



# THE 2016 GHANAIAN PRESIDENTIAL ELECTION

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## SUMMARY

- The people of Ghana head to the polls on December 7 to elect the West African democracy's next president. Incumbent President John Mahama will face off against Nana Akufo-Addo, who is contesting the election for the third time with promises to reinvigorate Ghana's ailing economy.
- Ghana, a beacon of political stability in the region, is expected to see high voter turnout on Wednesday. The winning candidate must receive at least 50 percent of the vote outright, or else Ghanaians will return to the polls in early January for a run-off election.
- A combination of high national debt, continued borrowing, and allegations of government corruption have put pressure on the current administration, although President Mahama has pointed to recent infrastructure developments and expected economic growth of 8 percent next year as signs of improvement ahead.
- The race remains too close to call but stakes are high, as the next administration will be tasked with resetting Ghana's sluggish economy and public finances, reducing inflation, and fighting high unemployment.
- United Nations Secretary General Ban Ki-moon called for calm amidst high tensions and heightened security ahead of the presidential contest. A survey carried out by Ghana's Center for Democratic Governance found that 54 percent of Ghanaians think political parties or candidates are "very likely" to deploy violence during the election.

## ABOUT ASG

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## A CLOSE RACE FOR A 'ONE-TOUCH' VICTORY

With just days to go before the polls open on December 7, the race for Ghana's presidency remains close. President John Dramani Mahama of the National Democratic Congress (NDC) will face off for his second term in office against two-time contestant Nana Akufo-Addo, who leads the New Patriotic Party (NPP). Ghana's constitution dictates that the winner must secure a 50 percent majority of the vote or enter a run-off, and both candidates are hoping for a 'one-touch' victory on December 7. Opinion polls put the two leaders in a close contest, with the economy and corruption at the forefront of voter concerns, although as demonstrated in elections around the world, polls are not necessarily a reliable indicator of an election's outcome. A third leading candidate, Dr. Papa Kwesi Nduom, a businessman and leader of the

People's Progressive Party, finished third in the 2012 election with 0.59 percent. He is expected to receive just a small percentage of the vote on December 7, but could force the race into a run-off.

## A STRUGGLING ECONOMY

In 2015, the Ghanaian economy grew just 3.9 percent, its slowest pace in 15 years, driven by low global commodity prices, especially low crude oil prices, and the slowdown in cocoa production, the country's biggest agricultural crop. The economic slowdown is combined with high inflation rates of roughly 15.8 percent and persistently high interest rates (Ghana is ranked next to Angola as having the second-highest central bank interest rate in the world). Analysts have decried the Mahama administration's continued spending and borrowing based on expectations of high crude oil prices. The economy is also demonstrating clear signs of stagnation; youth unemployment is approximately 48 percent, far higher than the 12 percent average in sub-Saharan Africa. A ballooning civil service and debt-to-GDP ratio of 66 percent have contributed to countless strikes by professionals in the medical, teaching, political, and judiciary branches over unpaid wages. Mahama's detractors point to investors exiting the market to relocate in neighboring Cote d'Ivoire and a worsening business environment in which the cost of starting a business has increased by 70 percent in the last three years due to rising registration costs and cumbersome structural inefficiencies. Nonetheless, Ghana's growth is still ahead of many developed markets, with the economy expected to expand between 4.1 and 4.3 percent in 2016, and an improving currency after the Cedi dropped 17 percent compared to the dollar in 2015.

### *Allegations of government mismanagement and corruption*

The Mahama administration faces ongoing allegations of ineffective economic policy in response to the country's decline in growth, in addition to accusations of corruption. One of the highest profile claims is the ongoing "Woyomegate" scandal, which implicates President Mahama, the Attorney General, and embattled NDC financier Alfred Woyome, in the failure of the government to recover controversial judgement debt payments made to Woyome in 2008 over an abrogated contract to build football stadiums for the Africa Cup of Nations. Analysts have repeatedly pointed to the NDC's poor economic management and governance, and there have been some noteworthy defections or criticism from within the party, including former Ghanaian President John Rawlings, who has repeatedly criticized the Mahama administration. Meanwhile, Rawling's wife, Konadu Rawlings, defected from the NDC to form her own party, the National Democratic Party (NDP), due to concerns over party corruption and mismanagement.

