# Do the People Matter in Policymaking in Ghana? A Reflection on the E-Levy and Debt Exchange Programs

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**Abstract**

*The extent to which the masses have a say in matters concerning their lives is crucial in governance. It makes a significant amount of knowledge to say that people vote for elected policymakers to make policies that will make their lives better off and not the opposite. However, in the making of policies, the views of the people who either benefit or suffer the ramifications of policies are not taken into consideration. Therefore, the content analysis methodology has been employed in this study to systematically analyze secondary sources about the recent adoption of the E-Levy policy and Debt Exchange Program to ascertain whether the people mattered in adopting and implementing these policies. The adoption of these policies has raised a lot of controversies, with the public agitating and calling for its termination. The government of Ghana, being keen on continuing with the implementation of these policies as the only way out of the country's economic hardship, raises a lot of questions. After a systematic analysis of the literature, the paper argues that both policies were passed without the involvement of the people. The implication of the government's failure to adopt a participatory policymaking approach accounts for the citizenry's loss of trust in the government.*

**Keywords**: *Social Contract, Elitism, Participatory Policymaking, E-levy, Debt Exchange Program*

## Introduction

Now and then, citizens are heard on the print and electronic media requesting the government's aid. Problems such as bad roads collapsed bridges, and lack of social amenities to support basic

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human needs, among others, are part of interventions the citizens of Ghana anticipate daily that the government will fix to mitigate the challenges they are bombarded with daily in the country. While some of these issues are addressed and others overlooked, scholars such as Thomas Birkland and John Kingdon make us understand that as a result of limited resources, governments cannot always pay attention to all the problems citizens in a country are faced with, but a relatively few which are categorized as being on the decision agenda are tackled (Birkland, 2015; Kin141). Dye (2013, p. 3) defines public policy as whatever governments choose to do or not to do. In John Locke's Second Treatise, he maintains that sovereign power resides with the people and that the people surrender this power to a higher authority for the preservation of their property; the higher authority is expected to act for the common good of the commonwealth (Locke, 1980). Inferring from Locke's Second Treatise, it is evident that the people vote for the elected policymakers to make policies that will benefit them. But more often than not, one finds the citizenry protesting against one policy or the other. Sometimes, policymakers pay heed to protests and make the necessary changes. Other times, policymakers go on with the intended policy amidst public outcry. Tisdall & Davis (2004, p. 131) view that the children and youth in the UK are regularly consulted in policymaking. A step taken by governmental departments in Westminster only makes a solid case that the people, regardless of age and class in the society, should have (if not a role to play) a say in the policies made concerning their very lives. The IMF explains debt restructuring or domestic debt restructuring as modifications to the contractual payment terms of public domestic debt (including amortization, coupons, and any contingent or other payments) that are made at the expense of the creditors, either through legislative or executive acts, through agreements with creditors, or both (International Monetary Fund (IMF), 2021). Also, according to the Electronic Transfer Levy Act of 2022, these electronic transfers are levied to generate income for the country. The implementation of this government electronic transaction levy of 1.5% (e-levy), which started in May 2022, ensured that transfers to and from mobile money accounts or bank accounts were levied.

The adoption of these two programs in Ghana raised a lot of controversies, with the public agitating and calling for its termination and the government keen on continuing with the implementation of these policies as it (government) perceives them as the only way out of the economic hardship the country finds itself. Relying on secondary data, this study seeks to draw a distinction between participatory and elitist policy approaches, unearth the consequences of each of the two policy approaches, and ascertain the extent to which the interests and opinions of people count in making policies that affect their own lives in Ghana. Books such as Anderson (2011), Birkland(2015), Dye (2013), Locke (1980), and articles authored by Edelenbos (1999), Hiller, Landenburger & Natowitcz (1997), Kpessa (2011), Mohammed (2015) have been handy in the writing of this piece. Other relevant databases were also helpful for the writing. The databases include Adams(2022), Agyeiwaa-Afrane et al. (2022), Anyidoho, Gallien, Rogan, and Boogaard(2022), Arhinful (2022), and Ahinsah-Wobil (2022).

The study begins with an exposition of the social contract theory as a theoretical framework. It then describes public policymaking and the contrast between elitism and participatory policymaking. Public policymaking in Ghana follows suit. Next, the two cases of E-Levy and Debt Exchange Programs are presented. Finally, the study ends with a discussion and conclusion.

