Standing together with a unified voice provides the energy and agility for a sustained dialogue with citizens and government. In this manner, we voice a continuous demand for accountability.

• Use global institutions and international influencing spaces as strategic levers for top-down pressure on the national government for increased accountability. The use of the IMF and World Bank influencing spaces in a multi-level civil society-led campaign on accountability with direct representation by citizens can lead to policy reform processes and implementation of improved fiscal responsibility at the national level.
ABOUT THIS CASE STUDY

This case study has been compiled with great contributions from Abdulkarim Mohammed and Mohammed-Anwar Sadat Adam, who have been the main executors of this work at Oxfam in Ghana.

This case study is part of Oxfam’s Fiscal Justice Track Record. This series is a continuation of Oxfam’s Global Track Record on Fiscal Justice [2016] and provides an in-depth update on Oxfam and partners’ fiscal justice and inequality work in selected countries. Oxfam’s F.A.I.R.-EiU program aims to ensure that citizens are empowered to redress inequality of power and influence, so fiscal systems are more progressive, and governments implement tax and spending policies that benefit the many not the few. The F.A.I.R.-EiU program unites the work of Oxfam and partners in more than 40 countries.

In Ghana, this work is supported by Oxfam America.

NOTES

1 Among others, these organizations are the Financial Accountability and Transparency (FAT) Africa, Imani Africa, Centre for Policy Analysis, Ghana Anti-Corruption Coalition, SEND Ghana, Center for Democratic Development–Ghana, Ghana Integrity Initiative, African Center for Parliamentary Affairs, Penplusbytes, Integrated Social Development Center, Civil Society Platform on Sustainable Development Goals and Oxfam in Ghana, Occupy Ghana, and Institute for Fiscal Studies.

2 The platform has since been transformed into Economic Governance Platform, focusing more on the economic governance issues that include public financial management and anti-corruption.


PHOTOS

Page 1: Shama District Accountability Notice Board showing revenue and expenditure related to specific projects being implemented. Photo: Kwesi Amoak

Page 3: TV town hall sessions and panel discussions in cities across Ghana set up by Oxfam and Muse. Photo: Muse Africa

Page 5: Youth Encounter with the Presidential Candidate (Ivor Greenstreet) of the Convention People’s Party. Photo: Muse Africa.