## CONCERNS OVER ELECTION CREDIBILITY

In recent weeks, opposition parties have voiced distrust regarding the government's ability to conduct a free and fair election, and both the NDC and NPP have been accused of buying votes. The Electoral Commission (EC) and its Chairperson, Charlotte Osei, are under heavy scrutiny, with critics questioning the EC's autonomy from the NDC and its neutrality. In October, the EC disqualified 13 presidential candidates due to minor errors on their nomination forms, a decision that was later reversed by Ghana's Supreme Court. While the EC has historically benefited from high levels of trust, opposition groups are suspicious of Osei, pointing to her battle against instituting a new voter register and irregularities in the list of 128,000 some people cleared for early voting on December 1.



Although analysts do not expect Ghana to face anything close to the levels of violence seen in Kenya's 2007 election, several violent confrontations between party supporters have taken place and tensions remain high. The international community has strongly condemned the violence and called on leading candidates to urge calm within their parties. On December 1, the presidential candidates pledged to follow electoral rules and carry out a peaceful vote. As election watchers from across the region and globe begin to arrive in Ghana, security officials are also preparing for the vote, and the Inspector General of the Police of Ghana has indicated intentions to monitor social media closely on election day for acts of incitement and criminal activity.

## DIVERGENT VIEWS ON MOVING GHANA FORWARD

Against this backdrop, voters face a choice between two long-time insiders to Ghana's political landscape. President Mahama was elected to office in 2012, winning 50.7 percent of the vote in the first round through an effective campaign largely based on his populist appeal. A veteran politician, Mahama previously served as Vice President under President John Evans Atta Mills in addition to holding several cabinet posts. Under Mahama, the NDC has overseen one of the most challenging economic periods in Ghana's recent history, and while Mahama and the NDC place the blame on the global fall in commodity prices and resulting downturn, the country's faltering economic growth and allegations of economic mismanagement have damaged the public's confidence in the government. Mahama's unfavorability ratings range from 20-60 percent and several members of his cabinet, his brother, and even his wife, have been embroiled in scandals and allegations of corruption and fraud. In this year's campaign, Mahama has called for continuity to stabilize Ghana's fragile recovery, pointing to stronger economic growth forecasts ahead ([7.5% by 2018 according to the World Bank](#)), investments in infrastructure, and his government's efforts to reduce spending, including through limiting public sector wages. Critics, however, suggest that Mahama has failed to articulate clear economic policy measures and is simply proposing more of the same. Even with good intentions, his administration will be constrained in implementing major economic policy changes by the International Monetary Fund, following its nearly \$1 billion bailout last year.

Meanwhile, Akufo-Addo and the NPP have campaigned on allegations of government corruption and mismanagement. The NPP leader was a cabinet member in past President John Kofuor's administration, serving as Attorney General and later as Minister for Foreign Affairs. Akufo-Addo, a lawyer by training, is also the son of former President Edward Akufo-Addo, who led Ghana from 1970 to 1972. This is his third time contesting the presidential election, and his second time facing off against Mahama; Akufo-Addo and his New Patriotic Party (NPP) secured 47.7 percent of the vote in the 2012 election.

Since his narrow defeat to Mahama in the 2012 election, Akufo-Addo has worked hard to build his image as an incorruptible and competent politician. Many polls, both national and international, have given Akufo-Addo a slight margin of victory, and his campaign is betting on an electorate eager for change. Akufo-Addo's campaign platform highlights his commitment to address corruption, a key issue for many Ghanaians, restore order to the civil service, and institute targeted economic policies to restore high growth and investment. His economic policy platform is intended to shift the government's focus from taxation to encouraging production, with an overall aim of introducing greater transparency, stability, and fiscal and monetary discipline into the system. Akufo-Addo has positioned himself as the pro-business candidate, promising to reduce the corporate income tax rate from 25% to 20%, abolish the 17.5% VAT on real estate sales, and reduce interest rates in order to help jump start the economy and increase



investor interest. Voters and investors alike may remember that similar policy initiatives helped the NPP transform Ghana into one of West Africa's strongest economies under the administration of President Kufuor from 2000-2008, but whether Akufo-Addo, if elected, can be successful in restoring Ghana's economy to its prior growth rates remains to be seen.

## LAST CHANCE

For both candidates, December 7 is likely to be their last major political contest. Regardless of the winner, a successful and peaceful election will be important to Ghana's economic recovery and the country's standing as a beacon of democracy and stability in the region. Ghana faces a significant need to reign in its wage bill; reduce interest rates, inflation, and government corruption; and get its budget under control. The incoming president will enter office with high expectations to take action, including reducing unemployment, improving state finances, and taking the necessary steps to improve infrastructure and attract investors.

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