## Literature Review

### Theoretical Framework

### The Social Contract Theory, Elitism, and Participatory Policymaking

According to the social contract theory, man first existed in the natural world without the benefit of a government or any kind of laws governing him. The different segments of society experienced hardship and oppression (Laskar, 2013). They made two deals, known as "PactumUnionis" and "PactumSubjectionis," in an effort to get rid of these difficulties (Laskar, 2013). People sought to safeguard their lives and property by signing the first union agreement to create a society where people agreed to respect one another and exist in peace and harmony as a result of the contract. In order to guarantee the protection of life, property, and, to some extent, liberty of all citizens, the second agreement of subjection brought the people together. It ensured they vowed to obey an authority and surrender all or part of their freedoms and rights to that authority. Thus, the authority, government, sovereign, or state came into being because of the two agreements. In simple terms, the power of the government emanates from the people; hence, the government has been given authority by the people to make policies for the benefit of all in the society. The social contract theory manifests itself very well in a democracy. The theory postulates that the people get to have a say in whatever decision is being taken concerning their lives through their representatives (Locke, 1980).

Reflecting on the above, the members of a society under the pristine form of a social contract do not repudiate their natural rights just for the sake of it, but rather it is to ensure harmony or proper co-existence superintended by the ruler(s). The government or leadership ought to be mindful not to lose their legitimacy due to the lack of faith in their governance by the people or the ruled. This has always been plausible within the community of people or state governed by a government that cannot deliver the public good and still does not shudder to push or implement policies that do not fit well with the masses.

Notwithstanding the above, public policy, like other terms and concepts in social science, is heavily contested. Several scholars have defined the concept differently. For instance, James Anderson, in his book Public Policymaking, defines public policy as a relatively stable, purposive course of action or inaction followed by an actor or set of actors in dealing with a problem or matter of concern (Anderson, 2011).

Birkland(2015) defines public policy as a statement by the government at whatever level of what it intends to do about a public problem. He maintains that the study of public policy is how we translate the popular will into practice. As the social contract theory opines, the translation of the popular will into practice could be seen as the fulfillment of the contract between the people and the government. The popular will is the will or interests of the majority in society, although Birkland argues that the popular will is debatable. Dye (2013) opines that public policy is whatever governments choose to do or not to do (Dye, 2013, p. 3). With no disputations, we infer that a government could choose what it wants to do or not to do but must do it within the confines of satisfying a certain social contract. If the governments could choose what they want to do or not to do with such ease, we may not be discussing a liberal democracy. This government could have illiberal tendencies even if it were democratic. Even if it were democratic, the discerning masses would have their turn in voting that government out of office. Indeed, public policy must be geared toward honoring the social contract that the government has signed with the governed.

Kingdon (2014), however, conceives public policymaking to be a set of processes, including the setting of the agenda, the specification of alternatives from which a choice is to be made, an authoritative choice among those specified alternatives, as in a legislative vote or a presidential decision, and the implementation of the chosen alternative (Kingdon, 2014). These definitions or conceptualizations should suffice in a broader or micro discourse on policymaking, including our current preoccupation. There is a direct aberration from the expectations and norms of a discerning civil society, especially when the rulers subtly or glaringly ignore their role and representation in the policymaking agenda.

**The Contrast between Elitism and Participatory Policymaking**

As asserted by various scholars, public policy is made to meet societal demands, but in reality, it is the governing elite's preferences and values. According to Dye(2013), policies flow downward from elites to the masses because the people the policies affect are viewed as apathetic and ill-informed about public policies, and elites shape public opinions on policy questions. He maintains that changes in public policies will, hence, be incremental rather than revolutionary. Several reasons have been propounded by scholars who support the elite approach to account for why the masses do not dominate the policy process. Some scholars assert that the lack of adequate financial resources and time plays a role (Kpessa, 2011; Rietbergen-McCracken, 2020). Others maintain that the masses do not possess the requisite knowledge and expertise necessary in policymaking (Hiller et al., 1997; Dye, 2013). However, are these enough reasons to deny the people the privilege to participate in the decisions concerning their very lives? According to the social contract theory, the government exists as a result of the people's decision to give up some power to one entity to make decisions for the betterment of the entire society (Locke, 1980). How, then, will the government know what is in the interest of the entire society if it fails to engage the people? Other factors include the tendency of conflict arising among the various stakeholder groups due to their opposing views and the possibility of raising the expectations of the masses that their views will be taken into account. This is not always possible in realpolitik. The tendency for conflict to arise is what politics is about and is an accurate indication of the presence of democracy. The duty of the government is to settle such conflict by ensuring that all stakeholders agree on a consensus. If policies are made on behalf of and in the people's interests, why are they treated as passive agents when making policies that concern their very lives?

Participatory policymaking is a process that approaches citizens more as a group to share in decision-making in which there is an explicit connection between citizens' input and policy decisions (Mohammed, 2013). Peters and Pierre define participatory policymaking as the engagement of ordinary citizens in formulating and implementing public programs (cited in Mohammed, 2013). Edelenbos (1999) opines that participatory policymaking refers to the process of making more room for the contributions of those people and organizations who are affected by policy plans. From the above definitions by these scholars, it can be deduced that participatory policymaking is the exact opposite of elitism, or what Mohammed (2013) calls a bureaucratic style or exclusionary approach to policymaking. Participatory policymaking reflects the central idea of the social contract theory by ensuring that people have the opportunity to have a say in the decisions being made concerning their lives.

Countries such as Austria, Italy, and Ireland have adopted an ICT-based system in what they term as E-government as a means to bring the government to the doorsteps of their citizens, and by so doing, they provide the opportunity for their citizens to participate in the policymaking process (OECD, 2001). In countries such as the United Kingdom (UK), the opportunity to participate in policymaking has extended to children and the youth (Tisdall & Davis, 2004). Participatory policymaking may be in the form of contribution, information sharing, consultation, cooperation and consensus building, partnership, and empowerment (Rietbergen-McCracken, 2020).

Countries have adopted several instruments as a way to enhance public participation in policymaking. For instance, the city of Eindhoven in the Netherlands adopted "digipanel" - a citizens' panel on the internet, which allows a permanent group of citizens to be regularly consulted on different policy issues (Michels & De Graaf, 2010). Other Participatory instruments include information campaigns, consultative techniques such as interest group meetings, town hall meetings, workshops, and circulation of proposals (Mohammed, 2015). According to Michels & De Graaf(2010), participatory democrats argue that delegating decision-making powers alienate citizens from politics.

Some of the benefits of participatory policymaking include the adoption and implementation of better-informed policies (Michels & De Graaf, Examining Citizen Participation: Local, 2010; Rietbergen-McCracken, 2020; Edelenbos, 1999), more equitable policies, strengthened transparency and accountability, strengthened ownership, enhanced capacity and inclusion of marginalized groups and shared understanding of otherwise contentious issues (Rietbergen-McCracken, 2020; OECD, 2001). This ensures that the people are not alienated from the policy process. Michels & De Graaf(2010), just like Edelenbos (1999), assert that citizens may become more competent if they participate in policymaking because they will learn about policy issues and may acquire civic skills, such as debating public issues. Furthermore, the participatory approach leads to the legitimacy of the adopted policy (Michels & De Graaf, 2010; OECD, 2001). Above all these, participatory policymaking strengthens and consolidates democracy (Gramberger, 2001). Elitism, on the other hand, is likely to hamper democracy.

The question that arises is how elitism will hamper democracy. We believe that it comes as a result of the disregard for the consent of the people because the power of the government emanates from the people, even though in a constitutional democracy, a constitution may guide the actions of the rulers and the ruled. In several instances in Africa and elsewhere, when the government reneged or failed to provide the public good and sometimes did not listen to the complaints and expectations of the civil society, it culminated in insurrections and sometimes military interventions. It is critical to note that several uprisings that the continent of Africa has seen sometimes showed a vote of no confidence in the existing government due to woeful economic conditions due to mismanagement and a lack of faith in using elections as a democratic tenet to change government. Elitism disregards the masses; hence, the masses take back their power. In a democratic state, it is always envisaged that the power shall be taken away from the government through the ballot box or democratic elections. However, to emphasize, the people, that is, the governed, may revolt or rely on tendencies that are undemocratic. The reverse is true; when an undemocratic regime is put in place, it further emphasizes the exclusionary bureaucratic tendencies in decision-making or introducing policies and implantation of same.

**Public Policymaking and Ghana's Debt Restructuring Program**

Mohammed (2013) categorizes public policymaking in Ghana into two eras: the democratic era and the undemocratic era. He maintains that the undemocratic era extended from Nkrumah’s administration after the country’s independence to Rawlings’ PNDC’s regime. The democratic era, on the other hand, began in 1993 till date (Mohammed, 2013). He further describes policymaking during the undemocratic era as an exclusionary bureaucratic approach to policymaking where the people have no say in policies adopted and implemented. For example, the Government of Nkrumah superintended the passing of the Prevention Detention Act (PDA) and the Act that made Ghana a one-party state. Also, the implementation of the Economic Recovery Program under Rawlings took an elitist approach (Gyimah-Boadi, 1990). Such policies during that era disregarded inputs, and to some extent, the government did not solicit support from the people. By extension, these governments violated the contract they had with the people, as the social contract theory postulates. Therefore, the policies they made were not directly in the interest of the people from whom they acquired their sovereign power. Sometimes, it is construed with no equivocation that military leaders acquire their power through force. As a result, such an exclusionary approach in policymaking is much anticipated. The constitution is set aside, the people are ruled with decrees, and the might of the military leader and his apparatchiks prevail.

The above notwithstanding, under the fourth republic dispensation in Ghana, opportunities have been presented to Ghanaian citizens to participate in the making of policies that affect their very lives. For instance, the development and implementation of the Ghana Poverty Reduction Strategy I (GPRS I 2003-2005) and the Growth and Poverty Reduction Strategy II (GPRS II, 2006-2009) utilized the participatory approach to policymaking (Mohammed, 2013). Also, the review of the 1992 Constitution and the Reform to Social Security System (RSSS) utilized the participatory policymaking approach (Mohammed, 2015; Kpessa, 2011). Many engagements meant much work and deployment of resources but also good policies that received the people's acclamation, irrespective of the existing limitations that lie therein. The ruled are so inclined to policies that they have contributed to their promulgation and are willing to make sacrifices, if need be, to make them see the light of day and have a glowing success.

Debt exchange, debt restructuring, or debt swap has recently become one of the most used phrases in Ghana's media space. As used by Lazard (2021, p. 2), the term refers to agreements between a creditor and a debtor where the old debt is changed for a new one, providing some financial respite for the debtor and reallocating cash flow to specific goals. Debt exchange, as used by Ghanaian government officials, politicians, and experts, is similar to Lazard's definition above and refers to how the government of Ghana will handle the enormous debt it has accumulated over the years, which many believe is the root of the country's economic difficulties (GhanaWeb, 2023). According to the IMF, debt restructuring or domestic debt restructuring refers to modifications to the contractual payment terms of public domestic debt (including amortization, coupons, and any contingent or other payments) that are made at the expense of the creditors, either through legislative or executive acts, through agreements with creditors, or both (International Monetary Fund (IMF), 2021). The International Monetary Fund (IMF) has warned that COVID-19-related policy changes and economic shocks may make domestic debt restructuring more common. On December 5, 2022, the Ghanaian government unveiled the Domestic Debt Exchange Program (DDEP) for exchanging domestic debt (Financial Stability Council, 2022).

In the aforementioned program, the Ghanaian government offered a voluntary exchange opportunity for a package of New Bonds that the country would be issuing in exchange for about GHS137 billion in domestic notes and bonds, including the Energy Sector Levy Act (ESLA) and Daakye bonds (Financial Stability Council, 2022). Treasury Bills are held by individuals (natural persons) in their entirety, and notes and bonds are not exchanged (ibid.). Individual bonds were added after changes in the program. The news caused some controversy among the general public, the labor community, and other interested parties; in response to strike threats, the government modified some DDEP specifics (GhanaWeb, 2023). The controversy arose due to the government failing to engage the relevant stakeholders of the policy as the participatory policymaking approach postulates it should. According to the government, the goal of this initiative was to reduce debt swiftly, efficiently, and transparently. In this regard, the Government of Ghana has been trying hard to reduce the effects of the domestic debt exchange on investors holding government bonds through the use of an exchange offer (thebftonline, 2022; Ministry of Finance, 2022). It appears the government has been using an elitist approach concerning this policy.

With the DDEP, the government is attempting to change the interest it promised the Ghanaian who provided her with a loan (the bondholder) and the time frame for which the lender is expected to receive his interest and principal back (GhanaWeb, 2023). This defies the very idea of the social contract theory as the government is doing whatever it takes to do things it perceives as correct and in its interests, but on the other hand, it does so to the disadvantage of the people involved. The government's approach toward participants in this domestic debt exchange program seems to minimize the impact on individual bondholders and reassure them that their investments will not be impacted. The government promises not to apply a principal haircut to qualified bonds. Individual bondholders will not be affected by this change and will be able to exchange their current bonds for new ones with extended durations and stepped-up interest rates (thebftonline, 2022). Under the domestic debt exchange, local bonds with 2027, 2029, 2032, and 2037 maturities are being exchanged for new ones with annual coupon rates of 0% in 2023, 5% in 2024, and 10% from 2025 till maturity (Akorlie & Inveen, 2022).

***Reactions toward the Domestic Debt Exchange (DDE) Programme***

As noted earlier, the unveiling of the DDE program caused some uproar, particularly in the labor sector. The government received threats of strike actions and opposition to the program, forcing them to change several program details (GhanaWeb, 2023). Due to the government's failure to consult with bondholders and other stakeholders prior to the program's launch, some individuals and groups believed that, even though participation in the DDE program was optional, the government was imposing the program on bondholders (Adams, 2022; Business Ghana, 2022). It has been argued elsewhere that it is only in an autocratic state that a government could be able to impose its will on the people, but Ghana is a democracy, and for that matter, the approach the government ought to be using is that of participatory policymaking but not the reverse.

The Trade Union Congress (TUC) and the University Teachers Association Ghana (UTAG) are two major organizations that reacted to the DDEP and voiced their concerns or grievances about how it would harm their interests. Being a labor group, the Trade Union Congress was deeply concerned about the DDEP and how it may harm the interests of its members. Given that a sizable portion of employee pensions are invested in government bonds, Congress emphasized that there had been no prior engagement with the labor sector. The Congress also reassured its members that it would continue to advance their interests and that not a single "pesewa" of their pension funds would be lost to the Debt Exchange Program (Business Ghana, 2022). This defies the social contract theory since the government is expected to act in the interests of the people and not otherwise.

The University Teachers Association Ghana (UTAG) stated that it took significant issue with any intervention that would worsen the position of the already struggling university teachers (Modern Ghana, 2022). Their worries centered on the potential harm the DDEP might have on the Ghana Universities Salary Superannuation Scheme (GUSSS) and their Tier Two and Tier Three Pension Funds (ibid.). In a statement, UTAG hinted, "We reiterate our vehement opposition to any strait-jacket implementation of the announced debt exchange program. It should not in any way affect… returns of the hardworking Ghanaian" (Arhinful, 2022; Modern Ghana, 2022). UTAG further stated that they were ready to brainstorm and assist the government with lasting solutions to address the current economic crises (Modern Ghana, 2022). This clearly shows how willing the relevant stakeholders are to cooperate with the government and suggest ways to help the government develop the best policies. The essence of participatory policymaking is for the government to get all the necessary information concerning any policy it wishes to implement. It must effectively do the same by reaching out to the people and coming out with the best policies in the interests of the people, as the social contract theory postulates.

The government's domestic debt exchange program was also opposed by the Ghana Federation of Labor (GFL), representing all recognized trade unions and workers' associations. This was because of potential negative impacts on employees and retirees (Business Ghana, 2022). Mr. Abraham Koomson, Secretary General of the GFL, pointed out that before choosing IMF assistance to deal with Ghana's economic problems, the government had not shown good faith in negotiations with organized labor. To prevent any labor disturbance, the Secretary-General urged the government to respect labor union positions (Business Ghana, 2022).

Financial, political, and economic professionals and think tanks also provided their opinions and expectations of the program in light of the political, social, and economic circumstances surrounding the DDEP. The government faces this opposition because it has taken an elitist approach to the DDE program.

Interacting with Ghanaian Times, Professor John Gatsi, the Dean of the University of Cape Coast School of Business, criticized the government for launching a debt exchange scheme without first engaging creditors in negotiations. He emphasized that debt restructuring was impossible without the participation of creditors (Adams, 2022). He claimed that the government had broken its agreement with creditors by setting its own interest rate and coupon maturity date, claiming that this might undermine investor trust in Ghana's financial market and even portend the collapse of the financial market (Adams, 2022).

Rev. Dr. Samuel Worlanyo Mensah, a Chartered Economist, claimed that the government's proposed debt exchange program did not include practical solutions to the economy's problems. He asserted that the economy urgently requires proactive measures and initiatives to increase investor confidence (Annang, 2022). In an interview with GBC News, Rev. Dr. Mensah remarked that to relieve investor community concerns, the government should stop stretching the truth (Annang, 2022). It is prudent of the government to be truthful to the people, especially in times of crisis, as that is the only way for the people to support the government and trust in their capability and credibility to come out with the right policies to take the country out of such crisis.

The social contract between the people and the government requires trust between the two parties for the contract to hold. The absence of this would be problematic; it does not support why the people would give power to the government in the first instance.

According to another economist, Peter Tekper, the government's debt restructuring initiative is accompanied by financial uncertainty. He advised the administration to proceed with caution since this action would just fuel the panic in the system. He predicted that 2023 would be a difficult year for the nation, saying it is regrettable that problems extend beyond the scope of governments (Annang, 2022).

The government was under pressure to change several DDE details due to the responses and actions of interest groups and individuals. The government issued a statement on January 31, 2023, through the Ministry of Finance, offering new bonds to citizens and retirees (Ministry of Finance, 2023). This is very evident; if the government had consulted the people in the first instance, there would not have been the need to change the several DDE details as it did. A participatory policymaking approach would have prevented all the bottlenecks the government has been presented with concerning the DDE program.

**Regulatory Tools to Mitigate Financial Stability Risks from the Domestic Debt Exchange Program**

The Financial Stability Council issued a statement to evaluate the viability of the DDE and how the government would guarantee the protection of bondholders' and investors' money two days after the DDE was announced. The Financial Stability Council is chaired by the Governor of the Bank of Ghana and has members from the Bank of Ghana, Ministry of Finance, Securities and Exchange Commission, National Insurance Commission, National Pensions Regulatory Authority, and Ghana Deposit Protection Corporation. The Financial Stability Council, established in 2018, is mandated by an Executive Instrument to identify and assess threats, vulnerabilities, and risks to the financial sector's stability (Financial Stability Council, 2022). The Financial Stability Council described in its statement the various steps the government has/is taken to reduce the risks from the DDE. They include regulatory forbearance on liquidity and solvency, Ghana Financial Stability Fund, and accounting treatment.

- **Regulatory Forbearance on Liquidity and Solvency**

  In the first instance, regulated companies and programs that voluntarily participate in the debt operation will temporarily have their regulatory capital and liquidity requirements reduced by the financial sector regulators. Any new regulations that may negatively affect liquidity or solvency will also be suspended or delayed by regulators. Each regulator will eventually inform its regulated firms/schemes of more detailed reliefs (Financial Stability Council, 2022).

- **Ghana Financial Stability Fund (GFSF)**

  The Ghanaian government and its development partners will contribute GHC 15 billion to the GFSF, which is currently being constituted. To the extent that they take part entirely in the Debt Exchange, financial institutions will receive liquidity from the Fund. With effect from the date the Debt Exchange is completed, all financial institutions (banks, SDIs, pension schemes, collective investment plans, fund managers, broker/dealers, and insurance companies) that fully participate in the Debt Exchange are eligible to access the GFSF for increased liquidity support. The Financial Stability Council is creating special operating rules for the Bank of Ghana to operate the Fund. The use of the GFSF will be continuously supervised and advised by the Financial Stability Council (Financial Stability Council, 2022).

- **Accounting Treatment**

  To establish a uniform approach to the accounting treatment given to the Debt Exchange, regulators are already in contact with external auditors of financial institutions and will offer guidelines (Financial Stability Council, 2022).

The Financial Stability Council further stated that it will carefully monitor the results of the above-mentioned measures and the effects of the Debt Exchange on financial institutions and the overall financial system. The measures will be regularly assessed and adjusted when necessary to ensure that they are as successful as possible in preserving the stability of the financial system and safeguarding deposits, pensions, policyholder funds, and investor funds and assets (Financial Stability Council, 2022).

**Ghana's E-Levy Policy and its Ramifications**

Over the years, Ghana has been saddled with much financial constraints in running the affairs of the state. Governments have come into power relying on internally generated revenue and seeking funds from international organizations to engage in developmental projects. Ghana generates revenue through taxes on income and property, taxes on domestic goods and services, international trade, and value-added tax and a major source of domestic revenue mobilization is the collection of road tolls. Governments do this to improve the people's livelihood with the aim of upholding and fulfilling their part of the social contract. The Ministry of Road and Highways directed the discontinuation of road tolls following the announcement by the Ministry of Finance to scrap tolls on all public roads. According to the finance ministry, the government observed that the collection of tolls poses more harm than good, hence the need to abolish collection at all 37 tolls in the country. The minister further stated that the traffic generated at the various toll booths across the country informed the decision (Ahinsah-Wobil, 2022). Just recently, under the auspices of the NPP government, an E-levy bill was proposed to provide a more efficient way of raising revenue in the state.

According to the Electronic Transfer Levy Act 2022, these electronic transfers are levied to enhance revenue mobilization. There is also the argument for broadening the government's tax base to provide for the needs of the citizens and other related matters (Parliament of the Republic of Ghana, 2022). Together with the increasing debt-to-GDP ratio and budget deficit, the government announced this new revenue item in the 2022 Budget and policy statement and set the electronic levy at a rate of 1.75%. The transactions that have been levied include mobile money transfers, mobile money merchant payments, in-store payments using point-of-sale (POS) devices or QR, e-commerce/online payments, and bank-to-mobile money transfers(Agyeiwaa-Afrane et al., 2022). The Ghana Revenue Authority was mandated to collect and account for e-levy. Taxes are meant to build strong and great states. It is required for a good society as long as the social contract theory is concerned. The people, as part of honoring the contract, are expected to pay taxes, and the government does its part by using such taxes to implement policies in the interests of the people. Could it mean that governments just make policies with no consultations? Or can it refuse to engage the citizenry concerning the same?

Proponents of this electronic transfer levy believed it would present an opportunity to tap into the rapidly expanding user base of mobile money services and the profits of their providers while representing a relatively simple and transparent means of collection. This proposed bill was met with great opposition from the opposition party and the ordinary Ghanaians, but it was eventually enacted by the Parliament of Ghana. According to Ackah and Opoku (2021) and Nyabor (2022), as cited in Anyidohoet. al. (2022), the tax was immediately challenged on several grounds, including the notion that it violated principles of taxation by potentially placing a double burden on taxpayers, that e-levy will push lower-income people and small owners out of the digital economy, that it may roll back progress on the digitalization of the Ghanaian economy and increase the hardship of the workers in the informal economy already hard-hit with the COVID-19 pandemic. In research conducted by Appiahene et al. (2022), which analyzed the sentiments held by some Ghanaians on Twitter, they concluded that a considerable percentage of Ghanaians were neither delighted nor unhappy (neutral) with the policy because the average person had little or no awareness of the policy. The vehemence of the NDC Members of Parliament (MPs) and the insistence of the ruling party, the New Patriotic Party (NPP) MPs, resulted in a brawl between the MPs on both sides during voting on the Bill. Again, the government opted for an elitist approach concerning the E-Levy policy. Appiahene et al.'s research proves that if only the government had utilized a participatory approach, there would be minimal to no opposition to the policy because the government would have at its disposal several policy options from which to choose the best.

The then minority leader in parliament, Hon. Haruna Iddrisu, expressed his dissent in parliament as follows: "The financial institutions of this country should not be subject to this punitive, insensitive tax. It would be a disincentive to the private sector of Ghana."

The Bill was subsequently withdrawn by the government. In the face of widespread public opposition to the tax and inability to immediately marshal the numbers to pass it in parliament, the government of the day applied the process Kingdon (Kin141)would call 'softening up', which involved the administration embarking on a nationwide campaign to sell this form of collecting tax to the Ghanaian public (Government of Ghana, 2019). It is evident that the government had no intention of engaging the people and only did so after it realized it needed the people's support to pass the E-Levy bill into law. In a report by Cooper (2022), the ruling Members of Parliament reintroduced the Bill on Tuesday, when many opposition MPs were absent. A surprise move, which analysts had previously said would be one of the only ways for the tax to be passed. There would not be the need for such a move if the government had adopted a participatory policymaking approach.

The implementation of this government electronic transaction levy of 1.5% (e-levy), which started in May 2022, ensured that transfers to and from mobile money accounts or bank accounts were levied. The e-levy impacted mobile money transactions in the following ways: mobile money transfers completed on wallets from the same electronic money provider, mobile money transfers completed via different electronic money providers, bank accounts to mobile money wallets, mobile money wallet to bank accounts, and the like. Though raising money through a levy to promote development is a good thing, the Ghanaian populace was of the view that the e-levy on mobile money transactions would destroy the broader diffusion of the mobile money industry in Ghana. The argument was that the levy would discourage people from using it since it taxes their meager money held in mobile money systems, leading to the disruptive inclusiveness of the unbanked population in the financial and banking industry. The E-levy was imposed on the people, especially considering all the events that accounted for the passing of the bill into law. The people were denied the privilege to make inputs concerning the E-Levy policy, and the government resorted to a more elitist approach with regard to the same.

According to the government of Ghana, the e-levy tax, which covers mobile money payments, bank transfers, merchant payments, and inward remittances, was estimated to raise up to 6.9 billion Ghanaian cedis in 2022 (Cooper, 2022).

## Materials and Methods

With the prime motive to explore the extent of public influence on policies in Ghana, this paper employed the content analysis approach to systematically analyze the content of appropriate secondary sources like books, academic journals, reports, and reputable websites pertinent to the topic under review. Some of these materials were sourced from popular publishing websites like Wiley, Springer, Taylor and Francis, and Elsevier. Books such as Anderson (2011), Birkland (2015), Dye (2013), Locke (1980), and articles authored by Edelenbos (1999), Hiller, Landenburger & Natowitcz (1997), Kpessa (2011), and Mohammed (2015) have been instrumental in the writing of this work. Other relevant sources that were consulted in the writing include Adams (2022), Agyeiwaa-Afrane et al. (2022), Anyidoho, Gallien, Rogan, and Boogaard(2022), Arhinful (2022), and Ahinsah-Wobil (2022).

Using secondary sources through document analysis enables researchers to verify information, identify trends, and make grounded conclusions, leading to the overall validity and credibility of the work. Therefore, through employing such a method, we have made a great deal to systematically examine existing documents in the crafting of this contribution in order to draw reliable conclusions that are useful for policy, among other things.

## Results and Discussion

### Did The People Matter in the Domestic Debt Exchange Program and the E-Levy?

In the discussion section, we turn our attention to the question, did the people of Ghana matter in the domestic debt exchange program and the E-Levy policy? As previously stated, the government decided to restructure or swap its bonds for new ones modified with new interests and new durations in order to get the interests and principal as stipulated in the DDEP due to the economic crisis that the Ghanaian economy was experiencing. When the initiative was announced, there was some uproar in the finance and labor sectors as worried interest or labor groups opposed the program to defend the "interests" of their members. Although the government repeated that participation, particularly by private bondholders, was highly optional, the actions of these groups led it to omit pension funds and include individual bonds (Ministry of Finance, 2023). The government claimed it could close the DDEP with over 80% participation of eligible bonds as of the time of writing (Ministry of Finance, 2023).

Ghana's politics require transparency, responsibility, and participation as a democratic nation. Transparency is required in the sense that all government actions should be carried out in an open manner for everyone to see and to know. Accountability is also essential to help the government to take full responsibility for its actions and respond honestly to the public and other stakeholders. Also, the participation of the citizenry is very crucial. When the government engages the public or civil society and other stakeholders in its actions, it can gain more support from the populace and make a meaningful impact on the right policies and the implementation of the same to better the lives of the citizens of Ghana.

There was no prior consultation with the financial industry, individual bondholders, stakeholders, or the general public, despite the fact that the government made participation in the DDEP voluntary, especially for individual bondholders. There were no 'softening up', as Kingdon (2014, pp. 127-131) terms it, to educate the people and create awareness of the DDEP to ensure favorable passage with little or no opposition. Likewise, in the E-Levy policy, the government only felt the need to engage the people through the town hall meetings when there were a lot of agitations concerning the policy. The aim of the town hall meetings was to explain things to the public and get their support but not to ask for their views and other inputs per se.

Answering the question, "did the people matter in the domestic debt exchange program?" is a more complicated issue than treading a horse through the hole in a needle. The government claims the DDEP is essential to help protect the economy and enhance Ghana's capacity to service its public debts effectively. Significantly, the protection of the economy is and should be done in consultation with the various stakeholders. Such consultation should result in the satisfaction of both parties (the government and the bondholders). As earlier noted by Prof. Gatsi, the government's choice of strategy and determination of its own interest and maturity date of coupons will or may dampen investors' confidence. As previously stated, decreased investment portends terrible news for the banking sector, which significantly impacts the people. According to the IMF (2021), such domestic exchange programs are carried out at the expense of the creditor, in this case, the typical Ghanaian. Given the lack of prior engagements with the people, it is difficult to state that the people mattered in the adoption, design, and implementation of the DDEP.

Regarding the E-Levy, the issue of whether the presiding speaker could vote had to be settled in court. In order for the majority, the New Patriotic Party (NPP) in parliament to get the Bill passed, irrespective of the stiff opposition by the NDC, which was further exacerbated by a hung parliament, including the absence of Hon. Adwoa Sarfo, the government did not seek for a compromise or a consensus building. This amplifies the government's lack of interest in the desires or expectations of the masses within the state concerning the E-levy.

The two policies under discussion were policies the government pushed and got passed as a result of the financial crisis in the country. Others have questioned whether these are the only ways out of Ghana's economic or fiscal challenges. Indeed, it can be argued that the DDEP and the E-levy policies were passed and/or engineered without consulting the people to give them the opportunity to have a say in determining their own destiny. The government adopted an elitist approach regarding both policies, but a participatory approach would have been much better.

## Conclusion and Recommendations

This research discussed the art of policymaking within the theoretical framework of the Social Contract Theory. It also sheds light on the contrast between elitism and participatory policymaking. The focus of the research, however, was on policymaking in Ghana. The paper continued by analyzing the Debt Exchange Program and the E-levy. Among other things, it found that both policies were passed without the involvement of the people. In other words, the people had no special say regarding either policy. The public and relevant stakeholders were consulted only when passing the E-levy, which, in particular, became difficult. The struggle the government went through in order to get both policies passed only proved the lack of support for them. Both policies were imposed on the people from whom the government derived its power and sovereignty to make policies on their behalf and in their interest. This defies the spirit and soul of the social contract theory.

The implication of the government's failure to adopt a participatory policymaking approach regarding both policies is the citizenry's loss of trust in the government. Some people find ways or means to avoid paying the E-Levy. The citizenry would have been willing to adhere to both policies if only the government had made them a part of it. Notwithstanding the new policies, Ghana is still struggling economically. The country is in an economic decadence; the government had to introduce three new taxes, all in the name of generating revenue to curb the economic hardships faced by the country. Elsewhere, citizens might have revolted against their governments because of their failure to adopt a participatory policymaking approach over an elitist approach, especially concerning certain critical and crucial policies.

We recommend that Ghanaians learn lessons from this quandary and hope that subsequent governments will do better in the foreseeable future. Based on the magnitude of the opposition to such policies, the participatory policy approach should be given priority in Ghana as it delves into the significance of involving citizens in the policymaking process, and governments must follow suit.

Further research should explore the enhancement of good governance through participatory policymaking. The information researchers provided suggests that participatory policymaking is "democracy in action." Therefore, it will make a great deal of knowledge if further academic investigation is made on the implications of citizen engagement, transparency, and the overall democratic health of the country. This will, in no small way, unleash the challenges and successes associated with following participatory approaches in the policymaking process in

Ghana. It would also be important to explore the challenges associated with elitist policy approaches and how they can hamper democracy. That notwithstanding, additional research may explore the appropriate times when elitism would be suitable

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